



AAF American Century European ESG Equities

Website Product Disclosure



ABN•AMRO Investment Solutions



Summary

No Sustainable Investment Objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

Environmental/Social characteristics of the financial product

The analysis of ESG factors is systematically integrated into the investment decision making process of **ABN AMRO American Century European ESG Equities** (the “Sub-Fund”). The External Investment Manager defines ESG integration as the process of recognising the financial materiality (or significance) of environmental and social factors as part of the investment process. The Sub-Fund will use a selection of securities complying with ABN AMRO Investment Solutions (the “Management Company”) ESG responsibility criteria.

The External Investment Manager must comply with the Management Company's standards of quality and go through a qualitative selection process before being retained. This process involves an in-depth analysis of the External Investment Manager's corporate social responsibility policy as well as its overall sustainability strengths going from the analysis of ESG professionals, philosophy and investment process. Under the ESG responsibility criteria of the Management Company, the External Investment Manager is committed to conducting both negative and positive screenings as well as taking engagement actions when necessary.

The Sub-Fund promotes both environmental and social characteristics. On the environmental front, the Sub-Fund promotes climate risk management. The social characteristics promoted by the Sub-Fund focus on global human rights and labour standards as well as diversity, equity and inclusion.

No specific ESG-related index has been designated for this Sub-Fund.

Investment Strategy

The Sub-Fund is composed of issuers that are either leading in ESG practice or attractive due their progression in ESG. In assessing the sustainability of earnings growth, the Sub-Fund integrates the analysis of potentially material risks and opportunities arising from ESG issues within the fundamental research process. ESG key material issue mapping is guided by the External Investment Manager ESG integration framework. The ESG integration process is guided by a three-layer analytical framework seeking to:

- (i) Identify macro-level ESG issues impacting market dynamics,
- (ii) Determine which of these issues are relevant at sector level, and
- (iii) Evaluate ESG materiality at the issuer level.

The evaluation of macro and sector-specific key ESG issues draws upon internal inputs and external inputs including those from government, NGOs, and third-party ESG data providers.

To calculate the percentage of the portfolio that are environmentally “sustainable”, the team uses a combination of MSCI and proprietary data. For the MSCI data, the score threshold is 8/10 and higher. For the External Investment Manager proprietary data, the score threshold is Average, positive and higher. To assess whether sector ESG issues can result in material risks to a security's valuation or cause a downgrade of its fundamental profile, the External Investment Manager utilizes its proprietary ESG scoring system. The final ESG score is composed of a quality rating and trend signal. The External Investment Manager's proprietary ESG scoring system is based on various quantitative and qualitative ESG indicators and constitute an input into the fundamental research process. ESG Quality Ratings are comprised of an ESG signal and ESG trend signal.

- The ESG ratings are generated by individual E, S and G pillar assessments and corresponding pillar trends. The pillar assessments and trends roll up to the ESG signal and overall trend signal to yield a final ESG Quality Rating. Individual E, S and G pillar assessments, in reference to issuer risk or opportunity management practices, range from Potential Concerns, Modest, Average, Strong, Best-in-class.

- The ESG Trend Signals can be positive, stable or negative.

Proportion of Investment

The Sub-Fund plans to invest at least 90% of its net assets in assets that have been determined as “eligible” as per the ESG process in place (hence in investments that are aligned with the promoted environmental and social characteristics). Consequently, up to 10% of the investments may not be aligned with these characteristics.

Monitoring of the Environmental/Social characteristics

When the Management Company delegates part of the management of the Sub-Fund to External Investment Managers, controls are performed at two levels. With respect to pre-trade controls, the External Investment Managers perform controls using their own frameworks as well as including the guidelines given by the Management Company. With respect to post-trade controls, these are performed at both the External Investment Managers' and the Management Company's level, each using their own frameworks.

