

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 8, first paragraph, of Regulation (EU) 2020/852).

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

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

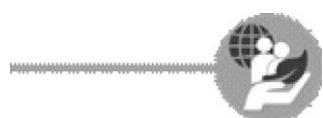
☒ ☐ ☒ No

☐ It will make a minimum of sustainable investments 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

☐ It will make a minimum of sustainable investments with a social objective:_%

- ☒ It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 2% 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 promotes E/S characteristics, but will not make any sustainable investments



What environmental and/or social characteristics are promoted by this financial product?

In replicating the performance of the Bloomberg MSCI Global Aggregate SRI Carbon ESG-Weighted Select Index (the “Index”), the Sub-Fund promotes the following environmental characteristic:

1. a lower carbon emissions profile as compared against that of the Bloomberg Global Aggregate Index (the “Parent Index”)

The Sub-Fund seeks to achieve the promotion of this characteristic by tracking the performance of the Index, of which the government bucket uses MSCI ESG sovereign scores to tilt country allocations above or below their market value weights in the Parent Index. The credit bucket applies business involvement screens and a screen to remove companies involved in one or more very severe ongoing controversies, as defined by MSCI ESG controversies methodology and then applies best-in-class screening using MSCI's ESG rating, then applying a carbon intensity screen before being weighted by a fixed multiplier according to its MSCI ESG rating.

The Index has been designated as a reference benchmark for the purpose of attaining the environmental and/or social characteristic promoted by the Sub-Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager's environmental, social and governance ("ESG") data team leverages its proprietary data to run internal ESG reports to ensure sustainable objectives and targets, and the indicators used to measure these, as embedded in the product's methodology, are met. Using this data the Investment Manager conducts regular reviews with the relevant Index partner to ensure accuracy of the data being provided.

The sustainability indicator used to measure the attainment of the environmental and/or social characteristic promoted by the Sub-Fund is:

1. MSCI Carbon Emissions Intensity (greenhouse gas emissions (scope 1 and 2) normalised by sales of USD)

Issuers with a MSCI Carbon Intensity score of above 750t/USD million sales are excluded.

The Investment Manager's proprietary ESG ratings system is used to measure the attainment of the ESG characteristic promoted by the Index and therefore that of the Sub-Fund.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The sustainable investments made by the Sub-Fund contribute to the environmental and/or social objectives which include:

1. the reduction of greenhouse gas emissions and carbon footprint; and
2. the transition to or use of renewable energy.

The Sub-Fund replicates the performance of the Index, the focus of which in the government bucket is to ESG sovereign scores to tilt country allocations above or below their market value weights in the Parent Index and then use MSCI ESG ratings, MSCI ESG controversies scores and carbon intensity screens in the credit bucket.

By replicating the performance of the Index, the investments of the Sub-Fund contribute to these sustainable objectives.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Do no significant harm analysis is completed by the Index provider as part of the Index construction.

The Index is re-balanced periodically; prior to the re-balance of the Index the indicators referred to below are incorporated in the assessment of the business activities.

By replicating the performance of the Index, the investments of the Sub-Fund that are sustainable investments do not cause significant harm to the environmental and/or social investment sustainable objective.

The Investment Manager overlays an investment restrictions monitoring process that screens for any investments that would cause significant harm to sustainable objectives and which could result in divestment by the Investment Manager ahead of the index re-balancing.

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

The mandatory principal adverse impacts (“PAI”) indicators have been used in the assessment of business activities of the initial universe of securities. Revenue data, business involvement and other data sources have been considered when assessing each security using minimum thresholds or blanket exclusions on activities identified in relation to these indicators.

The mandatory principal adverse indicators taken into account and the manner in which they are taken into account are as follows:

Mandatory Principal Adverse Impact Indicator	How taken into account?
GHG Emissions (PAI 1)	The Index is designed to reduce exposure to carbon intensity at scope 1 & 2 levels
Carbon Footprint (PAI 2) and Exposure to companies active in the fossil fuel section	The eligible universe of constituents applies business involvement exclusions

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.

