

Sustainable Investment Objective

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainability indicators

measure how the sustainable objectives of this financial product are attained.

Did this financial product have a sustainable investment objective?

☒ Yes

☐ No

☒ It made **sustainable investments with an environmental objective: 71.6%**

☐ 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

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective 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

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

☐ with a social objective

☒ It made **sustainable investments with a social objective: 6.4%**

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

In addition to the percentages noted above, 19.0% was in investments with dual environmental and social objectives. This means sustainable investments made up 97.0% of holdings, with the remaining being in cash. All percentages provided above are based on the Sub-Fund's investments as at the end of the reporting period.



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

The Sub-Fund is a dedicated impact fixed income fund and has sustainable investment as its core objective. The Sub-Fund seeks to provide mainstream, risk adjusted returns alongside environmental and/or social impact.

The Sub-Fund invests in bonds, other fixed or floating-rate debt securities and short-term debt securities issued by sovereign, corporate or supranational entities and where the use of proceeds of the sale of debt securities will be used to finance projects aligned with the sustainable investment objective of the Sub-Fund.

These projects may include, but are not limited to:

- mitigation projects against climate change such as wind farms, solar and other renewable energy plants, clean transportation, energy and resource efficiency, recycling and circular economy;
- adaptation projects against climate change such as building sea walls in cities threatened by rising sea levels, flood protection, water filtration infrastructure.

Securities have only been included in the Sub-Fund's portfolio if their use of proceeds have been validated as having a positive environmental and/or social impact that contributes either to meeting any of the UN Sustainable Development Goals (SDGs) and/or the aims of the Paris Agreement. The issuer of the investments must also pass the Investment Manager's verification process from an environmental, social and governance perspective.

Securities selected for inclusion in the Sub-Fund's investable universe have been verified through the Investment Manager's proprietary and independent verification process, the SPECTRUM process.

Further details of the process can be found on the Investment Manager's website: <https://am.lombardodier.com/ch/en/professional/asset-classes/fixed-income/sustainable/climate-bonds.html>.

Although the Sub-Fund has invested in line with its aim to support positive environmental and/or social impact through assessing the use of proceeds of the investments, markers for adverse environmental change continue to rise and it is clear that a much greater concentration of capital on the financing of such projects from the global economy is needed in order to achieve meaningful positive change at global scale. The Investment Manager considers that the adoption and integration of meaningful screening, exclusion, restriction and engagement policies will therefore continue to be needed as an integral part of the Sub-Fund's investment processes.

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 sustainability indicators perform?**

Qualitative and quantitative reporting of sustainability indicators is completed on an annual basis in the annual Impact Report for the Sub-Fund. This reporting is predominantly based on the use of proceeds of the bonds held in the Sub-Fund. This is an extensive data collection exercise undertaken in-house by the Investment Manager, sourcing data predominantly from issuers' labelled bond impact and allocation reporting. Data is collected at the most granular level available with a preference for project level information when available. It is then pro-rated and aggregated to ensure transparent reporting of the Sub-Fund's environmental and social impact. Data collection is a six-month process, beginning each January and looking back at holdings for the previous calendar year. As this periodic disclosure comes ahead of the close of 2025, the most recent metrics for the Sub-Fund holdings relate to calendar year 2024.

Sustainability indicators relating to the Sub-Fund's holdings over calendar year 2024 ¹⁾

Environmental ²⁾	Estimated clean energy generated	175 015 MWh
	Clean energy capacity installed	87 MW
	Water treated annually	6 292 310 m ³
	Added daily passenger capacity	6 977 people
	Weighted Average Carbon Intensity	54.8 tCO ₂ e / US\$m
Social ³⁾	Children immunised	4 640
	Job created / retained	1 955

Metrics for calendar year 2025 will be available on the Investment Manager's website over the course of 2026.

- 1) Sustainability indicators reported are those relevant to individual investments held at the time of reporting. The Sub-Fund may not invest in securities focused on the same sustainability indicators each year. Different, relevant, sustainability indicators may be reported in the future
- 2) Environmental metrics primarily relate to projects funded by green bonds
- 3) Social metrics primarily relate to projects funded by social bonds
- 4) <https://www.iea.org/reports/global-energy-and-climate-model/stated-policies-scenario-steps>

• **and compared to previous periods?**

Sustainability indicators relating to the Sub-Fund's holdings over calendar years 2021, 2022 and 2023 ¹⁾