The monitoring and oversight of the environmental and social characteristics promoted by the Sub-Fund are undertaken by the External Investment Manager by way of a regular review in an internal governance forum. In addition, the portfolio is reviewed against these indicators internally on a quarterly basis by the Additional Objectives Portfolios (AOP) Group which reports to the Investment Management Committee. The Management Company, through its Business Control & Oversight team, performs periodic ex-post controls to ensure that the portfolio complies with the commitments made. If a "non-compliant matter" is detected by the Management Company, its Business Control & Oversight team will first analyse it and engage in dialogue with the External Investment Manager if necessary. Depending on the nature of the non-compliance, the Management Company's ESG team may decide to monitor it using its proprietary "ESG Watchlist". If the non-compliance persists over time, an escalation process is put in place by the Management Company to ensure a timely remediation plan in the best interest of shareholders.

Data sources and processing

The Management Company monitors the attainment of the environmental and/or social characteristics of the Sub-Fund using its own data providers. The Management Company uses three external data providers as its main sources. Once collected from these sources, the data is integrated and stored in the internal front-to-back tool and/or available in the Management Company's dedicated data management system (which directly and continuously obtains data from the providers). Information is also available via dedicated portals developed by external data providers, access to which is limited to specific users of the Management Company.

The External Investment Manager will utilize data from third-party data providers (MSCI, Sustainalytics, and ISS) as well as company-reported data, and information obtained through engagement directly with investee companies.

Due Diligence

The Management Company carries out due diligences for the selection of delegated strategies as well as for open-ended investment funds. The Management Due Diligence analysts team (MDD) identifies and selects high quality investment strategies and monitors the universe of approved strategies. The MDD team focuses on all investment and sustainability-related elements of an investment strategy. The Management Company's in-depth analysis is based on a "5-P approach": Parent, People, Process, Portfolio and Performance. Each of the previously outlined aspects is evaluated and ultimately leads to a final rating of the strategy. As part of the monitoring process, the MDD team periodically reviews the performance of the strategy to ensure that it remains aligned with the investment style of the portfolio. The ESG team supports the MDD team in reviewing the process and methodologies implemented by the external asset managers when considering ESG and sustainability issues. The ESG team provides qualitative feedback during the selection phase and supports the MDD team throughout its analysis process, using the “5-P approach” aforementioned. In addition, during the monitoring phase, the ESG team will monitor the Sub-Fund's characteristics and performance related to the environmental and/or social characteristics defined (including the review of underlying investments).



No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.



Environmental/social characteristics of the financial product

The analysis of ESG factors is systematically integrated into the investment decision making process of **ABN AMRO American Century European ESG Equities** (the “Sub-Fund”). The External Investment Manager defines ESG integration as the process of recognising the financial materiality (or significance) of environmental and social factors as part of the investment process. The Sub-Fund will use a selection of securities complying with ABN AMRO Investment Solutions (the “Management Company”) ESG responsibility criteria.

The External Investment Manager must comply with the Management Company's standards of quality and go through a qualitative selection process before being retained. This process involves an in-depth analysis of the External Investment Manager's corporate social responsibility policy as well as its overall sustainability strengths going from the analysis of ESG professionals, philosophy and investment process. Under the ESG responsibility criteria of the Management Company, the External Investment Manager is committed to conducting both negative and positive screenings as well as taking engagement actions when necessary.

The Sub-Fund promotes both environmental and social characteristics. On the environmental front, the Sub-Fund promotes climate risk management. The social characteristics promoted by the Sub-Fund focus on global human rights and labour standards as well as diversity, equity and inclusion.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.



Investment Strategy

Description of the strategy

The Sub-Fund is composed of issuers that are either leading in ESG practice or attractive due their progression in ESG. In assessing the sustainability of earnings growth, the Sub-Fund integrates the analysis of potentially material risks and opportunities arising from ESG issues within the fundamental research process. ESG key material issue mapping is guided by the External Investment Manager ESG integration framework. The ESG integration process is guided by a three-layer analytical framework seeking to:

- (i) Identify macro-level ESG issues impacting market dynamics,
- (ii) Determine which of these issues are relevant at sector level, and
- (iii) Evaluate ESG materiality at the issuer level.

