

Osmosis Resource Efficient Developed Markets Core Equity ex-Fossil Fuels Trust

Australian Wholesale Trust Launched on 17 October 2023



A smart divestment approach developed to help investors meet their ex-fossil fuel commitments in a sophisticated and risk-controlled developed markets equity portfolio. The Trust significantly reduces the ownership of carbon, water & waste whilst targeting better risk-adjusted returns than the benchmark.

A Smarter Approach to Fossil Fuel Divestment

The Osmosis Resource Efficient Developed Markets Core Equity ex-Fossil Fuels Trust uniquely addresses both the supply side of fossil fuel energy generation through fossil fuel divestment, while addressing the demand side of fossil fuel energy consumption by reallocating the active divestment risk to the most highly correlated resource-efficient companies across the whole economy.

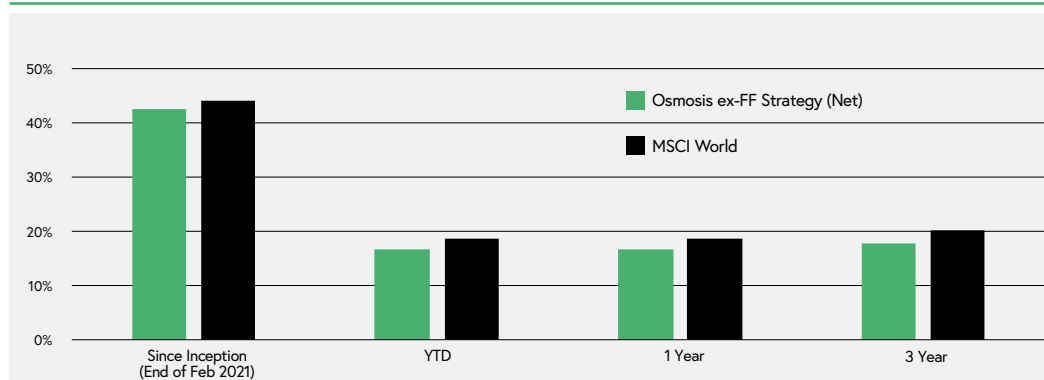
The Trust launched on 17 October 2023 in an onshore managed investment scheme aimed at wholesale investors. The Trust is based on Osmosis' existing Ex-Fossil Fuels Strategy, which launched in Feb 2021 and has attracted assets of over AUD \$2.8 billion. Osmosis's flagship Core Equity Range now manages over AUD\$27.5 billion in assets as of 31 December 2024.

Financial and Environmental Performance need not be mutually exclusive (31 December 2024)

The Osmosis ex-fossil fuels strategy was originally launched in February 2021. In a challenging period, marked by rising oil prices and increased geo-political volatility, the strategy underperformed the MSCI World benchmark index by 1.55% on a net annualised basis.

Divestment decisions must be considered in the context of 'fiduciary duty', and the ability to weather asset price deflation in the energy sector as a result of rising oil prices was one of our primary goals in building the strategy. Our models showed that the additional return derived from targeting resource efficient companies across the broader economy would help mitigate the effects of the fossil fuel exclusion policy adopted by the strategy.

Financial Performance (as of 31 December 2024)



Reasons to Invest

- Sophisticated approach excludes fossil fuel supply whilst addressing supply and demand** through the over and underweighting of Resource Efficient companies across the whole economy.
- Unique "re-inclusion" criteria rewards positive change** by identifying energy companies on a meaningful transition path to cleaner energy sources (>50% revenue from renewable energy generation).
- Strict environmental screens** prohibit investment in companies with >5% of their revenues from fossil fuels or nuclear power.
- Social and Governance screens** exclude companies with any revenue from controversial weapons, civilian firearms, and tobacco manufacturing and those companies in breach of the UN Global Compact Principles.

Environmental Performance (as of 31 December 2024)



Carbon: -69% vs MSCI World

A company's ability to generate revenue from energy inputs measured in CO₂e – normalised by sector.



Water: -62% vs MSCI World

A company's ability to generate revenue from process water measured in litres – normalised by sector.



Waste: -56% vs MSCI World

A company's ability to generate revenue relative to waste produced, measured in tonnes – normalised by sector.

The strategy overall is 62% more resource efficient (in Carbon, Water and Waste consumption) than the MSCI World benchmark and importantly this can be demonstrated across all sectors of the economy. See page 2.