		2021	2022	2023
Environmental ²⁾	Estimated clean energy generated	840 000 MWh	340 000 MWh	177 600 MWh
	Clean energy capacity installed	228 MW	134 MW	82 MW
	Water treated annually	204 800 000 m ³	122 250 000 m ³	80 286 773 m ³
	Added daily passenger capacity	10 500 people	7 900 people	6 479 people
	Weighted Average Carbon Intensity	83.7 tCO ₂ e / US\$m	41 tCO ₂ e / US\$m	45.8 tCO ₂ e / US\$m
Social ³⁾	Children immunised	7 100	5 900	23 556
	Students supported	682	N/A	8 046
	Job created / retained	1 550	430	493

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- 2) Environmental metrics primarily relate to projects funded by green bonds
- 3) Social metrics primarily relate to projects funded by social bonds

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

If an investment is associated with significant environmental or social harm it would fail to meet the SPECTRUM criteria and would be excluded from the SPECTRUM Bond® universe. As a result, the issuance will not be eligible for purchase in the Sub-Fund. The SPECTRUM process requires the analyst to consider whether there are direct or indirect environmental or social negative impacts resulting from the stated use of proceeds or the issuer. The Sub-Fund also adheres to the Investment Manager's exclusionary criteria and is screened on a quarterly basis to ensure ongoing compliance.

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

The indicators for adverse impacts on sustainability factors are taken into account within the SPECTRUM® verification process.

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

Yes. Alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are components within the SPECTRUM® verification process. Ongoing compliance with this is also screened on a quarterly basis.



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

Principal adverse impacts ("PAI") on sustainability factors are taken into account within the Investment Manager's verification process, SPECTRUM. These are considered at two levels: (1) adverse impacts that are associated with the use of proceeds of the bond and (2) adverse impacts associated with the issuer of the bond, but not necessarily coming from the stated use of proceeds. The 'responsible issuer' criteria within the SPECTRUM analysis focuses on the issuer itself and whether it meets Investment Manager's standards from an ESG perspective. This includes environmental, social and employee matters, respect for human rights, anticorruption and antibribery.

The Investment Manager also considers PAIs as a tool to understand the environmental and social performance of the Sub-Fund's portfolio against objectively measurable sustainability criteria consistently applied across the European Union. Outside of SPECTRUM, consideration of PAIs is principally used to understand the wider sustainability dynamics of the Sub-Fund on an ex-post basis. Consideration of the most relevant PAI's may also inform investment decisions (particularly if the PAIs demonstrate that an investment may cause significant harm). It should be noted that not all PAIs may be material to all investments or material in the same way and that consideration of PAIs is only one part of the Investment Manager's wider assessment of sustainability factors affecting the Sub-Fund.

The below tables set out the mandatory and selected additional PAIs established by Annex I of the SFDR RTS 2022/1288. The Investment Manager provides the following information in respect of principal adverse sustainability indicators for the Sub-Fund's portfolio average weight year to date at 30 September 2025:

Investee companies

PAI	Unit	Value	Data source
Table I – Climate and other environment-related indicators			
1 – GHG Emissions – (Scope 1)	tCO2eq	4 188.9	S&P
1 – GHG Emissions – (Scope 2)	tCO2eq	1 382.9	S&P
1 – GHG Emissions – (Scope 3)	tCO2eq	40 146.5	S&P
1 – GHG Emissions – (Total GHG emissions, Scope 1,2&3)	tCO2eq	45 718.5	S&P
2 – Carbon Footprint – (Scope 1,2&3)	tCO2e / Mio EUR invested	187.3	S&P
3 – GHG intensity of investee companies – (Scope 1,2&3)	tCO2e per MEUR revenue	1 003.5	S&P
4 – Exposure to companies active in the fossil fuel sector ¹	% of portfolio	3.9%	S&P
5 – Share Energy Consumption from Non-Renewable Sources	% of portfolio	52.7%	S&P
5 – Share Energy Production from Non-Renewable Sources	% of portfolio	57.2%	S&P
6 – Energy Consumption Intensity Per High Impact Climate Sector	GWh per MEUR revenue	0.2	S&P
7 – Activities negatively affecting biodiversity-sensitive areas	% of portfolio	8.9%	S&P
8 – Emissions to water	tonnes per MEUR invested	0.1	S&P
9 – Hazardous waste and radioactive waste ratio	tonnes per MEUR invested	5.1	S&P
Table I – Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery Matters			
10 – Violation of UNGC	% of portfolio	0.0%	S&P and in-house research
11 – Lack of monitor, UNGC	% of portfolio	30.2%	S&P
12 – Unadjusted gender pay gap	% of portfolio	24.7%	S&P
13 – Board gender diversity	% of portfolio	25.1%	S&P
14 – Exposure to controversial weapons	% of portfolio	0.0%	S&P
Table II – Additional climate and other environment-related indicators			
Share of bonds not issued under EU legislation on environmentally sustainable bonds ²	% of portfolio	74.8%	Desk research, issuer reports
Table III – Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters			
Lack of a human rights policy	% of portfolio	15.0%	S&P

