



Anti-Greenwashing Statement

At **RXI Wealth**, we recognise the importance of transparency in sustainable investment practices. With our deep expertise in sustainable investing, we manage portfolios prioritising sustainable, environmental, social, and governance (ESG) factors. Our investment philosophy is built on the belief that companies with robust sustainability practices are better positioned to navigate environmental and social risks, ultimately delivering superior long-term outcomes for investors.

Exhibit 2

A strong environmental, social, and governance (ESG) proposition links to value creation in five essential ways.

	Strong ESG proposition (examples)	Weak ESG proposition (examples)
Top-line growth	Attract B2B and B2C customers with more sustainable products Achieve better access to resources through stronger community and government relations	Lose customers through poor sustainability practices (eg, human rights, supply chain) or a perception of unsustainable/unsafe products Lose access to resources (including from operational shutdowns) as a result of poor community and labor relations
Cost reductions	Lower energy consumption Reduce water intake	Generate unnecessary waste and pay correspondingly higher waste-disposal costs Expend more in packaging costs
Regulatory and legal interventions	Achieve greater strategic freedom through deregulation Earn subsidies and government support	Suffer restrictions on advertising and point of sale Incur fines, penalties, and enforcement actions
Productivity uplift	Boost employee motivation Attract talent through greater social credibility	Deal with "social stigma," which restricts talent pool Lose talent as a result of weak purpose
Investment and asset optimization	Enhance investment returns by better allocating capital for the long term (eg, more sustainable plant and equipment) Avoid investments that may not pay off because of longer-term environmental issues	Suffer stranded assets as a result of premature write-downs Fall behind competitors that have invested to be less "energy hungry"

Source: McKinsey and Company

A **comprehensive study** published in the *Journal of Sustainable Finance and Investment* highlights that ESG factors can positively influence financial performance. This conclusion is drawn from an extensive review of numerous academic studies, with overwhelming evidence supporting the case for sustainable investing as a driver of favourable financial returns.

Table 1. Overview of studies on the ESG–CFP relation (vote-count studies sample).

Study	Focus	Number of studies (<i>N</i>)	Share of findings			
			Positive	Neutral	Negative	Mixed
Arlow and Gannon (1982)	S	7	42.9%	42.9%	14.3%	
Cochran and Wood (1984)	S, E	13	69.2%	23.1%	7.7%	
Aupperle, Carroll, and Hatfield (1985)	S, E	9	55.6%	22.2%	11.1%	11.1%
Ullmann (1985)	S, E	24	54.2%	20.8%	12.5%	12.5%
Capon, Farley, and Hoenig (1990)	S, E	14	75.9%		19.5%	4.6%
Wood and Jones (1995)	S, E	51	49.0%	21.6%	13.7%	15.7%
Pava and Krausz (1996)	S, E	21	57.1%	38.1%	4.8%	
Griffin and Mahon (1997)	S, E	50	44.0%	12.0%	22.0%	22.0%
Roman, Hayibor, and Agle (1999)	S, E	45	60.0%	24.4%	4.4%	11.1%
Richardson, Welker, and Hutchinson (1999)	E, S	22	50.0%	45.5%	4.5%	
Margolis and Walsh (2003)	S, E	126	42.9%	22.2%	5.6%	29.4%
Salzmann, Ionescu-Somers, and Steger (2005)	S, E	12	50.0%	25.0%	25.0%	
McWilliams, Siegel, and Wright (2006)	S, E	12	33.3%	25.0%	16.7%	25.0%
Gillan and Starks (2007)	G	39	35.9%	43.6%	5.1%	15.4%
Ambec and Lanoie (2007)	E	41	68.3%	22.0%	4.9%	4.9%
van Beurden and Gössling (2008)	E, S	34	67.6%	26.5%	5.9%	
Peloza (2009)	S, E	130	63.0%	22.0%	15.0%	
Blanco, Rey-Maqueira, and Lozano (2009)	E	32	71.9%	21.9%	6.3%	
Molina-Azorin et al. (2009)	E	32	62.5%	12.5%	12.5%	12.5%
Horváthová (2010)	E	44	54.7%	29.7%	15.6%	0%
Westlund and Adam (2010)	S	21	85.7%			14.3%
Love (2010)	G	45	77.8%	0%	22.2%	
Derwall, Koedijk, and Horst (2011)	Funds	18	16.7%	33.3%	22.2%	27.8%
Günther, Hoppe, and Endrikat (2011)	E	274	44.5%		11.8%	43.7%
Sjöström (2011)	E, S	21	23.8%	33.3%	14.3%	28.6%
Boaventura, Santos da Silva, and Bandeira-de-Mello (2012)	S, E	58	55.2%	27.6%	10.3%	6.9%
Rathner (2013)	Funds	25	13.2%	72.0%	14.9%	0%
Schultze and Trommer (2012)	E	36	50.0%	19.4%	5.6%	25.0%
Viviers and Eccles (2012)	Funds	59	23.4%	56.2%	20.3%	
Fifka (2013)	Reporting	45	53.3%	42.2%	4.4%	
Kleine, Krautbauer, and Weller (2013)	E, S, G	182	30.8%	31.9%	7.7%	29.7%
Revelli and Viviani (2013)	Funds	75	24.0%	48.0%	14.7%	13.3%
Capelle-Blancard and Monjon (2014)	Funds	61	3.3%	47.5%	16.4%	32.8%
Clark, Feiner, and Viehs (2015)	E, S, G	110	85.5%	5.1%	0.9%	8.5%
Schröder (2014)	E, S	28	57.1%	7.1%	10.7%	25.0%
Total/ <i>n</i> -weighted average		1.816	48.2%	23.0%	10.7%	18.0%