Mandatory Principal Adverse Impact Indicator	How taken into account?
(PAI 4)	in the credit bucket on thermal coal extraction and generation. The Index is designed to ultimately reduce fossil fuel exposure.
Violations of UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10)	The Index excludes companies involved in controversies related to the United Nations Global Compact (UNGC) Principles and companies at risk of contributing to severe or systemic and/or systematic violations of international norms and standards relating to UNGC Principles 7, 8, 9.
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (PAI 14)	Controversial weapons are excluded.

Furthermore, active ownership, through engagement and global proxy voting, is a key pillar of the Investment Manager's approach to responsible investments.

The Investment Manager's stewardship activity is focused on protecting and enhancing our clients' investments with us. We engage with companies on a range of ESG issues and we have the following clear set of engagement objectives:

- o improve our understanding of company business and strategy;
- o monitor company performance;
- o signal support or raise concerns about company management, performance or direction; and
- o promote good practice.

Engagement issues range from corporate governance concerns such as the protection of minority shareholder rights, director elections and board structure to environmental issues, including climate change adaptation and mitigation and the low carbon energy transition, to social issues including human capital management, inequality and data privacy.

The Investment Manager has a dedicated stewardship team with engagement specialists. Engagement is also integral to the fundamental research process. The Investment Manager's analysts and portfolio managers engage with issuers as part of the investment process and cover relevant ESG issues in their research and discussions.

The Investment Manager is fully transparent in its reporting of its engagement and voting activity, publishing its voting on a quarterly basis and summary information about its engagement activity annually.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

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The Index is constructed using a combination of Bloomberg and MSCI data. The MSCI proprietary data on each country provides a MSCI ESG Government Rating score and rates countries on a seven-point scale from 'AAA' (best) to 'CCC' (worst). Ratings are derived from 0-10 scores on underlying factors in three pillars: environmental, social, and governance. A number of UNGC Principles are covered in the MSCI ESG Government score calculation, which include indicators such as political rights and civil liberties, corruption control and stability and peace (PAI1 10). Further information on MSCI ESG Government Ratings is available on the Index provider's website.

In addition, the Index also excludes issuers with a "red" ESG controversies flag which excludes issuers which have been determined by the Index provider to be in violation of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The Index applies this along with additional business involvement exclusions at each Index rebalance.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, the eligible universe of constituents applies business involvement exclusions in the credit bucket on thermal coal extraction and generation (PAI 4). Tobacco and controversial weapons (PAI 14) are removed. Also excluded are companies involved in controversies related to the UNGC Principles and companies at risk of contributing to severe or systemic and/or systematic violations of international norms and standards relating to UNGC Principles 7, 8, 9 (PAI 10). The Index is also designed to reduce exposure to carbon intensity at scope 1 and 2 levels (PAI 1) and ultimately reduce fossil fuel exposure (PAI 2,4).

No optional indicators are taken into account.

Furthermore, active ownership, through engagement and global proxy voting, is a key pillar of the Investment Manager's approach to responsible investments. The Investment Manager's stewardship activity is focused on protecting and enhancing its clients' investments. The Investment Manager engages with companies on a range of ESG issues and has the following clear set of engagement objectives:

- improve the Investment Manager's understanding of company business and strategy;

- monitor company performance;
- signal support or raise concerns about company management, performance or direction; and
- promote good practice.

Engagement issues range from corporate governance concerns such as the protection of minority shareholder rights, director elections and board structure to environmental issues, including climate change adaptation and mitigation and the low- carbon energy transition, to social issues including human capital management, inequality and data privacy. The Investment Manager has a dedicated stewardship team with engagement specialists. Engagement is also integral to the fundamental research process. The Investment Manager's analysts and portfolio managers engage with issuers as part of the investment process and cover relevant ESG issues in their research and discussions.