¹ Given that the Investment Manager's portfolios are impact portfolios with strong verification processes, it may seem surprising that there is any exposure to companies active in the fossil-fuel sector. Exposure to fossil fuels comes from fossil fuel related power generation or distribution (not production) and is limited to issuers with some residual fossil fuel exposure but with strong decarbonization strategies in place.

² This figure is calculated during the Investment Manager's annual impact reporting cycle and hence relates to 2024 holdings.

Sovereigns and Supranationals

PAI	Unit	Value	Data source
Table I – Climate and other environment-related indicators			
15 – GHG Intensity	tCO2e / Mio EUR GDP	368.2	S&P
Table I – Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters			
16 – Investee countries subject to social violations	% portfolio	0.0%	S&P

It should be noted that availability and quality of PAI data is changing rapidly. The above information is based upon data sourced from companies and/or governmental and sovereign bodies directly, from third party data providers and on models or proxies built by the Investment Manager. Figures may change significantly in the future, not only due to changes in the composition of the Sub-Fund's portfolio or the activity of the companies/issuers within the Sub-Fund's portfolio, but also due to changes in data availability and quality which is expected to increase significantly in the next years.



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 as at September 2025.

Largest investments*	Sector	% Asset	Country
US500769KD52	Government Related	4.1%	Germany
US4581X0CE61	Government Related	3.6%	United States
US298785JV96	Government Related	3.5%	Luxembourg
NL0013552060	Treasuries	3.1%	Netherlands
US45906M3A71	Government Related	1.9%	United States
XS2431032585	Government Related	1.8%	United States
USY4841MWE56	Government Related	1.8%	Republic of Korea
XS2132869780	Investment Grade	1.7%	Sweden
HK0001055638	Government Related	1.6%	Hong Kong
XS2872164160	Government Related	1.4%	United States
US3140QRAB92	Fixed Rate	1.3%	United States
CA74814ZFR97	Government Related	1.3%	Canada
US4581X0BX51	Government Related	1.2%	United States
US74977SDK50	Investment Grade	1.2%	Netherlands
US3133KN6A63	Fixed Rate	1.1%	United States

* The Investment Manager identifies the largest investments by averaging the Sub-Fund's portfolio composition as at the end of each quarter during the reference period.

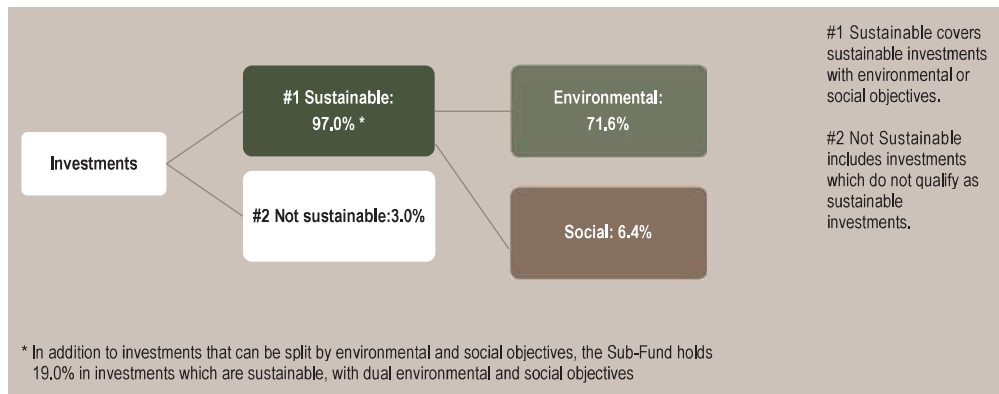
Asset allocation describes the share of investments in specific assets.



What was the proportion of sustainability-related investments?

- What was the asset allocation?**

The Sub-Fund's asset allocation as at the end of the reporting period is set out in the chart below



- In which economic sectors were the investments made?**

As at the end of the reporting period, the Sub-Fund's investments were in the following economic sectors:

Government Related	47.4%
Banking	10.3%
Securitised	10.1%
Electric	5.3%
Cash / FX	3.0%
REITs	7.2%
Consumer Cyclical	3.0%
Treasuries	4.0%
Financial Other	2.7%
Communications	2.5%
Utility Other	2.4%
Capital Goods	0.0%
Technology	1.0%



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

- Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?¹**

☐ 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.