This table displays all considered vote-count studies for the analysis. Meta-analytical studies with nontransferable or nontransparent effect sizes that nonetheless allow a vote-count analysis were included in the vote-count studies sample as well. Focus “S” and “E” denote a Social (S) or Environmental (E) focus. For studies with combined E and S focus, the order of S and E indicates the relative weight of S vs. E. The labeling “E, S, G” indicates no relative weight within groups. The number of primary studies in each vote-count analysis is denoted *N*. For vote-count studies with transparent vote-count on primary study, the share of findings is calculated based on this primary information. For all other cases, the reported summary results of the vote-count reviewers are used.

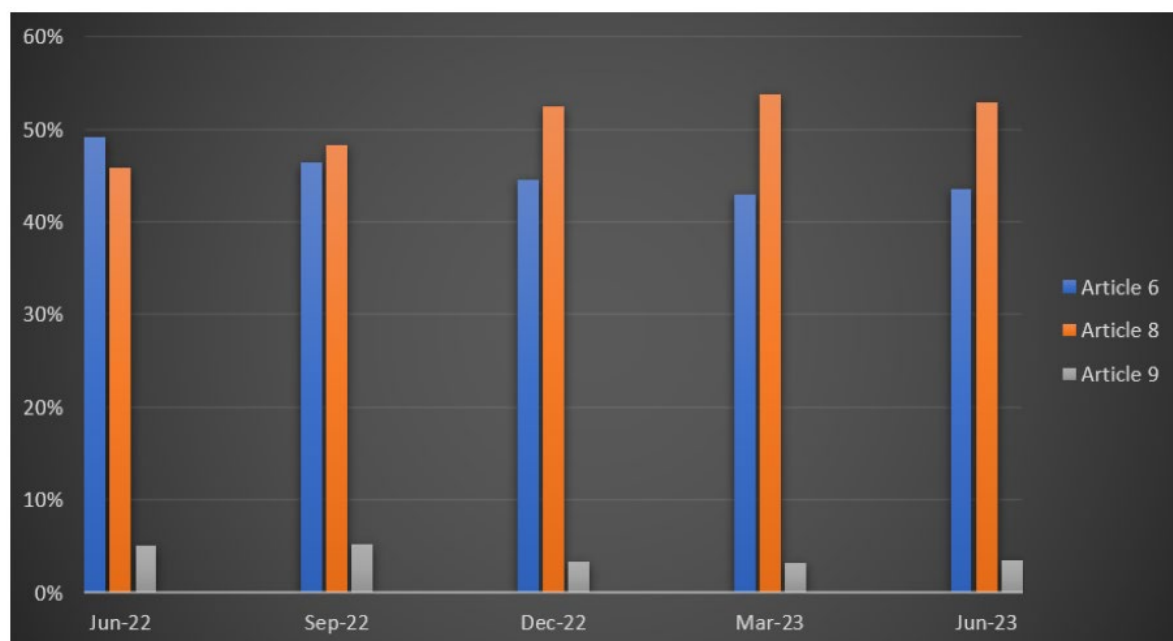
Despite the growing body of evidence, significant confusion remains about sustainability-related terminology. Terms like **sustainable investing**, **ESG**, **climate change**, and others are often used interchangeably, leading to a lack of clarity among investors.