The evaluation of macro and sector-specific key ESG issues draws upon internal inputs and external inputs including those from government, NGOs, and third-party ESG data providers.

To calculate the percentage of the portfolio that are environmentally sustainable, the team uses a combination of MSCI and proprietary data. For the MSCI data, the score threshold is 8/10 and higher. For the External Investment Manager proprietary data, the score threshold is Average, positive and higher. To assess whether sector ESG issues can result in material risks to a security's valuation or cause a downgrade of its fundamental profile, the External Investment Manager utilizes its proprietary ESG scoring system. The final ESG score is composed of a quality rating and trend signal. The External Investment Manager's proprietary ESG scoring system is based on various quantitative and qualitative ESG indicators and constitute an input into the fundamental research process. ESG Quality Ratings are comprised of an ESG signal and ESG trend signal.

- The ESG ratings are generated by individual E, S and G pillar assessments and corresponding pillar trends. The pillar assessments and trends roll up to the ESG signal and overall trend signal to yield a final ESG Quality Rating. Individual E, S and G pillar assessments, in reference to issuer risk or opportunity management practices, range from:
 - o Potential Concerns – Analysis found that the issuer's performance under a given pillar is worst-in-class in respect of best practices identified by the External Investment Manager.
 - o Modest – Analysis found that the issuer's performance under a given pillar is not aligned with best practices identified by the External Investment Manager.
 - o Average – Analysis found that the issuer's performance under a given pillar, while not demonstrating best practices identified by the External Investment Manager, is compliance-based and aligned with sector/industry practices.
 - o Strong – Analysis found that the issuer's performance under a given pillar follows best practices identified by the External Investment Manager.
 - o Best-in-class – Analysis found that the issuer's performance under a given pillar leads best practices identified by the External Investment Manager.
- The ESG Trend Signals are defined as follows:
 - o Positive means the issuer's overall ESG profile or performance under a given pillar is improving over the last three years or that it is projected to improve (outlook)
 - o Stable means the issuer's overall ESG profile or performance under a given pillar is neither improving nor worsening over the last three years.
 - o Negative means the issuer's overall ESG profile or performance under a given pillar is deteriorating over the last three years or that is projected to worsen (outlook).

Good governance practices

As part of its “Good Governance Policy”, the Management Company of the Sub-Fund determines if a company does not follow good governance practices. Companies that do not follow good governance practices are excluded from the initial investment universe of the Sub-Fund. The data source used for all below mentioned criteria and to define the pass/fail good governance test of the Management Company is Sustainalytics

SFDR Component	Indicator	Exclusion Criteria	Description
Sound Management Structure	UN Global Compact - Principle 10	Watchlist and Non-Compliant status	Principle 10 of the UN Global Compact is related to anti-bribery and corruption and states businesses should work against corruption in all its forms, including extortion and bribery.
	Governance controversy assessment	High & Severe Levels (equivalent to levels 4/5 and 5/5)	As part of the controversy assessment, the following topics are included: accounting irregularities, bribery and corruption, anti-competitive practices, sanctions as well as board composition.
Employee Relations	UN Global Compact – Principles 3, 4, 5 and 6	Watchlist and Non-Compliant status	Principle 3, 4, 5 and 6 of the UN Global Compact are related to labour conditions. The principles state that businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.
	Social Controversy Assessment	High & Severe Levels (equivalent to levels 4/5 and 5/5)	As part of the controversy assessment, the following topics are included: freedom of association, child/forced labour, health and safety, community relations, respect of human rights, labour standards, discrimination and harassment.
Tax Compliance	Governance Controversy Assessment	High & Severe Levels (equivalent to levels 4/5 and 5/5)	As part of the controversy assessment, taxes avoidance and evasion are taken into consideration.
Remuneration of Staff	Governance Controversy Assessment	High & Severe Levels (equivalent to levels 4/5 and 5/5)	As part of the controversy assessment, remuneration is taken into consideration.

