ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, 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.

Product name: Record EM Sustainable Finance Fund (the "Fund")
Legal entity identifier: BMDZF480JZJBBPMJOE66

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:** ___%	☒ 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 50% 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 will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

For more information in respect of the minimum allocations please refer to the "What is the asset allocation planned for this financial product?" section below.

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

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

The Fund promotes social characteristics through investments in currency markets and bond instruments.

The currency strategy aims to invest in currency derivative instruments of developing economies, including underinvested currencies, and contribute to providing liquidity and building risk capacity in developing local currency markets. The Fund's investment in instruments with currency risk aim to contribute to price stability in foreign exchange markets, improved financial market microstructure, capacity-building, and increased supply of local currency development-related loans to end borrowers in emerging markets. This supports the crowding-in of investments to disadvantaged communities, promoting local development and the tackling of inequality in target markets.

Currency volatility is a significant obstacle for emerging market economies that seek long-term funding to finance development projects that are vital for unlocking the productivity potential of their economies. The world's least developed countries are particularly vulnerable to currency instability as they lack market depth, owing to the perceived deficit and inefficiency of their financial, regulatory, and enforcement infrastructure. Most of the funding available to them is denominated in hard currencies, potentially exposing local governments, businesses, and communities to volatile exchange rate fluctuations that can result in uncertainty, higher cost of capital, and unexpected, additional debt burden. Lower volatility, access to competitive local currency loans and developed financial markets can help create the economic conditions which predicates a well-functioning private sector and contributes to economic prosperity and reduced inequality in the longer-term.

The bond strategy aims to complement the currency strategy by funding capital projects in developing markets which promote the United Nations Sustainable Development Goals ("**UN SDGs**").

Developing market countries often do not have viable access to funding from the global financial markets, and so depend on on-lending, technical support and concessionary financing, that derives from such bonds, to promote sustainable development. The Investment Manager seeks to optimise the positive impact footprint of the investible capital, with a focus on disproportionately serving the most underserved global communities.

A reference benchmark has not been designated for the purpose of attaining the social characteristics promoted by the Fund.

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

As the Fund makes investments in two distinctive asset classes (currency derivative contracts and bond markets), indicators used to assess and measure the attainment of social charateristics are differentiated depending on the instrument.

With respect to the currency strategy, the Investment Manager measures the total effective exposure to Tier 1 and Tier 2 markets (outlined below), and their cumulative exposure as a proportion of assets under management as key indicators of the portfolio's promotion of social characteristics outlined above.

Currency universe tiering is determined through a proprietary data-based process:

- Tier 3: Most liquid and tradable. Near-systematic portfolio construction and trading is possible. Examples, a/o November 2022, include: BRL, IDR, COP
- Tier 2: Systematic portfolio construction is possible, trading is bespoke. Examples, a/o November 2022, include: EGP, UYU, KZT
- Tier 1: Both portfolio construction and trading are bespoke. Examples, a/o November 2022, include: TZS, GEL, UZS

With respect to the bond strategy, the Investment Manager measures the assets under management invested in bonds whereby the issuer has specific objectives aligned with the UN SDGs and meets the following criteria:

- The bond must be issued by a multilateral development bank, other development finance institution or a sovereign;
- The investee must fund capital projects in developing markets; and

- If the investee is a national development agency it must be owned or its debt guaranteed by an OECD member government or if a sovereign issuer, it must be an OECD member country.

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 objective of the Fund's bond investments is to contribute to tackling inequality and to invest in economically disadvantaged communities by funding capital projects in developing nations that broadly promote the UN SDGs. Progress against this objective is assessed by measuring the Fund's investment in bonds whereby the issuer has specific objectives aligned with the UN SDGs and meets the below criteria (as already outlined above): 1) The bond must be issued by a multilateral development bank, other development finance institution or a sovereign; 2) The investee must fund capital projects in developing markets and 3) If the investee is a development agency it must be owned or its debt guaranteed by an OECD member government or if a sovereign issuer, it must be an OECD member country.