Europe (EU)

In Europe, regulatory frameworks have been introduced to enhance transparency and standardisation within sustainable investing. The EU has developed a classification system to guide investors:

- **Article 6:** Funds that do not explicitly promote sustainability.
- **Article 8:** Funds promoting environmental or social characteristics (often called "light green" funds).
- **Article 9:** Funds with a specific sustainable investment objective ("dark green" funds).

Even **Article 6** funds are expected to consider some level of sustainability risk in their investment process. According to **Morningstar**, approximately 60% of European funds are classified under Article 8 or 9, reflecting Europe's advanced commitment to responsible investing.



Source: Morningstar

The UK

The **Financial Conduct Authority (FCA)** has put forward a set of labels designed to categorise sustainable funds, providing investors with a clear understanding of each fund's sustainability focus.

- **Sustainability Focus:** Funds primarily invested in assets promoting sustainability for people and the planet.
- **Sustainability Improvers:** Funds investing in assets aiming to improve their sustainability.
- **Sustainability Impact:** Funds that target solutions to sustainability challenges, achieving a positive impact on people or the planet.
- **Sustainability Mixed Goals:** Funds combining assets with various sustainability objectives.



As per the latest **Investment Association (IA) data**, only 7% of UK funds are invested in responsible investment strategies. This suggests that the UK is trailing behind Europe regarding responsible investing. However, this gap is expected to narrow as investor demand evolves.

Mar 2024	
UK Investors	
Funds under management	
All funds ²	£ 1,469.8 bn
Funds of funds	£ 225.4 bn
Tracker funds	£ 344.7 bn
Responsible Investments	£ 106.0 bn
ISAs	£ 193.7 bn
Net retail sales	
All funds	£ 446 m
Equity funds	£ 149 m
Fixed income funds	£ 809 m
Mixed asset funds	-£ 272 m
Funds of funds	£ 831 m
Tracker funds	£ 2,890 m
Responsible Investments	-£ 329 m
ISAs	-£ 66 m

Source: Investment Association

Shifting Investor Preferences

Generational shifts are driving changes in investment preferences. While only 23% of **baby boomers** express interest in ESG credentials, this figure rises significantly among younger generations: **50% of Millennials** (1981–1996) and **50% of Gen Z** (1997–2012) show a keen interest in ESG investing. As these generations accumulate wealth, the demand for sustainable investment options will likely accelerate. Moreover, many grandparents are beginning to explore green strategies as part of wealth transfer to future generations.

The RXI Wealth Approach to Investments

At RXI Wealth, we have developed four distinct sustainable portfolios:

- Sustainable Cautious
- Sustainable Balanced
- Sustainable Adventurous
- Sustainable Equity

Each portfolio is constructed to meet ethical, sustainable, and responsible criteria, utilising both positive and negative screening techniques. In certain instances, alternative strategies may fill gaps in specific sectors, but the portfolio's sustainability integrity is never compromised.

Marketing the strategies

RXI Wealth's sustainable portfolios are currently available through **Henson Crisp** and **Kingsfleet Wealth**, incorporating a diverse range of approved funds, including:

Rathbone Ethical Bond Fund
Royal London Sustainable Credit Fund
Rathbone Greenbank Global Sustainable Bond Fund
L&G Future World ESG Multi-Index 4
L&G Future World ESG Multi-Index 5
L&G Future World ESG Multi-Index 6
Rathbone Greenbank Total Return Portfolio Fund
Premier Miton Diversified Sustainable Growth Fund
EdenTree Responsible & Sustainable Managed Income Fund
RL Sustainable Diversified Income Fund
Redwheel UK Climate Engagement Fund
ASI UK Responsible Equity Fund
Downing Small and Midcap Income Fund
Royal London UK Core Equity Tilt
L&G Future World ESG UK Index

