

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product Name:** M&G (Lux) Investment Funds 1 - M&G (Lux) Sustainable Allocation Fund  
**Legal Entity Identifier:** 549300G7EE7U31UKHL78

## Sustainable investment objective

### Did this financial product have a sustainable investment objective?

● ●  Yes

● ●  No

It made **sustainable investments with an environmental objective**: 75.45%

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective**: 22.89%

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_% of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**



### To what extent was the sustainable investment objective of this financial product met?

The Fund contributed to a sustainable economy by investing in assets supporting environmental and/or social goals, in particular climate change mitigation. The strength of the Fund's performance against this objective is evaluated in the sustainability indicators section below.

During the reporting period, sustainable investments constituted 98.35% of the Fund. 75.45% of these investments had an environmental objective and 22.89% a social objective. 2.21% of the Fund's sustainable investments with an environmental objective were Taxonomy-aligned. The Fund contributed to the following environmental objectives under the EU Taxonomy: climate change mitigation (2.15%) and transition to a circular economy (0.03%). For further details on the Fund's sustainable investments, please see the relevant sections below.

All investments made by the Fund to attain the sustainable investment objective were assessed for good governance. The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager, as a minimum, has regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

During the reference period, the Fund breached inadvertently in relation to the following securities: Home REIT, Alrosa Finance and SOVCOM.

Home REIT, which is currently in managed wind down, was removed from the M&G positive impact list following allegations of wrongdoing. In addition, the business no longer has an MSCI ESG rating and consequently does not contribute to the Fund's overarching focus on climate change mitigation. The holding failed the good governance test. The shares are suspended from trading and the Fund is therefore unable to sell the security.

The Fund held Russian securities Alrosa Finance and SOVCOM. These securities were inherited by the Fund due to a Fund merger in the past. As a result of the sanctions, the securities are considered to fail good governance; they cannot be traded and have therefore been marked down to zero.

### ● How did the sustainability indicators perform?

objectives of this financial product are attained.

Please see the tables below for an overview of the Fund's performance relative to its sustainability indicators, as well as historic data on the Fund's performance relative to its sustainability indicators.

The 'Eligibility' figure is a measure of the percentage of Fund assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

In the reference period, positive impact assets constituted 37.05% of the Fund's NAV. Examples of positive impact investments include ALK-Abelló, HDFC Bank and eBay. ALK-Abelló employs immunotherapy to provide long-lasting allergy solutions. Meanwhile, Indian bank HDFC is helping to expand access to banking, insurance and financial services. eBay offers an online platform for the reselling of used and refurbished goods.

The Fund invested in green bonds, including UK green bonds and German green bonds. It also held a Colombian green bond. The Colombian green bond has been issued to fund projects related to sustainable water management, clean and sustainable transport, and ecosystem services and biodiversity.

The number of underserved people reached by the Fund's holdings stood at 263.04 million people for the reference period. Bank Rakyat Indonesia is an example of an investee company in this area. The Indonesian bank provides financial services to micro, small and medium-sized enterprises (MSMEs). Its focus on MSMEs enables it to reach typically underserved markets.

The Fund's weighted average carbon intensity (WACI) is declining and now stands at 40.16 t CO2e. This reflects the decisions made in the investment process, as well as the fact that climate data is increasingly accessible (facilitating decision-making). The fund also holds several investments in renewable energy infrastructure and solutions providers.