The External Investment Manager believes that strong transparency and accountability mechanisms should lead to improved management of ESG risks and opportunities. The External Investment Manager uses benchmarks companies against quantitative governance indicators based on company-reported and third-party data, regardless of sector. The External Investment Manager considers good governance to be sound governance practices aligned with industry-established norms and practices, which may include the independence and supervision of the boards, transparent and accurate reporting, compensation, risk management, exercise of voting rights, shareholder's and stakeholders' rights and interests, measures taken against corruption, and mechanisms for whistleblowing.



Proportion of investments

The Sub-Fund invests at least 90% of its net assets in assets that have been determined as “eligible” as per the ESG process in place (hence in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics)).

Up to 10% of the investments are not aligned with these characteristics (#2 Other). “#2 Other” includes derivatives, bank deposits at sight, including cash held in current accounts with a bank accessible at any time. These are used for Investment, hedging and efficient management portfolio purposes. There are no minimum environmental or social safeguards associated with these investments. A more detailed description of the specific asset allocation of this Sub-Fund can be found in the prospectus.



#1 Aligned with E/S characteristics:

Includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other:

Includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.



Monitoring of environmental or social characteristics

- The Management company and the External Investment Manager independently perform an assessment of the attainment of the Sub-Fund’s environmental or social characteristics

The External Investment Manager monitors the economic risks, material ESG-related risks, and E/S characteristics promoted by the Sub-Fund throughout the lifecycle of the financial product. The External Investment Manager utilizes a proprietary ESG assessment application to monitor and measure the attainment of the E/S characteristics promoted by the financial product for each investee company.

The External Investment Manager maintains dialogue with investee companies on multiple economic and non-economic matters, including those related to material ESG risks. The External Investment Manager also monitors existing portfolio holdings for potentially material ESG risks as well as controversies on an ongoing basis. If the assessment determines that an investee company is not meeting the E/S characteristics promoted by the financial product or, with input from third-party data providers, determines that a severe controversy involving an investee company has occurred, then a formal engagement protocol with the investee company is initiated. The External Investment Manager does not utilize engagement as a tool of remediation in instances of companies included within the exclusions policy on the portfolio.

- On the Management Company side, the monitoring of environmental or social characteristics of the investment product is ensured through a dedicated control framework. The Management Company, through its Business Control & Oversight team, performs periodic ex-post controls to ensure that the portfolio complies with the commitments made. If a "non-compliant matter" is detected by the Management Company, its Business Control & Oversight team will first analyse it and engage in dialogue with the External Investment Manager if necessary. Depending on the nature of the non-compliance, the Management Company's ESG team may decide to monitor it using its proprietary "ESG Watchlist". If the non-compliance persists over time, an escalation process is put in place by the Management Company to ensure a timely remediation plan in the best interest of shareholders.



Methodologies

ESG analysis is systematically integrated into the investment decision making process. As part of its ESG framework, the Management Company uses the following sustainability indicators to measure the achievement of each of the environmental or social characteristics promoted by the Sub-Fund:

- Absence of companies that do not meet the criteria defined in the Management Company's Exclusion List and that are deemed incompatible with the E/S promotion (e.g. tobacco, controversial weapons).
- Controversy Level Assessment - Controversy involvement is a key measure of ESG performance. Controversy level assessment reflects a company's level of involvement in issues and how it manages those issues.
- Compliance with the UN Global Compact - The United Nations Global Compact is the world largest corporate sustainability initiative aimed at encouraging businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UN Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption. The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.
- ESG Risk Scores - ESG risk scores measure a company's exposure to material industry-specific ESG risks and how the company manages those risks. This multi-dimensional way of measuring ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk.
- Scope 1 GHG Emissions - Scope 1 emissions emanate from a company's internal operations, including on-site energy production, vehicle fleets, manufacturing operations, and waste.
- Scope 2 GHG emissions - Scope 2 emissions are indirect emissions generated by the production of energy used by the company.