For all sustainable investments, as are categorised in accordance with Article 2(17) of SFDR, the Principle Adverse Impact ("PAI") indicators are used to ensure they do no significant harm to any social sustainable objective and demonstrate good governance where applicable.

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.

The Investment Manager classes the Fund's currency derivate investments as sustainable. However, they are considered out of scope for the purpose of disclore under the SFDRs Article 2(17) definition because there are currently no relevant PAI indicators for currency derivatives.

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?

The Fund invests in sustainable bonds issued by MDBs and other DFIs, which finance projects specifically for the purpose of encouraging economic development in developing economies. MDBs prioritise development goals such as reducing inequality and tend to lend concessionary interest rates, providing funding for projects in infrastructure, energy, education, environmental sustainability and other areas that promote social and economic development across the SDGs. In line with this, all MDB issuances held by the Fund have sustainable financing policies which underpin their lending activites. These policies outline their sustainable objectives and the intended use of proceeds, as well as exlusion criteria for operations the MDB will not finance because they are linked to environmental and/or social harm.

Further, the Investment Manager will consider the relevant PAI indicators at the issuer level and review whether the investments do no signifcant harm to any of the principal adverse impact indicators the fund reports against.

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

The Investment Manager considers the PAI indicators on sustainability factors applicable to investee companies for bonds issued by MDBs and other DFIs (with sovereigns in scope) where there is sufficient data available. Since the Fund aims to promote social characteristics and the sustainable investments have a social objective, the Investment Manager considers the social indicators in Annex I of the regulatory technical standards supplementing SFDR and not environmental indicators. Whilst the Investment Manager believes the currency investments in the Fund promote sustainability, there are no relevant indicators applicable to currency investments. Therefore the Investment Manager is unable to take these into account for the currency strategy and for that reason, is unable to classify them as 'sustainable investments' within the meaning of SFDR.

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

MDBs and other DFIs have important roles to play in the global effort to help countries realise the UN SDGs and improve human rights. In their efforts to contribute sustainably, they must avoid any negative impact on human rights as defined by international and national laws. In this regard, MDBs operations and policies are grounded in international human rights law. Frameworks such as the OECD Guidelines and the UN Guiding Principles on Business and Human Rights explicitly govern how these organisations create their vision for sustainable development and more specifically, their environmental and social frameworks.

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?

- [x] Yes
- [ ] No

The Fund considers the principal adverse impacts on sustainability factors applicable to investee companies for the bond investments where sufficient data is available and the PAI is relevant to the investment. Since the Fund aims to promote social characteristics and the sustainable investments have a social objective, the Fund considers the social indicators and not environmental indicators.

Reporting on consideration of such indicators will be available in an annex to the annual report of the Fund.

What investment strategy does this financial product follow?

The Investment Manager seeks to operate an "impact" strategy, whereby as well as seeking to generate financial returns, it will also seek to create positive outcomes by supporting and stabilising volatility in developing market currencies, and investing in government, development agency and MDB bonds which will fund capital projects in developing countries.

In respect of the currency strategy, this impact is obtained by reducing currency volatility, as the less volatile a country’s currency, the more conducive conditions will be for further economic development. The Investment Manager will construct the currency portfolio based on both quantitative and qualitative criteria. This will include an assessment of a country's growth expectation, interest rates and valuation of the relevant currency. Based on this assessment the Investment Manager will determine the appropriate allocation to each currency in the portfolio. The allocations to developing market currencies take into account purchasing power parity values published by the International Monetary Fund with a greater allocation to more undervalued currencies (i.e. where the relative costs of the same goods between countries is lower and therefore suggests the value of a particular currency will increase in a medium to long-term horizon). In addition the Investment Manager will assess the interest rates in each country as adjusted by the rate of inflation (as published by each county’s national statistical agency). A greater allocation will be made to currencies with higher interest rates after the adjustment for inflation. Developing market currencies will typically be traded against developed market currencies (i.e. taking a long position in a developing market currency and a short position in a developed market currency. In addition developing market currencies may be traded against each other.