The indicators were not subject to a third-party review or an assurance provided by an auditor.

| Sustainability indicator name   | Value                  | Eligibility | Coverage |
|---|------------------------|-------------|----------|
| <b>As at - 31 March 2025</b>  |                        |             |          |
| Number of underserved people reached including patients treated, customers served etc. by positive impact investments   | 263.04 Million people  | 100.00%     | 16.91%   |
| Percentage (%) of NAV invested in positive impact assets in the Fund  | 37.05 %                | 100.00%     | 100.00%  |
| Percentage (%) of sovereigns party to the Paris Agreement   | 100.00 %               | 30.05%      | 100.00%  |
| Percentage (%) of sovereign ranked above the Social Progress Index (SPI) Global Average, which assesses how well a society provides its people with material needs, and does not have a negative 5 year trend | 100.00 %               | 30.05%      | 100.00%  |
| Weighted average carbon intensity (WACI) for the fund   | 40.16 tCO2e / €m sales | 66.94%      | 92.62%   |
| Change in CO2 emissions intensity over the previous three year period CAGR Corporate  | -6.56 CAGR 3Y          | 66.94%      | 70.89%   |
| Change in CO2 emissions intensity over the previous three year period CAGR Sovereign  | -1.40 CAGR 3Y          | 30.05%      | 100.00%  |
| Percentage (%) of corporate issuers participating in the Carbon Disclosure Project (CDP)  | 71.54 %                | 66.94%      | 92.57%   |
| Tonnes of CO2 emissions avoided by positive impact investments  | 744498592.28 tCO2e     | 100.00%     | 17.49%   |
| Percentage (%) of corporate issuers with ratified Science-Based Targets under the Science Based Target Initiative (SBTi) or an equivalent as assessed by the Investment Manager                               | 46.19 %                | 58.73%      | 66.94%   |

| Sustainability indicator name   | Value                 | Eligibility | Coverage |
|---|-----------------------|-------------|----------|
| <b>As at - 31 March 2024</b>  |                       |             |          |
| Number of underserved people reached including patients treated, customers served etc. by positive impact investments | 200.53 Million people | 100.00%     | 26.13%   |
| Percentage (%) of NAV invested in positive impact assets in the Fund  | 39.89%                | 100.00%     | 100.00%  |
| Percentage (%) of sovereigns party to the Paris Agreement   | 99.43 %               | 26.25%      | 99.43%   |

|   |                        |         |         |
|---|------------------------|---------|---------|
| Percentage (%) of sovereign ranked above the Social Progress Index (SPI) Global Average, which assesses how well a society provides its people with material needs, and does not have a negative 5 year trend | 100.00 %               | 26.25%  | 100.00% |
| Weighted average carbon intensity (WACI) for the fund   | 44.44 tCO2e / €m sales | 69.76%  | 92.64%  |
| Change in CO2 emissions intensity over the previous three year period CAGR Corporate  | -7.32 CAGR 3Y          | 69.76%  | 65.61%  |
| Change in CO2 emissions intensity over the previous three year period CAGR Sovereign  | 2.89 CAGR 3Y           | 26.25%  | 99.43%  |
| Percentage (%) of corporate issuers participating in the Carbon Disclosure Project (CDP)  | 72.87 %                | 69.76%  | 92.64%  |
| Tonnes of CO2 emissions avoided by positive impact investments  | 470453623.05 tCO2e     | 100.00% | 18.19%  |
| Percentage (%) of corporate issuers with ratified Science-Based Targets under the Science Based Target Initiative (SBTi) or an equivalent as assessed by the Investment Manager                               | 41.80 %                | 69.76%  | 76.13%  |