The Investment Manager is fully transparent in its reporting of its engagement and voting activity, publishing its voting on a quarterly basis and summary information about its engagement activity annually. How PAI indicators were considered will be included in the Sub-Fund's year-end report and accounts.

☐ No



What investment strategy does this financial product follow?

The Sub-Fund is passively managed and will aim to track the performance of the Index while minimising as far as possible the tracking error between the Sub-Fund's performance and that of the Index and promoting ESG characteristics within the meaning of Article 8 of SFDR. The Sub-Fund will use optimisation techniques which take account of tracking error and trading costs when constructing a portfolio.

The Sub-Fund will invest in bonds (i) government/agency/supranational bonds (developed and emerging markets) which will not embed a derivative and/or leverage; and (ii) corporate Investment Grade bonds, corporate emerging market bonds, asset backed securities ("ABS"), mortgage backed securities ("MBS"), commercial mortgage backed securities ("CMBS") and covered bonds all of which may be callable. The financial derivative instruments ("FDIs") which the Sub-Fund may use are financial futures, foreign exchange contracts (including currency swaps, spot, and forward contracts) and credit default swaps.

The Sub-Fund will not invest more than 10% of its net assets in CIS which may include units or shares of CIS that are managed directly or indirectly by the Investment Manager. The Sub-Fund may invest in the units or shares of CIS which mainly invest in securities included in the Index to gain indirect exposure to such securities.

The Index measures the performance of Global Investment Grade debt from a number of local currency markets, across three groups of bonds. The currency of the Index is USD and returns are hedged to that currency. The Index is measured by total return, is market value weighted and rebalanced monthly.

The Index groups each bond issuance into the following three buckets:

1. Government Bonds: Treasuries, Sovereigns and Local Authorities;
2. Credit: Corporates, Agencies, Supranational and Covered bonds; and
3. Securitised: MBS, ABS and CMBS

The Index then seeks to achieve a reduction in carbon emissions and an improvement of the MSCI ESG rating against that of the Parent Index through the government and credit buckets of the Index. The Index is bucket-neutral to the Parent Index and no screens or tilting is applied to the securitised bucket.

The Government bucket includes investment grade, fixed rate, taxable securities issued by treasury issuers from both developed and emerging markets issuers and uses a 'market size aware' ESG tilting approach to tilt country allocations above or below their market value weights on a monthly basis.

The weight of each Index-eligible constituent is adjusted by a fixed multiplier which is determined by the market value weight the issuing country holds within the Parent Index along with its MSCI ESG sovereign score (0-10). The ESG sovereign scores are determined based on an assessment of a country's exposure to and management of ESG risks. Efficiency of resource utilisation, performance on socio-economic factors, financial management, corruption control, political stability and other factors define the parameters for measuring a country's ESG risk management.

The credit bucket of the Index removes securities based on sustainability exclusionary criteria, on a monthly basis, applying the following Business Involvement Screens:

- Adult Entertainment;

- Alcohol;
- Gambling;
- Tobacco;
- Controversial Weapons;
- Conventional;
- Civilian Firearms;
- Nuclear Weapons;
- Fossil Fuels;
- Nuclear Power;
- Thermal Coal Extraction & Generation;
- Non-compliance with UN Global Compact Principles;
- Genetically Modified Organisms; and
- MSCI ESG controversies score - issuers with a "red" MSCI ESG controversies score (i.e. less than 1).

The Index then applies a best-in-class screen using MSCI ESG ratings, excluding any constituent with the following:

- issuers with an MSCI ESG rating of lower than BB;
- issuers with an ESG Pillar Score of less than 2; and
- unrated issuers from sectors with ratings.

A carbon intensity screen is then applied, and issuers with Scope 1 and 2 sales-based carbon intensity of 750mn metric tons or higher are excluded.