Bonds are considered for investment based on their yield, duration, credit risk and liquidity factors. The bond strategy is focused on making a positive economic, social and environmental impact by channelling financial resources to sustainable projects in developing economies.

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

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?***

Bonds issued by MDBs and other DFIs in which the Fund may invest must meet the following criteria:

1. The bond must be issued by a multilateral development bank, a development finance institution or a sovereign;
2. The investee must fund capital projects in developing markets; and
3. If the investee is a national development agency it must be owned or its debt guaranteed by at least one OECD government or if a sovereign, must be an OECD member country.

The Investment Manager will construct the currency portfolio based on both quantitative and qualitative criteria, including an assessment of a country's growth expectation, interest rates and valuation of the relevant currency.

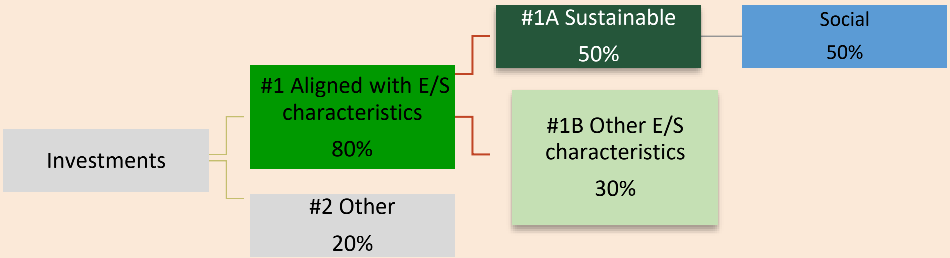
- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A.

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

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 Investment Manager considers “Good Governance” to be a standard of governance which is broadly reflective of industry-established norms and practices with regards to management structures and decision-making, corporate culture, compliance with applicable law and the absence of negative events which are likely to have a material adverse impact on the company (“Good Governance”). The Investment Manager will undertake an ongoing assessment and monitoring of the governance practices of investee companies, mainly MDBs. Such an assessment is inherently subjective and is conducted using available data and research the fund managers deem to be most relevant. This will typically include policies published on the MDBs website as well as a review of controversies in the media as assessed by RepRisk. Further, the Investment Manager aims to engage with MDBs on a regular basis to gather further insight on their governance practices. The Investment Manager re-evaluates their assessments on an ongoing basis should the fund managers become aware of new events or information which might have a material impact on their determination that an entity practices Good Governance.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

What is the asset allocation planned for this financial product?

The Fund aims to hold a minimum of 80% of its assets under management in investments that are aligned with the social characteristics promoted by the Fund. The Fund commits to holding a minimum of 50% of its assets under management in sustainable investments. The Fund aims to hold a maximum of 20% investments that are not aligned with the social characteristics promoted by the Fund and are not sustainable investments, and which fall into the ‘other’ section of the Fund (as further described below). Targets have been determined based on the Net Asset Value (“NAV”) of the Fund. NAV reflects market price of holdings in the portfolio, including the daily valuation of the currency derivative contracts.

The allocation is designed to optimise the effective local currency exposure. The cash and bond positions serve as collateral, allowing the fund to maximise local currency exposure and to service cash flow needs.

Asset allocation describes the share of investments in specific assets.

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.

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.