| Sustainability indicator name   | Value                  | Eligibility | Coverage |
|---|------------------------|-------------|----------|
| <b>As at - 31 March 2023</b>  |                        |             |          |
| Percentage (%) of sovereigns party to the Paris Agreement   | 73.90 %                | 21.33%      | 73.90%   |
| Weighted average carbon intensity (WACI) for the fund   | 59.14 tCO2e / €m sales | 71.60%      | 88.44%   |
| Percentage (%) of NAV with ratified Science-Based Targets (SBTs)  | 26.44 %                | 83.46%      | 50.89%   |
| Percentage (%) of corporate issuers participating in the Carbon Disclosure Project (CDP)  | 68.14 %                | 71.60%      | 89.61%   |
| Tonnes of CO2 emissions avoided by positive impact investments  | 385911148.00 tCO2e     | 83.47%      | 17.23%   |
| Percentage (%) of sovereign ranked above the Social Progress Index (SPI) Global Average, which assesses how well a society provides its people with material needs, and does not have a negative 5 year trend | 96.53 %                | 21.33%      | 96.53%   |
| Number of underserved people reached including patients treated, customers served etc. by positive impact investments   | 110.80 Million people  | 83.47%      | 26.60%   |
| Percentage (%) of NAV invested in positive impact assets in the Fund  | 52.70 %                | 100.00%     | 100.00%  |
| Change in CO2 emissions intensity over the previous three year period CAGR Corporate  | -8.24 CAGR 3Y          | 71.60%      | 64.14%   |
| Change in CO2 emissions intensity over the previous three year period CAGR Sovereign  | -3.53 CAGR 3Y          | 21.33%      | 73.90%   |
| Percentage (%) of corporate issuers with ratified Science-Based Targets under the Science Based Target Initiative (SBTi) or an equivalent as assessed by the Investment Manager                               | 45.90 %                | -           | -        |

- **...and compared to previous periods?**

In the current reference period, the Fund's positive impact investments avoided over 744 million tonnes of CO2 equivalents, a significant increase on the previous reporting period's figure which stood at over 470 million tonnes of CO2 equivalents. In the period ending 31 March 2023, the figure was over 385 million tonnes of CO2 equivalents. In every reporting period, there has therefore been a progressive increase in the tonnes of CO2 emissions avoided by positive impact investments. This is partly due to the fact that the Fund's climate solutions positive impact holdings (for example, renewable energy operators) continue to enhance their impact through sustained avoidance of CO2 emissions.

The percentage of NAV invested in positive impact assets in the reference period was 37.05%. This is lower than the figure in the previous reporting period which was 39.89%. In the period ending 31 March 2023, the figure was 52.70%. The percentage of NAV invested in positive impact assets has therefore decreased in every reporting period.

The Fund's weighted average carbon intensity (WACI) was 40.16 t CO2e in the reference period, a decrease on the previous reporting period's WACI which was 44.44 t CO2e. In the reporting period ending 31 March 2023, the figure was 59.14 t CO2e. The Fund's WACI has therefore decreased in every reporting period.

In the reference period, 263.04 million underserved people were reached by the Fund's holdings, an increase on the previous reporting period's figure which was 200.53. In the reporting period ending 31 March 2023, the figure was 110.80 million people. The number of underserved people reached by the Fund's holdings has therefore increased in every reporting period. This is partly due to the Fund finding further opportunities to invest in companies providing services to underserved markets.

A number of factors may contribute to the changes since the previous year and a comparison may not be like for like. The changes may be due to, amongst others, an increase or decrease in the Fund's size, a change in how we calculate the data, a change in data coverage or a change in the proportion of the Fund invested in a particular asset class.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments not cause significant harm to any sustainable investment objective?**

Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as set out in the following section.

- **How were the indicators for adverse impacts on sustainability factors taken into account?**

The Fund took the mandatory principal adverse impact (PAI) indicators, as set out in table 1 of Annex 1 of the SFDR Regulatory Technical Standards, and any relevant opt-in indicators from tables 2 and 3, into account to ensure that the Fund's sustainable investments do not do significant harm to any sustainability factor. PAIs 1-6 relating to carbon emissions were taken into account by way of applying the exclusions set out in the Manager's Thermal Coal Policy as well as the Manager's DNSH test which also includes a revenue-based exclusion relating to fossil fuel activities. PAI 14 on controversial weapons was taken into account by applying the Manager's Controversial Weapons Policy. PAI 7 on biodiversity was taken into account by applying a controversy-based exclusion which forms part of the Manager's DNSH test. The Fund also excluded any company which did not pass the Manager's Global Norms Process. The Fund may have applied additional exclusions, as outlined in the Fund's Prospectus, some of which may be relevant to addressing PAIs.