Royal London Sustainable Leaders Trust
Unicorn UK Ethical Income Fund
Redwheel Responsible Global Income Fund
CCLA Better World Global Equity Fund
Wellington Global Stewards Fund
VT Cantab Sustainable Global Equity Fund
L&G Future World ESG Developed Index
Baillie Gifford Responsible Global Equity Income Fund
L&G MSCI Socially Responsible Index
Premier Miton Emerging Markets Sustainability
Redwheel Sustainable Emerging Market Fund
AHFM Defined Return Fund
VT RM Alternative Income Fund

Appendix 1 provides a comprehensive summary of each strategy and fund. This information will be reviewed and updated annually to ensure compliance with the latest sustainability standards.

Appendix 1

Rathbone Ethical Bond Fund

The fund predominantly buys sterling bonds from companies, charities, the UK government, and non-governmental organisations. After fees, it aims to deliver a greater total return than the IA Sterling Corporate Bond sector over any rolling five-year period. There is no guarantee that this investment objective will be achieved over five years or any other period. They use the IA sector as a target for our fund's return because they aim to consistently outperform the average return of their competitors.

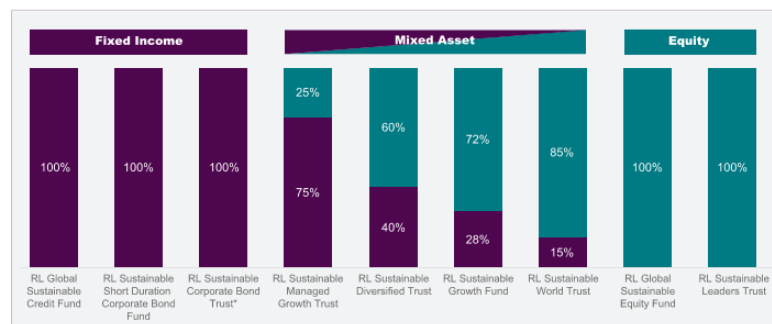
At the same time, they avoid investing in activities that harm the planet or its inhabitants and actively support projects that benefit the world.

Resources:

1. [Annual Report](#)
2. [Screening Criteria](#)
3. [Case Studies](#)
4. [Voting History](#)

Royal London Sustainable Credit Fund (Managed Income Fund)

This is part of a range of six sustainable funds.



For illustrative purposes – reflects approximate percentage asset allocation, weightings may vary.
* Fund name changed from Royal London Sustainable Managed Income Trust on 27 March 2024.

This fund combines long, successful track records of fixed-income and sustainable investing. It harnesses its unique credit philosophy and a rich heritage in sustainable investing over many key investment areas to deliver positive investment choices without compromising potential risk-adjusted returns.

Other funds we use are:

Sustainable Diversified Trust follows the same strategy used across the portfolios, but it has a 60% exposure to equities and a 40% exposure to fixed income.

Sustainable Leaders Fund: As above, but with 100% exposure to equities.

Resources:

1. [Stewardship Report](#)
2. [Voting guidelines](#)
3. [Outcomes Report](#)
4. [Product Profile](#)

Rathbone Greenbank Global Sustainable Bond Fund

Rathbone buys global bonds from companies, governments, charities, and non-governmental organisations. It invests across all bond and interest-rate markets at home and overseas. The fund's objective is to deliver a greater total return than the benchmark it has created to represent the global fixed-income market, after fees, over any rolling five-year period. There is no guarantee that this investment objective will be achieved over five years or any other period.