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

Derivatives are critical to the Fund's theory of change and supporting the impact ambitions of the currency strategy. Derivative instruments utilised in the currency strategy aim to contribute to price stability, build risk capacity and market microstructure in local currency markets, promote long-term sustainable growth, tackle inequality in target markets and support economically disadvantaged communities. The currency strategy consists of long positions in the currency derivative markets of selected developing economies. By pro-actively participating in this market and supporting flows, particularly at times of market stress, the Fund aims to contribute to ensure stability by making investments in derivative instruments that are key to de-risking real economic projects and critical to foreign direct investments that contribute to long-term economic and social development. The strategy further aims to deepen and broaden derivative markets by taking longer-dated positions and supporting the expansion of tenor range, to further support price discovery, competition and provide capacity to hedge risk and facilitate investor mobilisation. The Investment Manager pro-actively seeks to provide direct hedging and risk capacity to real economic projects through the negotiation and structuring of direct, bespoke, peer-to-peer transactions – including through forward contracts and local currency-denominated notes, which contain a currency risk derivative element.

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

This Fund does not make any sustainable investments with a direct environmental objective. As such, the minimum proportion of the Fund's investments that contribute to environmentally sustainable economic activities for the purposes of the Taxonomy Regulation will be 0%.

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

☐ Yes:

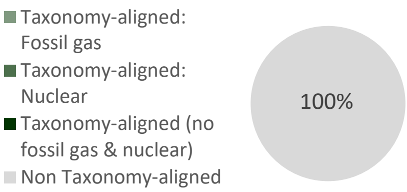
☐ In fossil gas ☐ In nuclear energy

☒ No

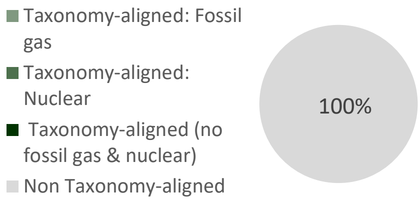
The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial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

[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.

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.***

- ***What is the minimum share of investments in transitional and enabling activities?***

0%. This Fund does not make any sustainable investments with a direct environmental objective.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%. This fund does not make any sustainable investments with a direct environmental objective.

What is the minimum share of socially sustainable investments?

The Fund has a minimum share of 50% of assets under management in sustainable investments with a social objective.

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

The Fund holds 'cash and equivalents' to facilitate investor inflows and outflows, as well as other payments such as margin-servicing on derivative positions. These funds typically sit dormant with the custodian and we do not classify them as sustainable. These funds do not follow any minimum environmental or social safeguards. A highly liquid (cash) component is required to allow the strategy to function properly.

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

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?

N/A

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

  N/A

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

  N/A

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

  N/A

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

  N/A

Where can I find more product specific information online?

More product-specific information can be found on the website: https://recordfg.com/wp-content/uploads/2022/12/Sustainability-related-disclosures.pdf

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Record EM Sustainable Finance Fund (the "Fund")

Legal entity identifier: BMDZF480JZJBBPMJOE66

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

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** __%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 94 % 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:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

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

To what extent were the environmental and/or social characteristics promoted by this financial product met?

During the reference period, the Fund promoted social characteristics, namely supporting the crowding-in of investments to disadvantaged communities, promoting local development and the tackling of inequality in target markets. by:

- Making investments in currencies of developing economies

- Investing in bonds issued by Multilateral Development Banks (“MDBs”) and other Development Finance Institutions (“DFIs). Investees are committed to align their policies and practices with the UN SDGs and have set high targets for climate finance in addition to strong social outcomes, gender equality, and increased access to education, and social cohesion.

How did the sustainability indicators perform?

As the Fund makes investments in two distinctive asset classes (currency derivative contracts and bond markets), indicators used to assess and measure the attainment of social characteristics are differentiated depending on the instrument.

With respect to the currency strategy, the Investment Manager measures the total notional exposure (traded amount) in Tier 1 and Tier 2 markets (outlined below), and their cumulative exposure as a percentage of the fund’s assets under management are key indicators of the portfolio’s promotion of social characteristics outlined above. Tier 1 and Tier 2 markets can require bespoke trading as these are smaller, less liquid and under-development currency markets.