Data sources and processing

The Management Company monitors the attainment of the environmental and/or social characteristics of the Sub-Fund using its own data providers.

The Management Company uses three external data providers as its main sources:

- The Management Company assesses the environmental and/or social characteristics of the Sub-Fund's constituents using the external data provider Sustainalytics. The Management Company uses Sustainalytics for ESG risk scores, controversies, product involvement as well as alignment with global standards (e.g., OECD Guidelines for Multinational Enterprises).
- The Management Company uses Morningstar to analyse the Sub-Fund's peer group, as well as for various ESG data calculations at portfolio level.
- The Management Company uses the data provider ISS for climate and impact data. The Management Company also uses ISS as a proxy voting solution.

Once collected from these sources, the data is integrated and stored in the internal front-to-back tool and/or available in the Management Company's dedicated data management system (which directly and continuously obtains data from the providers). Information is also available via dedicated portals developed by external data providers, access to which is limited to specific users of the Management Company. The Management Company verifies that the data is available, reported (or calculated), and dependable over time. On a case-by-case basis (e.g., if an ESG score is missing), the Management Company may use other sources of information to form its own opinion regarding the ESG suitability of any investment opportunity with the Sub-Fund's strategy.

The External Investment Manager will utilize data from third-party data providers as well as company-reported data, and information obtained through engagement directly with investee companies. Regarding data from third-party data providers, when information is not readily available for an investee company, the data provider may use a proprietary model to produce an estimate. The External Investment Manager is not able to verify the accuracy of the data, nor the sources from which the data is collected. Third-party providers may include, but are not limited to MSCI, Sustainalytics, and ISS. With the imperfect and evolving nature of ESG data, the External Investment Manager will continue to evaluate data providers for completeness and accuracy and will supplement sources with additional data from third-party data providers as needed, in addition to company-reported data and information obtained through engagement directly with investee companies.



Limitations to methodologies and data

The methodologies and data used have the following limitations:

- **Data quality:** the approach followed includes qualitative analysis of a company's ESG credentials. The methodology is subject to limitations, including reliance on the quality of data provided by investee companies or third-party research providers, as well as quantification of qualitative data.
- **Coverage:** the overall team of ESG analysts in charge of the analysis of the Sub-Fund may not be staffed to cover the entire investment universe and methodological limitations that exist. In addition, with respect to external data providers, although the number of companies covered by data providers has increased significantly over time, and continues to increase, there may be instances where a specific company is not assessed by them. This is because either the data provider does not cover the company in question, or the company has not provided the data necessary for a proper assessment by the data provider.
- **Discrepancy in ratings:** the data used for the analysis of the Sub-Fund is obtained from different data providers, which have different methodologies for assessing ESG performance. The result of their assessment is to some extent subjective and inconsistent. Moreover, the difference in data sources and processing methods used by the Management Company and the asset managers of open-ended investments funds may further add to this discrepancy in ratings.
- **Estimated data:** Not all data points are reported data and some of the data used are estimated. For example, in the case of carbon data or ESG ratings, some technical calculations may be based on estimated data (i.e., by reference to a peer group average).



Due diligence

The Management Company carries out due diligences for the selection of delegated strategies as well as for open-ended investment funds:

The MDD team identifies and selects high quality investment strategies and monitors the universe of approved strategies. The MDD analysts team focuses on all investment and sustainability-related elements of an investment strategy, such as organization, team, investment, portfolio construction, process, track record, etc. MDD's research reports include a thorough sustainability due diligence and a separate sustainability rating. For all strategies, MDD analysts assess the asset management company in charge of the strategy on its commitment to and transparency on ESG investing. They also assess to what extent, and at what stages, ESG criteria are integrated into the investment strategies and effectively considered in the investment process and the portfolio. This analysis is carried out by means of a questionnaire sent via the Management Company's proprietary platform, Deeligenz, as well as during meetings with the professionals involved in the strategy (e.g., portfolio managers, financial analysts, ESG analysts, management team, etc.). The Management Company's in-depth analysis is based on a "5-P approach": Parent, People, Process, Portfolio and Performance. Each of the previously outlined aspects is evaluated and ultimately leads to a final rating of the strategy.