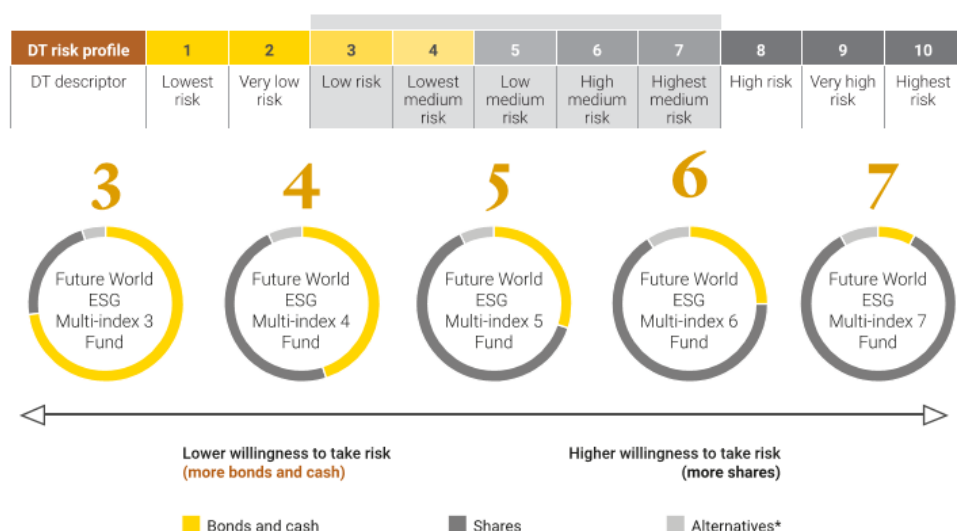
At the same time, they avoid investing in activities that harm the planet or its inhabitants and actively support projects that benefit the world.

Resources:

1. [Annual Report](#)
2. [Sustainability Process](#)
3. [Case Studies](#)
4. [Voting History](#)

L&G Future World ESG Multi-Index 4, 5 and 6

The range of L&G Future World ESG Multi-Index Funds is an ESG-focused multi-asset proposition within the award-winning Multi-Index range. They allow investors to integrate ESG considerations into their dynamically managed, cost-effective, risk-targeted solutions. They are designed for clients who want to tilt away from companies that, for example, do not do enough to tackle climate risk without sacrificing diversification across companies, asset classes and geographies.



Resources:

1. [Fund Range Profile](#)
2. [ESG Report – Risk 3](#), [ESG Report – Risk 4](#), [ESG Report - Risk 5](#)
3. [ESG Criteria](#)
4. [Engagement Report](#)

Rathbone Greenbank Total Return Portfolio Fund

The fund aims to deliver a greater total return than the Bank of England's Base Rate + 2%. There is no guarantee that this investment objective will be achieved over three years or any other period. Total return means the return received from the value of our investments increasing (capital growth) plus the income received from investments (interest and dividend payments). They use the Bank of England's Base Rate + 2% as a target for the fund's return because they aim to provide a return over what would be received in a UK savings account. There is no guarantee that they will achieve a total return over three years. This is an investment product, not a cash savings account. Capital is at risk.

They aim to deliver this return with no more than one-third of the volatility of the FTSE Developed stock market index. As an indication, if global stock markets fall, the fund value should be expected to fall by around one-third of that amount. Because they measure volatility over three years, some falls may be larger or smaller over shorter periods. They aim to limit the volatility risk the fund can take because they want our investors to understand the risk they are taking in the global stock market.

Resources:

1. [Annual Report](#)
2. [Annual Review 2024](#)
3. [Fund Brochure including investment criteria](#)
4. [Voting History](#)

Premier Miton Diversified Sustainable Growth Fund

The fund is part of Premier Miton's range of Diversified Portfolios. It aims to deliver long-term growth by investing in sustainable growth themes. Up to 10% of the fund's assets (excluding deposits, cash or near cash) may be in investments that do not meet the ESG criteria or are not part of the long-term sustainable growth themes.

Resources:

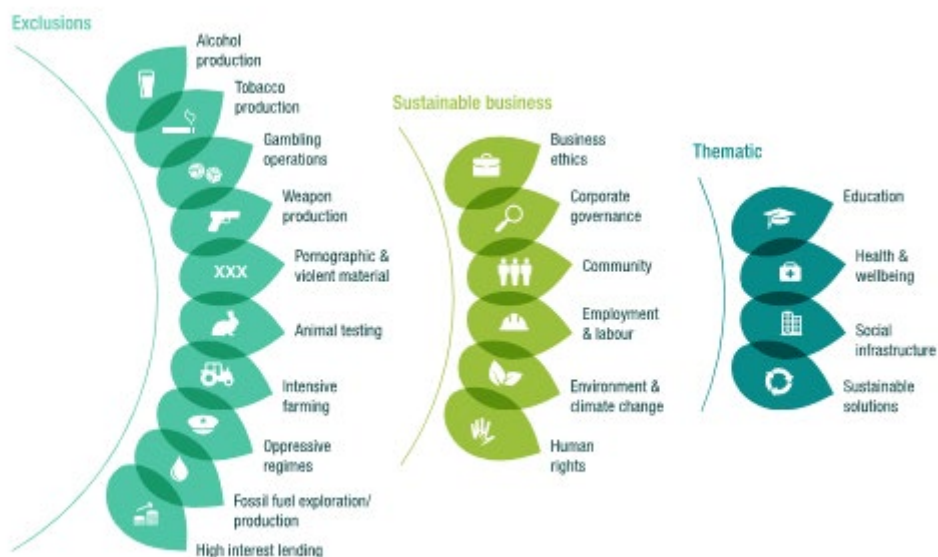
1. [Responsible Investing Approach](#)
2. [Voting Record](#)
3. [Stewardship and Responsible Investing Report](#)
4. [Sustainability Report](#)
5. [Sustainable investing policy](#)
6. [Non-financial objectives report](#)

EdenTree Responsible & Sustainable Managed Income Fund

The aim is to prioritise income to exceed the FTSE 250 Mid-Cap Index. EdenTree are specialist investment managers within sustainability, and all strategies fall under the four key pillars:



Exclusions are shown below:



Resources:

1. [Stewardship Report](#)
2. [Screening Process](#)
3. [Engagement](#)
4. [Voting Record](#)

Redwheel UK Climate Engagement Fund, Redwheel Responsible Global Income Fund, Redwheel Sustainable Emerging Market Fund

Redwheel is focused on sustainable outcomes. It approaches sustainability in its investment activity across three pillars: robust governance and a strong policy framework for all Redwheel funds; centralised stewardship expertise for their investment teams, each conducting its investee company engagement; and Greenwheel, their in-house team of sustainability research experts.

1. [Stewardship Report 2024](#)
2. [Proxy Voting](#)
3. [UK Climate Fund SFDR Statement](#)
4. [Responsible Global Income SFDR Statement](#)
5. [Sustainable Emerging Market SFDR Statement](#)

ASI UK Sustainable and Responsible Investment Equity Fund

Invests in the UK based on the Abrdn Sustainable and Responsible Investment Equity Approach.



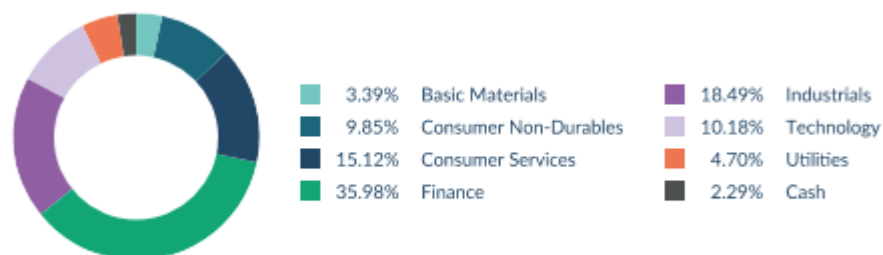
1. [Investment Approach](#)
2. [Engagement Roadmap](#)
3. [Engagement Policy 2023](#)
4. [Stewardship Report 2023](#)

Downing Small and Midcap Income Fund

This is NOT a sustainable strategy.

The fund aims to invest in a high-conviction portfolio of 30 to 50 UK companies. This may not appeal to companies with an exclusionary mindset. This should be highlighted to investors.

Sector breakdown



Source: Factset

Top 10 portfolio holdings	%
Britvic Plc	4.78
Telecom Plus Plc	4.70
XPS Pensions Group Plc	4.50
Frp Advisory Group Plc	3.98
Conduit Holdings Ltd	3.83
WH Smith Plc	3.69
Bloomsbury Publishing Plc	3.49
Hollywood Bowl Group Plc	3.23
Kitwave Group Plc	3.21
Galliford Try Plc	3.03
Total	38.44

Source: Valu-Trac Investment Management Ltd.

Royal London UK Core Equity Tilt

This is NOT a sustainable strategy, although the fund manager seeks to achieve a carbon intensity of at least 10% below the index, which is stated as the FTSE 350. The strategy also adopts an ESG overlay but not an exclusionary policy.