Currency Sustainability Indicators	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Average
Exposure to Tier 1 and Tier 2 Currencies (USD) *	245mn	253mn	255mn	267mn	255mn
Exposure to Tier 1 and 2 currencies proportion of assets under management (% NAV)	25%	24%	25%	28%	25%

**Includes notional traded amount in local currency bond instruments denominated in Tier 1 and Tier 2 currencies*

Please note, currency universe tiering is determined through a proprietary data-based process:

- Tier 3: Most liquid and tradable currency markets. Near-systematic portfolio construction. Examples include: BRL, IDR, COP
- Tier 2: Systematic portfolio construction is possible, trading is bespoke. Examples include: EGP, KZT, RSD
- Tier 1: Portfolio construction and trading are bespoke. Examples include: TZS, GEL, UZS

Bond Sustainability Indicator	Share of total bond investments which meet this criteria (%)	Explanation
Issuer has objectives aligned with one or more of the UN SDG targets	100	Issuers operate with policies and frameworks which align their financing activities with the UN SDGs.

The bond must be issued by an MDB, other development finance institution, or sovereign	100	Issuers play a leadership role in supporting long-term inclusive and sustainable development in emerging markets by working alongside the public and the private sectors of borrowing countries to support investments in key development sectors such as health, agriculture, energy, finance, water, and other urban infrastructure and services.
The investee provides funding that supports capital projects in developing markets	100	Investees in the portfolio have active operations in developing markets. These can be in the form of development loans, grants, equity investments, guarantee or technical assistance. The breakdown of their loan books and development operations are annually updated once their financial accounts are published. Total operations in developing markets are considered on an absolute and relative basis.
If the investee is a national development agency it must be owned or its debt guaranteed by an OECD member government or if a sovereign issuer, it must be an OECD member country	100 (out of eligible investments)	National development agencies in the portfolio have either the sovereign (OECD member) as shareholder or its debt is guaranteed by the sovereign.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The objective of the Fund's bond investments is to contribute to tackling inequality and invest in economically disadvantaged communities by supporting the development operations of MDBs and other DFIs which fund capital projects in developing nations that broadly promote the UN SDGs. This is assessed using the following indicators:

Bond Sustainability Indicator	Share of total bond investments which meet this criteria (%)	Explanation
Issuer has objectives aligned with one or more of the UN SDG targets	100	Issuers operate with policies and frameworks which align their financing activities with the UN SDGs.
The bond must be issued by an MDB, other development finance institution, or sovereign	100	Issuers play a leadership role in supporting long-term inclusive and sustainable development in emerging markets by

		working alongside the public and the private sectors of borrowing countries to support investments in key development sectors such as health, agriculture, energy, finance, water, and other urban infrastructure and services.
The investee provides funding that supports capital projects in developing markets	100	Investees in the portfolio have active operations in developing markets. These can be in the form of development loans, grants, equity investments, guarantee or technical assistance. The breakdown of their loan books and development operations are annually updated once their financial accounts are published. Total operations in developing markets are considered on an absolute and relative basis.
If the investee is a national development agency it must be owned or its debt guaranteed by an OECD member government or if a sovereign issuer, it must be an OECD member country	100 (out of eligible investments)	National development agencies in the portfolio have either the sovereign (OECD member) as shareholder or its debt is guaranteed by the sovereign.

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 that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager applied the Do No Significant Harm ("DSNH") methodology to the sustainable investments of the Fund, in order to ensure that the investments did not include investments causing harm to any of the relevant Principle Adverse Impact ("PAI") indicators for issuers.

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

The DSNH methodology applied by the Investment Manager on sustainable investments excluded investments that exceeded the thresholds for the PAI indicators outlined in the table below. Indicators assessed were condiered to be most relevant and where sufficient data was available. Thresholds were set: 1) on an absolute basis; or 2) on a relative basis in the context of the investment universe.