As part of the monitoring process, the MDD team periodically reviews the performance of the strategy to ensure that it remains aligned with the investment style of the portfolio. The MDD team provides transparency and regular monitoring of the strategy's portfolio. ESG ratings and other sustainable characteristics of the portfolio's underlying assets are also monitored regularly. In addition, MDD analysts meet periodically with portfolio managers to discuss recent performance as well as recent transactions to monitor alignment with promoted environmental and/or social characteristics. To prepare for the meeting, MDD analysts send out a monitoring questionnaire using the Management Company's proprietary platform, Deeligenz, with questions related to the portfolio, performance, and ESG factors. During the calls, portfolio managers clarify if there were any changes in the team and processes. Analysts and investment managers also discuss recent engagements and milestones during the period. In addition, MDD analysts monitor any significant events that may affect the portfolio, e.g., with respect to their investments, financial and ESG analysts, investment process, engagement capacity. Each change may affect the strategy's 5-P based rating, which may result in a change in the strategy's ratings, including the sustainability rating.

Moreover, the AAIS ESG team may support the AAIS analysts team in reviewing the process and methodologies implemented by the External Investment Manager when it comes to consider ESG issues. The ESG team will give a qualitative feedback during the selection phase as a second look and more globally, the opinion of the ESG team is sought in case a significant event could impact (positively or negatively) the External Investment Manager and the investment solution internal sustainability score. The ESG team is in charge of verifying that the underlying investments of the model portfolio of the External Investment Manager complies with the agreed sustainability and/or responsibility criteria before the inception and the onboarding of the portfolio. All along the life-cycle of the portfolio, the ESG team may enable waivers on portfolio holdings from an ESG perspective. The waiver is based on internal analysis, to ensure the consistence of the ESG data and the alignment of the strategy with the defined sustainable objectives and/or E/S characteristics and will ascertain the best interest of the final client.

The ESG team is in charge of reviewing the exclusion lists periodically, will assess the relevancy of the last ESG information regarding the companies under restrictions and will update the lists accordingly allowing portfolio adjustments.



Engagement policies

As part of its sub-advisory business model, the Management Company delegates responsibility for engagement to the selected External Investment Manager. However, the Management Company does not delegate all stewardship activities and is responsible for proxy voting. The External Investment Manager may act as an advisor and guide the Management Company on specific issues that it engages with specific companies. Even when advised, the Management Company remains the final decision maker for the proxy vote.

A fundamental view of the External Investment Manager is its approach of inclusion over exclusion to maximise the influence on investee companies via engagement. Engagement is focused on material ESG-related issues that the External Investment Manager believes could potentially impact the value of the investee company. Engagement contributes to the External Investment Manager's proprietary ESG assessments, resulting in more informed investment decisions. The External Investment Manager may consider the outcomes of engagement, subject to time horizon and financial materiality assessment, when evaluating investment decisions. When the External Investment Manager determines that an investee company has failed to adequately address the ESG-related issues under a reasonable timeframe, the External Investment Manager may react by risk-adjusting valuation or spreads, voting against proxy resolutions, decreasing portfolio weight, or divesting from a given company. The timeframe for escalation will depend on the materiality level of the ESG issues, investment time horizon and portfolio objectives.

The External Investment Manager will also engage with investee companies assessed by the External Investment Manager, with inputs from third-party data providers, as having a newly identified controversy and assess whether there is an opportunity for improvement before making the decision to divest.



Designated reference benchmark

No specific ESG-related index has been designated for this Sub-Fund.