Investors may not agree with some of the holdings, which should be highlighted.

Top 5 Regions	%	Top 5 Sectors	%
United Kingdom	94.40	 Financial Services	18.70
Europe - ex Euro	2.54	 Consumer Defensive	15.59
United States	1.49	 Industrials	14.32
Eurozone	0.49	 Healthcare	13.82
Asia - Emerging	0.30	 Energy	11.06

Top 5 Holdings	Sector	%
AstraZeneca PLC	 Healthcare	8.15
Shell PLC	 Energy	7.05
HSBC Holdings PLC	 Financial Services	5.17
Unilever PLC	 Consumer Defensive	5.00
BP PLC	 Energy	3.01

Unicorn UK Ethical Income Fund

Invests in UK companies within ethical guidelines.

1. [Investment Policy](#)
2. [Stewardship Report](#)
3. [Voting Record](#)

CCLA Better World Global Equity Fund

The fund aims to provide a total return (the combination of capital growth and income) over the long term (defined as any rolling period of five years) by investing in high-quality companies worldwide. It is managed in accordance with CCLA's approach to investing for a better world, as outlined in CCLA's [Better World policy](#).

1. [Sustainable Investment Outcomes Report](#)
2. [Engagement Policy](#)
3. [Voting Record](#)

Wellington Global Stewards Fund

This is an article 9 fund focused on:

PEOPLE. PLANET. PROFIT.

Stewardship can be assessed by how successfully company boards and managers balance people, the planet and profits when building long-term advantage.



INVEST IN PEOPLE

- Prioritise talent and culture
- Promote diversity, equity and inclusion
- Improve customer satisfaction
- Take accountability for the supply chain



POSITIVELY IMPACT THE PLANET

- Adapt and invest in the energy transition
- Reduce environmental footprint
- Contribute to a circular economy
- Be a vital partner to the local community



BUILD SUSTAINABLE PROFIT

- Allocate capital wisely
- Invest in innovation
- Run the business with a long-term orientation
- Ensure shareholders are compensated over the long-term

1. [Disclosure Documents](#)
2. [Reporting](#)

VT Cantab Sustainable Global Equity Fund

The strategy is removing its sustainable name but will continue with its process. This includes excluding areas such as **fossil fuels, alcohol, tobacco, gambling, and armaments**. The website does not contain details on voting or stewardship reports. This is unlikely to change since this is not an area they are focusing on. Therefore, this may be hard to come by if we want reporting.

L&G Future World ESG Developed Index

L&G Future World ESG UK Index

These are part of the L&G Future World funds focusing on ESG Themes.

1. [Engagement Report](#)
2. [Stewardship](#)
3. [ESG Developed Index ESG Report](#)
4. [UK Index ESG Report](#)

L&G MSCI Socially Responsible Index

The Fund's objective is to track the performance of the MSCI World SRI Index, the "Benchmark Index," on a net total return basis before applying fees and expenses.

1. [Engagement Report](#)
2. [Stewardship](#)
3. [ESG Report](#)

Baillie Gifford Responsible Global Equity Income Fund

The Responsible Global Equity Income Fund aims to achieve (after deduction of costs) growth in both income and capital over rolling five-year periods whilst delivering a yield higher than that of the MSCI ACWI Index over the longer term by investing responsibly.

1. [Stewardship Report](#)
2. [Voting Disclosure](#)
3. [Engagement](#)

Premier Miton Emerging Markets Sustainability

The Premier Miton Emerging Markets Sustainable Fund aims to deliver long-term capital appreciation through investment in emerging markets companies offering exposure to sustainable growth themes and a positive influence on society and the environment, as identified through a material alignment to the UN Sustainable Development Goals (UN SDGs).

1. [Sustainable Investment Policy](#)
2. [Voting Record](#)
3. [Stewardship Report](#)

AHFM Defined Return Fund

This targets a return between 7% to 8% using structured instruments. This is NOT sustainable and should be highlighted to investors as such.

VT RM Alternative Income Fund

Diversified liquid portfolio of globally listed securities offering investors exposure to real asset investments delivering attractive and stable income returns. Thematic investments across infrastructure, specialist real estate and secured real assets. ESG process is outlined below:



1. [Policy](#)
2. [ESG Report](#)