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

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.

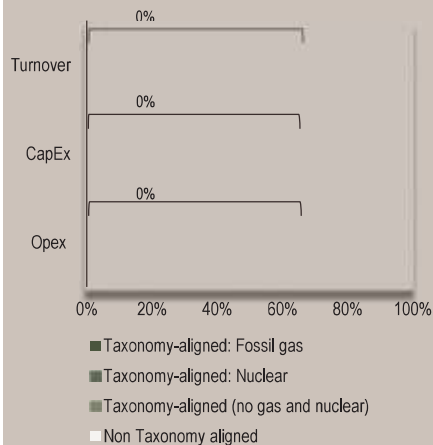
Enabling activities directly enable other activities to make a substantial contribution to an environment objective.

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

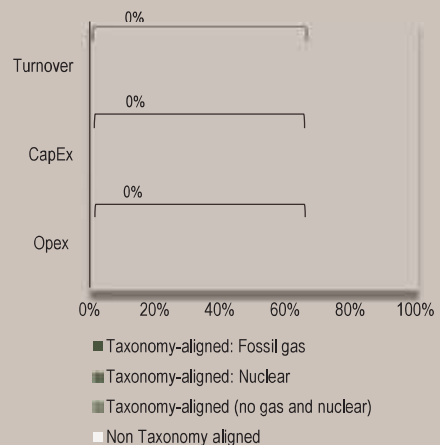
The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product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

The graphs below are not applicable as the Sub-Fund does not make any commitment to invest in sustainable investments.

1 Taxonomy-alignment of investments including sovereign bonds*



2 Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents 100% of the total investments

* For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures

As this Sub-Fund predominantly holds use of proceeds bonds, EU Taxonomy alignment is calculated based on the use of proceeds of the held securities and not on an OpEx, CapEx or turnover basis. Taxonomy alignment estimates are based on issuer's reporting. EU Taxonomy alignment is reported in the Investment Manager's annual impact report.

Results for 2024 holdings were:

- 33% alignment with substantial contribution criteria,
- 25% alignment with do no significant harm criteria,
- 26% alignment with minimum social safeguards.

Overall, this means an alignment with the EU Taxonomy of 25.2% of the portfolio, as alignment requires all three elements to be confirmed.

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

N/A

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

As this Sub-Fund predominantly holds use of proceeds bonds, EU Taxonomy alignment is calculated based on the use of proceeds of the held securities and not on an OpEx, CapEx or turnover basis. Taxonomy alignment estimates are based on issuer's reporting. EU Taxonomy alignment is reported in the Investment Manager's annual impact report.

Results for 2023 holdings were:

- 29% alignment with substantial contribution criteria,
- 19% alignment with do no significant harm criteria,
- 22% alignment with minimum social safeguards.

Overall, this means an alignment with the EU Taxonomy of 19% of the portfolio, as alignment requires all three elements to be confirmed.

 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?

EU Taxonomy aligned with an environmental objective	Not EU taxonomy aligned with an environmental objective
25%	60%

This analysis relates to 2024 holdings as EU Taxonomy alignment is calculated on an annual basis during the Investment Manager's annual impact reporting data collection. It covers 85% of 2024 average portfolio holdings.



What was the share of socially sustainable investments?

As at the end of the reference period, the share of investments with a social objective was 6.4%. In addition, 19.0% of the Sub-Fund was held in sustainable bonds with dual environmental and/or social objectives.



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

Only the cash held in the Sub-Fund is considered "not sustainable". As of the end of the reporting period this was 3.0% of the Sub-Fund's weight.



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

The Sub-Fund is a dedicated impact fixed income Sub-Fund and has sustainable investment as its core objective. The Sub-Fund seeks to provide mainstream, risk adjusted returns alongside environmental and/or social impact.

Securities are only included in the Sub-Fund if their use of proceeds have a positive environmental and/or social impact that contributes either to meeting any of the UN SDGs and/or the aims of the Paris Agreement. The issuer of the investments must also pass the verification process from an environmental, social and governance perspective.

Securities selected for inclusion in the Sub-Fund's investable universe are verified through the Investment Manager's proprietary and independent verification process, the SPECTRUM process.



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

N/A – No specific index has been designated as a reference benchmark to meet the sustainable investment objective

- **How did 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

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