

VT AJ Bell Responsible Screened Growth Fund

December 2024

The purpose of this document is to explain the key sustainability characteristics of the VT AJ Bell Responsible Screened Growth Fund (“the Fund”). It is a requirement under the Financial Conduct Authority’s rules around sustainable investment products, which provide four sustainable investment labels for funds, helping consumers understand a Fund’s sustainable investment credentials. Funds that do not have one of these four labels need to explain why.

Sustainable investment labels are designed to help investors identify products that have a specific sustainability goal or objective. The Fund does not have one of the FCA’s sustainability labels because its strategy does not seek to achieve a specific sustainability goal or objective.

The Fund’s objective is to provide investors with a positive financial return over an investment horizon of at least five years. The Fund will seek to achieve this objective by investing at least 80% of its funds in a diversified portfolio of index-tracking products such as Exchange Traded Funds and other collective investment schemes. These products track multiple asset classes including listed stocks and bonds, with the Fund committing the largest allocation to stocks. This ensures the Fund is able to provide investors with a well-diversified portfolio of assets, across a variety of sectors and geographies.

The fund manager screens investments before they are added to the fund to ensure they are consistent with its definition of responsible investment. ‘Responsible investment’ is defined by the manager as seeking to minimise investors’ exposure to risks associated with environmental change, or to investment within companies, or sectors, that are deemed to be involved in socially controversial activities or are considered to have poor governance arrangements.

AJ Bell Asset Management feels that the MSCI’ Socially Responsible Investing (SRI) methodology offers a consistent framework, within which it can access a universe of index-tracking products with characteristics that match its definition of responsible investment. At least 80% of the Fund will be constructed from products that track this methodology, or variants of it.

From this defined universe of investments, the manager provides investors with a portfolio of index-tracking products that incorporate non-financial considerations across three broad pillars described as ‘Environmental’, ‘Social’ and ‘Governance’, collectively referred to as ‘ESG’, which capture a variety of themes and issues.

The framework adopted employs a screening approach that excludes investments with exposure to companies that derive a maximum of 15% of their revenue from the production of certain goods and activities. In addition, the adopted framework will favour investments whose index constituents demonstrate effective means of managing ESG risks, relative to peer companies within their industries.

The manager measures the responsible characteristics from the portfolio relative to a comparable portfolio of investments that follows the same asset allocation and objective but does not have a Responsible Investment Policy.

The below illustrates the exposure of the Fund to these goods and activities where the exclusionary restrictions have been applied, relative to the VT AJ Bell Adventurous Fund that is not subject to those restrictions.

Goods & Activities	VT AJ Bell Responsible Screened Growth Fund	VT AJ Bell Adventurous Fund
Adult entertainment	0.00%	0.00%
Alcohol	0.00%	1.16%
Civilian firearms	0.00%	0.07%
Controversial weapons	0.00%	0.27%
Conventional weapons	0.00%	1.31%
Fossil fuel reserves	1.01%	8.92%
Gambling	0.12%	0.36%
Genetically modified organisms	0.00%	0.09%
Nuclear power	0.02%	0.71%
Nuclear weapons	0.00%	0.86%
Thermal coal mining, and unconventional oil and gas extraction	0.37%	4.07%
Tobacco	0.00%	1.19%

Source: MSCI, as at 30 September 2024

In managing investors’ risks related to environmental activities the portfolio is likely to generate less carbon than a Fund whose strategy does not use a responsible investment framework. This can be measured by the aggregate amount of greenhouse gases that are directly or indirectly emitted from the underlying assets of the Fund. The total amount of these carbon emissions is divided by the total market value of the Fund to provide an overall measure, expressed as tonnes of CO2 emitted, per US dollar invested (tCO2e/\$M), shown below.

Fund	Carbon Footprint (tCO2e/\$m)
VT AJ Bell Responsible Screened Growth Fund	618.53
VT AJ Bell Adventurous Fund	1,405.99

Source: MSCI, as at 30 September 2024

Authorised Fund Manager:
Valu-Trac Investment Management
(Authorised Corporate Director)

Investment Manager:
AJ Bell Asset Management (“the Manager”)

Product Reference Number (PRN):
937134

Available Share Classes:
I Class Income – GB00BN0SW00
I Class Accumulation – GB00BN0S2V92
A Class Accumulation – GB00BQGG3J37

*MSCI is a global provider of investment analysis tools.



Where practical, the Responsible Screened Growth Fund invests in products tracking MSCI Socially Responsible Investing (SRI) indexes for equity exposure. These indexes exclude companies with certain controversial business involvements, and also utilise MSCI’s Environmental Social Governance (ESG) ratings and ESG controversy assessments. For further details, please see MSCI’s latest SRI Index Methodology document.

This information is for indicative purposes only, and is not intended, and should not be construed, as investment advice. The information contained in this document has been taken from the sources stated and is believed to be reliable and accurate, but without further investigation cannot be warranted or guaranteed to be wholly correct. The views and opinions expressed in this document are not forecasts or recommendations in relation to investment decisions.

The information and data presented in this document were believed to be correct at the time of writing and we are not liable for any subsequent changes.

This document is issued by AJ Bell Asset Management Limited. The Authorised Corporate Director of this fund is Valu-Trac Investment Management Limited.