Key Facts

Structure	Aust W/Sale MIS
Currency	AUD
Class A (Unhedged):	
Unit Price	Yes
APIR Code	PIM5728AU
Class B (Hedged):	
Unit Price	Yes
APIR Code	PIM9199AU
Benchmark	MSCI World
Methodology	Systematic
Trust launched on	17 Oct 23
Liquidity	Daily

Fees

Mgmt. fee	0.38%
Min Investment	AUD 100k
Wholesale Trustee Administrator	Perpetual Apex
Auditor	EY
Custodian	Apex
Distribution Agent	Clearway Capital Solutions

Exclusions

- Companies with ties to thermal coal or oil sands**
- Companies with revenues from oil & gas (ex.petrochemical) >5% of total revenues
- Companies found to be in breach of the UN Global Compact
- Companies involved in the manufacturing of tobacco
- Companies that have any revenues from controversial weapons and civilian firearms
- Companies with >5% revenues from nuclear power generation

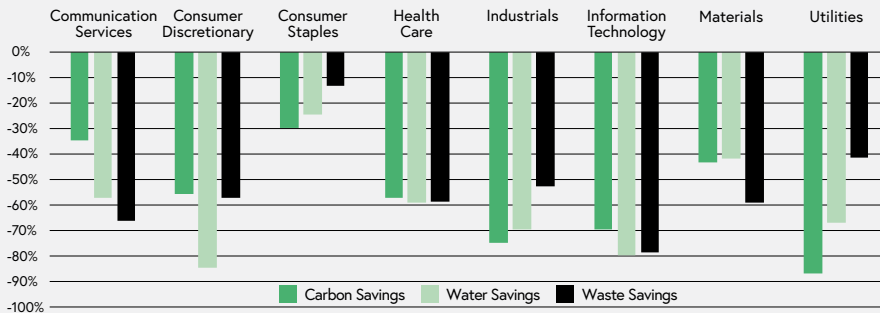
Transition Screens

**Companies in the utility sector with revenues from oil & gas (ex.petrochemical) >5% of total revenues but that have >50% energy generation from renewable sources (such as hydroelectric and solar/wind) can be included if they have a positive Resource Efficiency (RE) score.

Source: Osmosis IM, Bloomberg, Barra, LLC's analytics and data were used in the preparation of this report. Copyright 2015 BARRA, LLC. All Rights Reserved Osmosis Resource Efficient Core Equity ex-fossil fuel strategy is a systematic investment strategy. Returns represent the actual returns for the Core Equity ex-fossil fuels composite. Such returns are net of fees, costs and dividend withholding tax. Different fees apply to each share class and a client's returns will be reduced by the advisory fee and other expenses incurred in the management of its account. Please see the attached performance calculation disclosure language. Past performance is not an indication of future performance. The Osmosis Resource Efficient Developed Markets Core Equity ex-Fossil Fuels Trust is not available to US investors. Separate accounts are available for US investors using the same model and investment objective of the Fund.

Environmental Footprint Reductions by Sector from the least carbon intensive (Communications Services) to the most carbon intensive (Utilities)

Our environmental savings can be seen across all sectors of the economy.



Source: Source: Osmosis IM & Barra. Gross sectorial data is as of 31/12/24.

MoRE – a proprietary, research driven approach to sustainability

In the absence of consistent environmental reporting standards, Osmosis has pioneered a proprietary approach to the standardisation of unstructured corporate environmental data. Our in-house research team are sector specialists and utilise decades of environmental experience to standardise carbon, water and waste data to environmental economic frameworks, within 34 independent sectors.

The standardisation of this data has enabled the creation of a Resource Efficiency Factor score for each company. Our approach gives context and comparability to corporate environmental disclosures, allowing for the objective measurement of a company's relative Resource Efficiency within all sectors of the economy.

Corporate sustainability performance is neither well understood nor efficiently priced by markets. Our research shows that Resource Efficiency can be used to target excess returns while having a low correlation to other common factors. This conclusion is backed by strong economic rationale, investment performance and academic research.

Firm Overview & Philosophy

Osmosis launched in 2009 and is majority-owned by management and employees. The company currently manages USD \$17.1bn in sustainable assets and is headquartered in London, with a growing global presence.***

Osmosis believes that targeting better risk-adjusted returns and delivering significant environmental impact do not need to be mutually exclusive endeavours. Through its unique Model of Resource Efficiency (MoRE), the company has demonstrated that sustainability metrics, if quantifiable and objective in nature, can be applied to mainstream equity portfolios to generate alpha. The Osmosis team of quantitative environmental analysts and portfolio managers is singularly focused on delivering three levels of impact:



Better risk-adjusted returns.



Measurable environmental reductions: We define Resource Efficiency as the Carbon emitted, Waste generated and Water consumed, relative to value creation.