The PAI assessment was conducted on a quarterly basis and was at the issuer level. The assessment was supported by the Investment Manager's engagement with selected issuers where there was poor availability of data or investments were close to a threshold.

PAI Indicator	Description	Data Source
10. Violations of UN Global Compact principles and Organisation for Economic Enterprises Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational	RepRisk
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Issuer website
12. Unadjusted gender pay gap *	Share of investments in investee companies that have been involved in controversies related to gender pay discrimination	RepRisk
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	Issuer website
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	Issuer website

*****Please note that there is no available data on unadjusted gender pay gaps reported by any issuers in the portfolio. Therefore, the Investment Manager has used proxy data which is closely related to this indicator. The proxy uses controversy data that monitors and tracks media related to the investee with respect to social discrimination, which may include gender pay discrimination.*

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

The Fund's sustainable investments excluded issuers which experienced very severe controversies which were deemed to violate the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles of Business and Human Rights.

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 Union 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.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference

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

The Fund considered all of the mandatory PAI indicators on sustainability factors which are relevant to the investment for the proportio allocated to sustainable investments, as described in the above question, "How were the indicators for adverse impacts on sustainability factors taken into account?".

What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
International Bank for Reconstruction and Development	Supranational	18%	Multiple
Inter-American Development Bank	Supranational	17%	Multiple
Asia Development Bank	Supranational	16%	Multiple
Indian Rupee (INR – currency derivative instrument)	Currency Derivative	14%	India
Romanian Leu (RON – currency derivative instrument)	Currency Derivative	14%	Romania
Hungarian Forint (HUF – currency derivative instrument)	Currency Derivative	12%	Hungary

Mexican Peso (MXN – currency derivative instrument)	Currency Derivative	12%	Mexico
Indonesian Rupiah (IDR – currency derivative instrument)	Currency Derivative	10%	Indonesia
European Investment Bank	Supranational	8%	Multiple
Chilean Peso (CLP – currency derivative instrument)	Currency Derivative	7%	Chile
Philippine Peso (PHP – currency derivative instrument)	Currency Derivative	7%	Philippines
Thai Baht (THB – currency derivative instrument)	Currency Derivative	7%	Thailand
International Finance Corporation	Supranational	7%	Multiple
Colombian Peso (COP – currency derivative instrument)	Currency Derivative	7%	Colombia
Peruvian Sol (PEN – currency derivative instrument)	Currency Derivative	7%	Peru

Please note that percentage of assets is based on the market value of the notional amount traded for currency derivative contracts as a percentage of the Net Asset Value (NAV) at the end of the reporting period. Notional amounts (instead of the fair price of derivate contracts) illustrate the Fund's activity in currency forward markets.

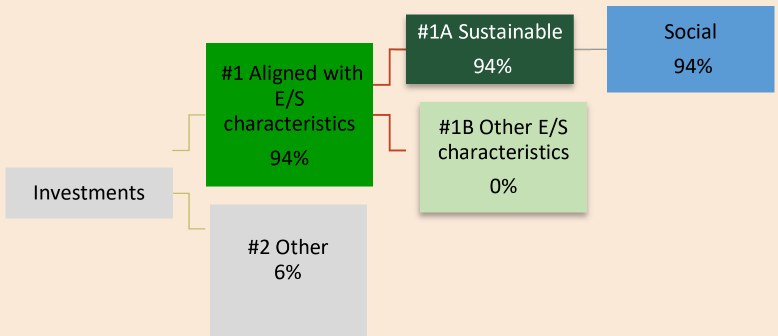
What was the proportion of sustainability-related investments?

The proportion of sustainability-related investments at the end of the reporting year was c. 94%. This includes approx. 94% of investments in bonds (USD 917m) and the fair price of the derivative contracts in Tier 1 and Tier 2 currency markets. Whilst the fair price of forward contracts was slightly negative, total notional traded in Tier 1 and Tier 2 currency markets was c. 21% of the NAV, exlcuding local currency bonds.