Finally, the weights of the remaining eligible issuers are adjusted by a fixed multiplier, based on their MSCI ESG rating.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The binding elements of the investment strategy are as follows:

The government bucket uses MSCI ESG sovereign scores to tilt country allocations above or below their market value weights in the Parent Index. The credit bucket applies business involvement screens and a screen to remove companies with a 'red' ESG controversies flag and then applies best-in-class screening using MSCI's ESG rating, then applying a carbon intensity screen before being weighted by a fixed multiplier according to its MSCI ESG rating.

The government bucket applies weighting based on the MSCI ESG Sovereign Score. The weight of each Index-eligible constituent is adjusted by a fixed multiplier which is determined by the market value weight the issuing country holds within the Parent Index along with its MSCI ESG sovereign score (0-10). The ESG sovereign scores are determined based on an assessment of a country's exposure to and management of ESG risks. Efficiency of resource utilisation, performance on socio-economic factors, financial management, corruption control, political stability and other factors define the parameters for measuring a countries ESG risk management.

The credit bucket of the Index removes securities based on sustainability

exclusionary criteria, on a monthly basis, applying the following Business Involvement Screens:

- Adult Entertainment
 - >=5% of revenues from production; >=10% revenues from distribution and retail.
- Alcohol
 - >=5% of revenues from production; >=15% of revenues from manufacturing, distributing, retailing, and supplying alcoholic products.
- Gambling
 - >=5% Revenue from ownership or operation of gambling operations; >=5% of aggregate revenue from gambling related business activities
- Tobacco
 - "Producer" or >=5% of revenue from the production, distribution, retail, supply, and licensing of tobacco related products.
- Controversial Weapons
 - >0%
- Conventional Weapons
 - >=5%. for production of conventional weapons or >0% for revenue derived from weapons systems, components, and support systems and services.
- Civilian Firearms
 - "Producer" or >5% aggregate revenue from production and distribution.
- Nuclear Weapons
 - >0%.
- Nuclear Power
 - >= 5% of total electricity generated or installed capacity attributed to nuclear power in a given year; >=5% installed capacity attributed to nuclear sources in a given fiscal year or over 15% of aggregate revenue
- Fossil Fuels
 - Companies with evidence of owning proven and probable coal reserves and / or proven oil and natural gas reserves used for energy purposes.
 - >0% for unconventional oil and gas extraction
 - >=5% for production of arctic oil and Gas and >=10% for revenues from oil and gas related activities, including distribution / retail, equipment and services, extraction and production, petrochemicals, pipelines and transportation and refining but excluding biofuel production and sales and trading activities
- Thermal Coal Extraction & Generation
 - >0% of revenues from mining/extraction; >=2.5% of revenues from power generation.
- Non-compliance with UNGC Principles.
- Genetically Modified Organisms
 - >=5% of revenues revenue from activities like genetically modifying plants, such as seeds and crops, and other organisms intended for agricultural use or human consumption.
- MSCI ESG Controversies Score
 - Issuers with a "red" MSCI ESG controversies score (score of 0)

The Index then applies a best-in-class screen using MSCI ESG ratings, excluding any

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constituent with the following:

- issuers with an MSCI ESG rating of lower than BB.;
- issuers with an ESG Pillar Score of less than 2; and
- unrated issuers from sectors with ratings.

A carbon intensity screen is then applied, and issuers with Scope 1 and 2 sales-based carbon intensity of 750mn metric tons or higher are excluded.

Finally, the weights of the remaining eligible issuers are adjusted by a fixed multiplier, based on their MSCI ESG rating.

Good governance

practices include sound management structures, employee relations, remuneration of staff and tax compliance

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Sub-Fund does not have a committed minimum rate to reduce the scope of investments.

- **What is the policy to assess good governance practices of the investee companies?**

The following governance factors are also taken into account in the methodology:

- compliance with UNGC Principles assessment and
- severe ESG controversies.

Good governance is considered as part of the Index's methodology. The Index applies business involvement exclusions and also applies MSCI's ESG rating system to the credit bucket of the Index. Severe ESG controversies are also removed from the Index, as determined by MSCI's ESG controversies score. The government bucket of the index incorporates MSCI's ESG Sovereign scores. The ESG sovereign scores are determined based on an assessment of a country's exposure to and management of ESG risks. Efficiency of resource utilisation, performance on socio-economic factors, financial management, corruption control, political stability and other factors define the parameters for measuring a country's ESG risk management.