PAIs that were not addressed by way of exclusions were assessed and taken into account as part of the Manager's investment research process.

Where investments are reported as Taxonomy aligned, the economic activities invested in also met the do no significant harm criteria as set out in Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (EU Taxonomy Regulation).

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

All sustainable investments are subject to the Manager's Global Norms Process which assesses adherence to the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights.



### How did this financial product consider principal adverse impacts on sustainability factors?

The Investment Manager received principal adverse impact research data to identify the Fund's principal adverse impacts prior to investing. Consideration of certain principal adverse impacts was reinforced by applying the exclusions as set out in M&G house Policies; Fund specific exclusions as set out in the Fund Prospectus; or were screened out as a result of the Fund Manager's Global Norms Process. Where no exclusions were applied, principal adverse impacts were assessed as part of the investment research process and monitored by the Fund Manager on an on-going basis.



### What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2024 to 31/03/2025

| Largest investments                | Sector  | % Assets | Country |
|------------------------------------|---|----------|---------|
| UNITED KINGDOM OF GREAT BRITAIN AN | Public administration and defence; compulsory social security | 3.59%    | GB      |
| GERMANY (FEDERAL REPUBLIC OF)      | Public administration and defence; compulsory social security | 3.21%    | DE      |
| EUROPEAN INVESTMENT BANK           | Financial and insurance activities                            | 2.77%    | SP      |
| UK CONV GILT                       | Public administration and defence; compulsory social security | 2.68%    | GB      |
| GERMANY (FEDERAL REPUBLIC OF)      | Public administration and defence; compulsory social security | 2.66%    | DE      |
| GERMANY (FEDERAL REPUBLIC OF)      | Public administration and defence; compulsory social security | 2.52%    | DE      |
| GERMANY (FEDERAL REPUBLIC OF)      | Public administration and defence; compulsory social security | 2.46%    | DE      |
| INTER-AMERICAN DEVELOPMENT BANK    | Activities of extraterritorial organisations and bodies       | 2.06%    | SP      |
| GERMANY (FEDERAL REPUBLIC OF)      | Public administration and defence; compulsory social security | 1.94%    | DE      |
| INTERNATIONAL BANK FOR RECONSTRUCT | Activities of extraterritorial organisations and bodies       | 1.79%    | SP      |
| GERMANY (FEDERAL REPUBLIC OF)      | Public administration and defence; compulsory social security | 1.68%    | DE      |
| GREENCOAT RENEWABLES PLC           | Financial and insurance activities                            | 1.52%    | IE      |
| GERMANY (FEDERAL REPUBLIC OF)      | Public administration and defence; compulsory social security | 1.51%    | DE      |
| INTERNATIONAL BANK FOR RECONSTRUCT | Activities of extraterritorial organisations and bodies       | 1.48%    | SP      |
| THE RENEWABLES INFRASTRUCTURE GROU | Financial and insurance activities                            | 1.38%    | GG      |

These investments represent an annual average of four quarterly measurements for the period ending 31 March 2025.

Please note that the Investment Manager identifies separate company issues when compiling this table of Top 15 holdings rather than grouping issuers at a company (issuer) level.



### What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus), the Fund committed to making a minimum of 30% of sustainable investments with an environmental objective.

Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The figures are calculated as an annual average of four quarterly measurements for the period ending 31 March 2025. The % of sustainable

investments was 98.35% of NAV. 75.45% of these investments had an environmental objective while 22.89% had a social objective.

Whilst the Fund did not commit to invest in investments aligned to the EU Taxonomy, 2.21% were aligned to the EU Taxonomy. 73.24% related to investments with other environmental objectives.

Please note that the allocation to EU Taxonomy aligned investments may be lower or 0% in future periods.