The fair price of currency investments in Tier 3 markets are added to "Other" - together with cash and any other balances- while a framework is under development to assess social characteristics of the fund's investments in this universe.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The Fund made investments in bonds issued by MDBs and DFIs. These development entities play a leadership role in supporting long-term inclusive and sustainable development in low and middle income economies by working alongside the public and the private sectors of their borrowing countries to support investments in key development sectors such as health, agriculture, energy, finance, water, and other urban infrastructure and services. They raise funding in global capital markets and capital raised it channeled to borrowing nations. Funding supports programmes to combat poverty, improve living conditions, empower vulnerable groups, raise productivity, strengthen policies and institutions, and boost prosperity. It is not possible to attribute a percentage of assets under management in each economic sector.

This question cannot be applied to the currency derivative investments made by the Fund.

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.

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

The Investment Manager did not take account of the EU Taxonomy in its management of the Fund as it does not target sustainable investments with an environmental objective.

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**

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

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

The Fund did not make any investments which the Investment Manager assessed to be in transitional or enabling activities, according to the EU Taxonomy.

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

The Fund did not make any investments which the Investment Manager assessed to be in transitional or enabling activities, according to the EU Taxonomy.

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

The Fund did not make any investments with an environmental objective.

What was the share of socially sustainable investments?

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

Approx. 94% of the Fund's assets under management were sustainable investments with a social objective. This percentage represents the total bond investments in the fund as of the end of the reporting period.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Any investment or any other balances that do not promote environmental and/or social characteristic and are not classified as a sustainable investment have been included in the "other" category. This consists of:

[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.

- Cash and equivalents to facilitate investor inflows and outflows, as well as other payments such as margin-servicing on derivative positions. These holdings typically sit dormant with the custodian and were not subject to any minimum environmental or social safeguards.
- The fair price of currency derivative contracts in the Tier 3 currency universe and other funding currencies. Tier 3 currencies are among the most liquid and tradable currency markets, such as BRL, IDR and COP. A framework is under development to assess the Fund’s promotion of social characteristics in its investments in Tier 3 currency derivative markets.
- Any other balances

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Investment Manager has taken several actions during the reference period which aimed to promote social characterists in line with the Fund’s investment strategy.

The Fund has expanded its currency universe, increasing investments in currency markets of low- and middle-income countries where capital markets are significantly underdeveloped and the availability of local currency loans is limited. This has been demonstrated through increased notional exposure to Tier 1 and 2 currencies as per our currency sustainability indicator. In the reporting period the Fund added four new currencies, namely the Armenian dram, Costa Rican colon, Jamaican dollar and the Mongolian Tugrik, and had active exposure to a total of 35 emerging and frontier currencies.

The Investment Manager has continued to build partnerships with MDBs and DFIs to support the supply of affordable local currency loans to end-borrowers in developing economies through peer-to-peer transactions, which deliver enhanced disclosure on use of proceeds. Highlight deals included c. USD 5m 2030 Kazakhstani tenge-denominated gender bond issued by the Asian Development Bank with proceeds going towards promoting gender equality through affordable mortgage products to eligible professional women in rural areas of Kazakhstan, c. USD 10m 2028 Jamaican dollar-denominated note issued by the by the International Finance Corporation - the first JMD denominated bond issued by an MDB, and c. USD 4m 2026 Mongolian tugrik denominated gender bond issued by the Asian Development Bank with proceeds allocated to micro, small, and medium-sized businesses with a focus on female leadership. The expansion of the currency universe through currency derivative instruments and local currency notes is an important development as it aims to extend the outreach of the Fund and support liquidity and market development in alternative frontier economies.

The investment strategy remained committed to improve levels of capital market development in low- and middle-income countries and as such, is working to help “lift” such countries in pursuing long-term social development gains, reducing economic inequaility.

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

- ***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 environmental or social characteristics promoted?***

  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