Governance is assessed against criteria specified in the investment process which includes, among other things, business ethics, culture and values, corporate governance and bribery and corruption. Controversies and reputational risks are assessed through enhanced due diligence as well as screening which are used to identify issuers that are considered to have low governance scores. Those issuers will then be subjected to further review, action and/or engagement.

Good corporate governance has long been incorporated in the Investment Manager's proprietary fundamental company research. The Investment Manager's Stewardship team meets with companies regularly to improve its understanding of their business and strategy, signal support or concerns the Investment Manager has with management actions and promote best practice. The Investment Managers believes that good corporate governance ensures that companies are managed in line with the long-term interests of their investors.

Further information is available on request.



What is the asset allocation planned for this financial product?

In seeking to achieve its investment objective, the Sub-Fund will use optimisation techniques which take account of tracking error and trading costs and availability of Index constituents when constructing a portfolio. Consequently, the Sub-Fund may not hold each of the underlying Index constituents or hold Index constituents close to their Index weights. Furthermore, the Sub-Fund may hold securities which are not Index constituents but which are expected to provide similar performance and risk characteristics to certain Index constituents. Cash and other instruments may be used for liquidity, hedging and efficient portfolio management.

The Sub-Fund promotes environmental and/or social characteristics. It does not have as its objective a sustainable investment and it will have a minimum proportion of 2% of sustainable investments.

Asset allocation
describes the share of
investments in specific
assets.

Taxonomy-aligned activities are expressed as a share of:

- turnover

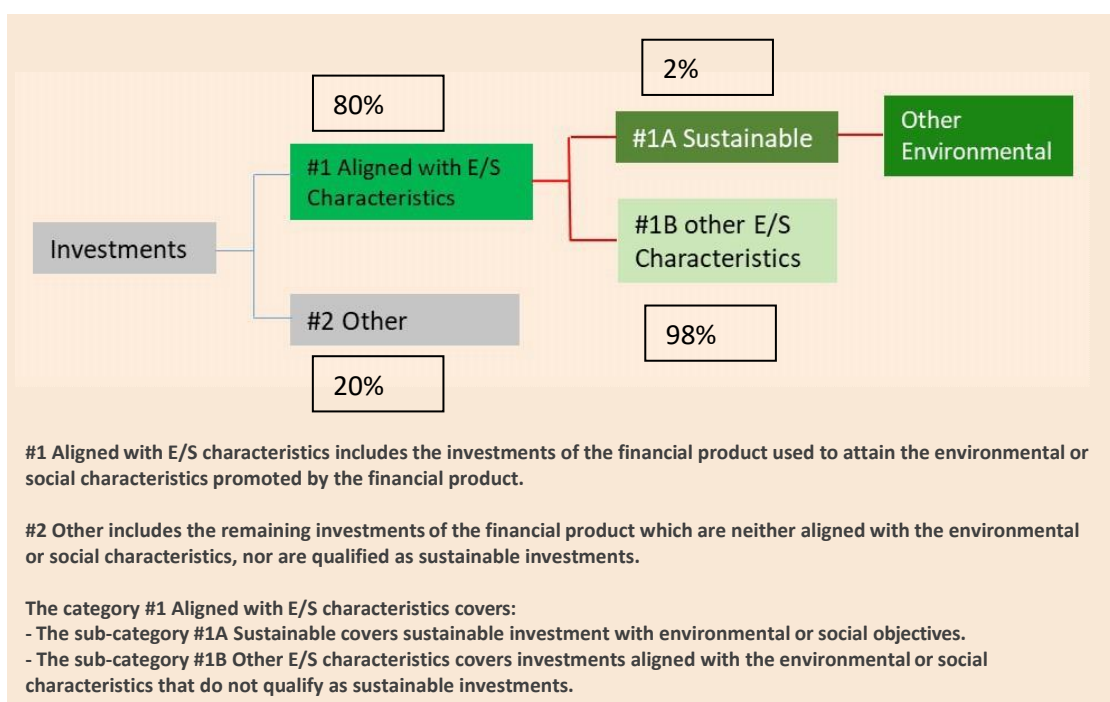
reflecting the share of revenue from green activities of investee companies

- 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.



- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Sub-Fund will not use derivatives to attain the environmental and/or social characteristic of the Sub-Fund.



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

N/A. The Sub-Fund does not intend to commit to a minimum share of sustainable investments with an environmental objective that are aligned with the EU Taxonomy.

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

☐ Yes

☐ in fossil gas

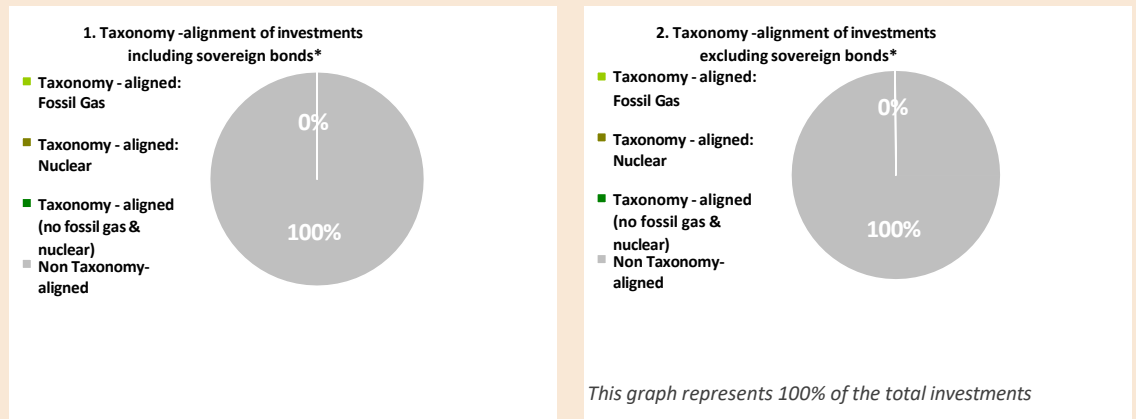
☐ In nuclear energy

☒ 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 objective –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.

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

The two graphs below show in green the minimum percentage of investments that are 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.

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.

- **What is the minimum share of investments in transitional and enabling activities?**
N/A. The Sub-Fund does not have a specific minimum share of transitioning and enabling activities.

 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 is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
The Sub-Fund intends to commit to 2% a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

 **What is the minimum share of socially sustainable investments?**
N/A. The Sub-Fund does not intend to commit to a minimum share of socially sustainable investments.

 **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Bonds with a Credit Rating of Ba1 / BB+ / BB+ and below and which may be callable, cash and money market instruments including bills, commercial paper and certificates of deposits for ancillary liquidity purposes, and units or shares of CIS for may be used for hedging, EPM and cash management purposes in respect of which there are no minimum environmental and/or social safeguards.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes.

The investment objective of the Sub-Fund is to track the performance of the Bloomberg MSCI Global Aggregate SRI Carbon ESG-Weighted Select Index (total return hedged to USD).

Reference benchmarks

are indexes to measure whether the financial product attains the environmental or social characteristics that they promote

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

The Government bucket includes investment grade, fixed rate, taxable securities issued by treasury issuers from both developed and emerging markets issuers and uses a 'market size aware' ESG tilting approach to tilt country allocations above or below their market value weights on a monthly basis.

The weight of each Index-eligible constituent is adjusted by a fixed multiplier which is determined by the market value weight the issuing country holds within the Parent Index along with its MSCI ESG sovereign score (0-10). The ESG sovereign scores are determined based on an assessment of a country's exposure to and management of ESG risks. Efficiency of resource utilisation, performance on socio-economic factors, financial management, corruption control, political stability and other factors define the parameters for measuring a country's ESG risk management.