**Asset allocation** describes the share of investments in specific assets.

### ● What was the asset allocation?

The graphic below provides an overview of the asset allocation.



**#1 Sustainable** covers sustainable investments with environmental or social objectives.

**#2 Not sustainable** includes investments which do not qualify as sustainable investments.

| Historical comparisons of the asset allocation | FY 2022 | FY 2023 | FY 2024 |
|--|---------|---------|---------|
| #1 Sustainable                                 | -%      | 97.32%  | 97.56%  |
| #2 Not Sustainable                             | -%      | 2.68%   | 2.44%   |
| #1A Environmental                              | -%      | 67.2%   | 74.65%  |
| #1B Social                                     | -%      | 30.12%  | 22.91%  |
| Taxonomy-Aligned                               | -%      | 0.9%    | 2.09%   |
| Other  | -%      | 66.3%   | 72.56%  |

The above Historic Asset Allocation table reflects the available data for the Fund. The methodology has changed from the previous reference period and as such the data is not an exact comparison. Prior to 2025 the data used was as at the year end, whereas now it is an average of four quarter ends.

### ● In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities), as developed by the European Union, and is expressed as a % of Net Asset Value (NAV).

The investment breakdown shown represents an annual average of four quarterly measurements taken over the reporting period.

| Economic Sector   | % Assets      |
|---|---------------|
| Public administration and defence; compulsory social security                 | 30.05%        |
| Financial and insurance activities  | 23.63%        |
| Financial service activities, except insurance and pension funding            | 17.61%        |
| Insurance, reinsurance and pension funding, except compulsory social security | 3.53%         |
| Activities auxiliary to financial services and insurance activities           | 2.50%         |
| <b>Manufacturing</b>  | <b>19.60%</b> |
| Manufacture of paper and paper products                                       | 0.54%         |
| Manufacture of basic pharmaceutical products and pharmaceutical preparations  | 1.72%         |
| Manufacture of chemicals and chemical products                                | 0.95%         |
| Manufacture of fabricated metal products, except machinery and equipment      | 0.76%         |

|   |              |
|---|--------------|
| Manufacture of coke and refined petroleum products  | 0.01%        |
| Manufacture of other non-metallic mineral products  | 0.01%        |
| Manufacture of machinery and equipment n.e.c.   | 3.07%        |
| Other manufacturing   | 0.48%        |
| Manufacture of electrical equipment   | 1.04%        |
| Manufacture of food products  | 0.44%        |
| Manufacture of leather and related products   | 0.14%        |
| Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials | 0.68%        |
| Manufacture of computer, electronic and optical products  | 8.20%        |
| Manufacture of motor vehicles, trailers and semi-trailers   | 1.57%        |
| <b>Activities of extraterritorial organisations and bodies</b>  | <b>8.84%</b> |
| <b>Information and communication</b>  | <b>7.46%</b> |
| Information service activities  | 2.16%        |
| Computer programming, consultancy and related activities  | 1.05%        |
| Telecommunications  | 1.82%        |
| Publishing activities   | 2.43%        |
| <b>Electricity, gas, steam and air conditioning supply</b>  | <b>2.11%</b> |
| <b>Real estate activities</b>   | <b>1.92%</b> |
| <b>Wholesale and retail trade; repair of motor vehicles and motorcycles</b>   | <b>1.71%</b> |
| Retail trade, except of motor vehicles and motorcycles  | 1.56%        |
| Wholesale and retail trade and repair of motor vehicles and motorcycles   | 0.16%        |
| <b>Human health and social work activities</b>  | <b>1.71%</b> |
| Social work activities without accommodation  | 0.46%        |
| Human health activities   | 1.25%        |
| <b>Water supply; sewerage, waste management and remediation activities</b>  | <b>0.59%</b> |
| Waste collection, treatment and disposal activities; materials recovery   | 0.59%        |
| <b>Construction</b>   | <b>0.36%</b> |
| Civil engineering   | 0.02%        |
| Construction of buildings   | 0.34%        |
| <b>Professional, scientific and technical activities</b>  | <b>0.35%</b> |
| Scientific research and development   | 0.15%        |
| Activities of head offices; management consultancy activities   | 0.01%        |
| Advertising and market research   | 0.19%        |
| <b>Administrative and support service activities</b>  | <b>0.34%</b> |
| Employment activities   | 0.11%        |
| Rental and leasing activities   | 0.02%        |
| Travel agency, tour operator and other reservation service and related activities   | 0.21%        |
| <b>Accommodation and food service activities</b>  | <b>0.28%</b> |
| Food and beverage service activities  | 0.27%        |
| Accommodation   | 0.01%        |
| <b>Other service activities</b>   | <b>0.18%</b> |
| Other personal service activities   | 0.18%        |
| <b>Transportation and storage</b>   | <b>0.01%</b> |
| Land transport and transport via pipelines  | 0.01%        |
| <b>Other*</b>   | <b>0.87%</b> |