Active engagement programme to promote better corporate environmental disclosure.

Osmosis counts Government Pension Funds, State Pension Funds, Insurance Companies, Foundations, Endowments, Family Offices, and Banks amongst its client roster spanning the UK, Europe, the Nordics, North and South America, Asia, and Australia.

*** As of 31 December 2024



Principles for Responsible Investment

OSMOSIS ACHIEVED TOP SCORES IN THE LATEST ASSESSMENT



2024 Winner
Boutique investment manager of the year – Europe



2024 Winner
Listed equities manager of the year

Important information

Australian and New Zealand Investors

The Osmosis Resource Efficient Developed Markets Core Equity ex-Fossil Fuels Trust is an unregistered managed investment scheme structured as an Australian unit trust. This document is issued in the UK by Osmosis Investment Management UK Limited ("Osmosis"). Osmosis is authorised and regulated by the Financial Conduct Authority "FCA" with FRN 765056. This document is a "financial promotion" within the scope of the rules of the FCA. In the United Kingdom, the issue or distribution of this document is being made only to and directed only at Wholesale Investors (as defined in the rules of the FCA) ("Wholesale Investors"). This document must not be acted or relied upon by persons who are not Wholesale Investors. Any investment or investment activity to which this document relates is available only to Wholesale Investors and will be engaged in only with Wholesale Investors. The Investment Manager of the Trust is Osmosis Investment Management (Australia) Pty Ltd and distribution is represented in Australia and New Zealand by Clearway Capital Solutions Pty Ltd ("Clearway Capital") AFSL 328663. Clearway is based in Sydney, Australia and operates in the wholesale institutional and sophisticated fund markets of Australia and New Zealand. Osmosis Investment Management (Australia) Pty Ltd (CAR No. 001305635) is a corporate authorised representative of Eminence Global Asset Management Pty Ltd which is the holder of an Australian Financial Services Licence (AFS Licence No. 305573).

Performance

NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFIT OR LOSSES SIMILAR TO THOSE SHOWN.

Net Performance

Net returns are net of fees and in USD unless indicated otherwise. Net returns are net of fees, costs and dividend withholding tax. Different fees may apply to a client's account and a client's returns may be further reduced by the advisory fee and other expenses incurred in the management of its account. Please see the specific performance disclosure under each slide for additional details. Our fees are fully disclosed in our Part 2A of Form ADV and may be updated from time to time.

Past performance may not be indicative of future results

Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy will be profitable. No current or prospective client should assume that future performance will be profitable, equal the performance results reflected, or equal any corresponding historical benchmark index. For reasons including variances in fees, differing client investment objectives and/or risk tolerance, market fluctuation, the date on which a client engaged Osmosis's services, and any account contributions or withdrawals, the performance of a specific client's account may have varied substantially from the referenced performance results. In the event that there has been a change in a client's investment objectives or financial situation, the client is encouraged to advise us immediately. It is important to remember that the value of investments, and the income from them, can go down as well as up and is not guaranteed and that you, the investor, may not get back the amount originally invested. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. Osmosis accepts no liability for any failure to meet such forecast, projection or target. Past performance is not an indication of future performance.

Information pertaining to Osmosis's advisory operations, services, and fees is set forth in Osmosis's current disclosure statement (Form ADV Part 2A), a copy of which is available from Osmosis upon request and from the SEC at <http://www.adviserinfo.sec.gov>. Information regarding OHL is available from us upon request.

www.osmosisim.com

www.clearwaycapital.com.au

For more information please contact our client services team at osmosisim@clearwaycapital.com.au or +61 409 312 096

Benchmarks

The historical index performance results for all benchmark indexes do not reflect the deduction of transaction, custodial, or management fees, the incurrence of which would have the effect of decreasing indicated historical performance results. Indexes are unmanaged and are not available for direct investment. The historical performance results for all indices are provided exclusively for comparison purposes only, and may or may not be an appropriate measure to provide general comparative information to assist an individual client or prospective client in determining whether Osmosis performance meets, or continues to meet, his/her investment objective(s). The referenced benchmarks may or may not be appropriate benchmarks against which an observer should compare our returns.

The MSCI World Index captures large and midcap representation across 23 Developed Markets countries. With 1,429 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The MSCI World ex-Fossil Fuels Index has been selected for illustrative purposes only and is used as a comparison due to its fossil fuel exclusion. The MSCI World ex Fossil Fuels Index is based on the MSCI World Index, its parent index, and includes large and mid-cap stocks across 23 Developed Markets (DM) countries. The index represents the performance of the broad market while excluding companies that own oil, gas and coal reserves.

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