The credit bucket of the Index removes securities based on sustainability exclusionary criteria, on a monthly basis, applying the following Business Involvement Screens:

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Involvement Screens:

Adult Entertainment

>5% of revenues from production;>10% revenues from distribution and retail.

- Alcohol

>5% of revenues from production; >15% of revenues from manufacturing, distributing, retailing, and supplying alcoholic products.

- Gambling

>5% Revenue from ownership or operation of gambling operations;>5% of aggregate revenue from gambling related business activities

- Tobacco

"Producer" Or >5% of revenue from the production, distribution, retail, supply, and licensing of tobacco related products.

- Controversial Weapons

0%

- Conventional Weapons

5%. for production of conventional weapons or 0% for revenue derived from weapons systems, components, and support systems and services.

- Civilian Firearms

"Producer" or >5% aggregate revenue from production and distribution.

Nuclear Weapons

0%.

- Nuclear Power

>= 5% of total electricity generated or installed capacity attributed to nuclear power in a given year; >=5% installed capacity attributed to nuclear sources in a given fiscal year or over 15% of aggregate revenue

- Fossil Fuels

Companies with evidence of owning proven and probable coal reserves and/or proven oil and natural gas reserves used for energy purposes.

0% for unconventional oil and gas extraction

5% for production of Arctic Oil and Gas and 10% for revenues from oil and gas related activities, including distribution / retail, equipment and services, extraction and production, petrochemicals, pipelines and transportation and refining but excluding biofuel production and sales and trading activities

Thermal Coal Extraction & Generation

>0% of revenues from mining/extraction; 2.5% of revenues from power generation.

- Non-compliance with UNGC Principles.

- Genetically Modified Organisms

>5% of revenues revenue from activities like genetically modifying plants, such as seeds and crops, and other organisms intended for agricultural use or human consumption.

- MSCI ESG Controversies Score

Issuers with a "red" MSCI ESG controversies score (score of 0)

The Index then applies a best-in-class screen using MSCI ESG ratings, excluding any constituent with the following:

- issuers with an MSCI ESG rating of lower than BB;
- issuers with an ESG Pillar Score of less than 2; and
- unrated issuers from sectors with ratings.

A carbon intensity screen is then applied, and issuers with Scope 1 and 2 sales-based carbon intensity of 750mn metric tons or higher are excluded.

Finally, the weights of the remaining eligible issuers are adjusted by a fixed multiplier, based on their MSCI ESG rating.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

In seeking to achieve its investment objective, the Sub-Fund will aim to invest in the constituents of the Index in generally the same proportions in which they are included in the Index. The composition of the Index is rebalanced on a monthly basis and carried out according to the published rules governing the management of the Index as determined by Bloomberg.

- **How does the designated index differ from a relevant broad market index?**

The Index measures the performance of Global Investment Grade debt from a number of local currency markets, across three groups of bonds. The currency of the Index is USD and returns are hedged to that currency. The Index is measured by total return, is market value weighted and rebalanced monthly.

The Index groups each bond issuance into the following three buckets:

1. Government Bonds: Treasuries, Sovereigns and Local Authorities
2. Credit: Corporates, Agencies, Supranational and Covered bonds
3. Securitised: MBS, ABS and CMBS

The Index then seeks to achieve a reduction in carbon emissions and an improvement of the MSCI ESG rating against that of the Parent Index through the government and credit buckets of the Index. The Index is bucket-neutral to the Parent Index and no screens or

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tilting is applied to the securitised bucket.

- **Where can the methodology used for the calculation of the designated index be found?**

<https://www.bloomberg.com/professional/products/indices/fixed-income/>

The Index methodology may be amended from time to time by the Index provider. Information on the Index methodology is available on the website above.

Where can I find more product specific information online?

More product-specific information can be found on the website:

www.assetmanagement.hsbc.com