\*These investments are investments for which no NACE code is available.

Sectors of the economy that derive revenues from economic activities related to fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council are incorporated in the above table.



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The Fund held 2.21% in Taxonomy-aligned sustainable investments during the reference period. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it.

Please note, the EU Taxonomy aligned investments made during this reporting period are incidental and may be lower or 0% in future periods.

The EU Taxonomy data was not subject to a third-party review or an assurance provided by an auditor.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

### ● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?

Yes:

In fossil gas

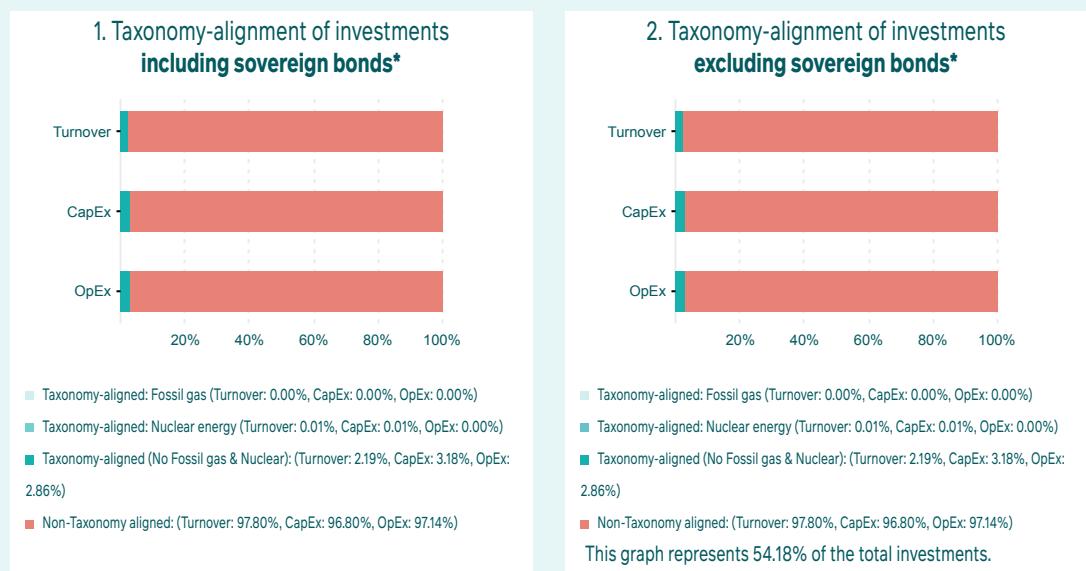
In nuclear energy

No

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:  
 - **turnover** reflecting the share of revenue from green activities of investee companies.  
 - **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
 - **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

| Taxonomy Environmental Objective                          | Percentage of Contribution |
|---|----------------------------|
| Climate Change Mitigation                                 | 2.15%                      |
| Climate Change Adaption                                   | 0.00%                      |
| Use and Protection of Water and Marine Resources          | 0.00%                      |
| Transition to a Circular Economy                          | 0.03%                      |
| Pollution Prevention and Control                          | 0.00%                      |
| Protection and Restoration or Biodiversity and Ecosystems | 0.00%                      |

The above graph and table describes the Taxonomy alignment of all investments the Fund has made.

● **What was the share of investments made in transitional and enabling activities?**

The share of the Fund's investments made in transitional activities over the period was 0% while the share of the Fund's investments in enabling activities was 1.17% over the period. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

| Activity                         | Percentage Investments |
|----------------------------------|------------------------|
| Share of Transitional Activities | 0.00%                  |
| Share of Enabling Activities     | 1.17%                  |

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund held 2.21% in Taxonomy-aligned sustainable investments during the reference period, an increase on the previous reporting period's figure which was 2.09%. In the reporting period ending 31 March 2023, the Fund held 0.90% in Taxonomy-aligned sustainable investments. More investee companies are now considering how their activities align with the EU Taxonomy and more data is now available. This partly accounts for the progressive increase in Taxonomy-aligned sustainable investments.

A number of factors may contribute to the changes since the previous year and a comparison may not be like for like. The changes may be due to, amongst others, an increase or decrease in the Fund's size, a change in how we calculate the data, a change in data coverage or a change in the proportion of the Fund invested in a particular asset class.

| Reference period      | Including sovereign bonds |       |       | Excluding sovereign bonds |       |       |
|-----------------------|---------------------------|-------|-------|---------------------------|-------|-------|
|                       | Turnover                  | CapEx | OpEx  | Turnover                  | CapEx | OpEx  |
| As at - 31 March 2025 | 2.20%                     | 3.20% | 2.86% | 2.20%                     | 3.20% | 2.86% |
| As at - 31 March 2024 | 2.00%                     | 3.00% | 2.00% | 2.00%                     | 3.00% | 2.00% |

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



### **What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

The share of sustainable investments with an environmental objective not aligned with the EU Taxonomy was 73.24%. This compares to a minimum percentage commitment of 30% in environmentally sustainable investments (i.e. both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

Corporate disclosure of EU Taxonomy alignment is still in a nascent phase and reported Taxonomy alignment data remains low for the time being. We keep our approach under review as we expect the numbers to increase as corporates gain further experience with the reporting of EU Taxonomy alignment, and as more corporates align their economic activities to the criteria of the EU Taxonomy.



### **What was the share of socially sustainable investments?**

The share of sustainable investments with a social objective was 22.89%. This compares to a minimum percentage commitment of 20% stated in the Fund's precontractual disclosure.



### **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

During the reference period, the Fund may have held cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for hedging purposes or in connection with cash held for ancillary liquidity and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.



### **What actions have been taken to attain the sustainable investment objective during the reference period?**

Throughout the reporting period we engaged with investee companies on environmental and social topics that specifically relate to the Fund's sustainable objective.

We carried out 48 engagements during the period; 39 of these engagements related to the Fund's sustainable investment objective.

We engaged with companies on both environmental and social topics. On the environmental side, topics included target setting and carbon disclosure. On the social side, topics included public health, labour practices and human rights.

Engagement objectives included encouraging companies to do the following: employ additional metrics to measure societal impact, calculate CO2 saved or avoided, set science-based targets, publish specific Paris-aligned carbon reduction targets, incorporate a biodiversity metric into executive remuneration, and implement effective policies and procedures in relation to forced labour.



### **How did this financial product perform compared to the reference sustainable benchmark?**

N/A.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.

- **How does the reference benchmark differ from a broad market index?**  
N/A
- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**  
N/A
- **How did this financial product perform compared with the reference benchmark?**  
N/A
- **How did this financial product perform compared with the broad market index?**  
N/A