

Annex

Product name: Global Real Return Fund

Legal entity identifier: TJC21SOQHOBQ288A280

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.

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 ____% 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?

The Fund will promote environmental characteristics by actively engaging with issuers on material climate and biodiversity related matters, which may include encouraging companies to align to the Paris Agreement, adopt science-based targets for carbon emissions reduction and/or broadly advance their sustainability commitments. In addition, the Fund will promote environmental characteristics by operating on the basis of an exclusion list excluding sectors deemed harmful to the environment.

No reference benchmark has been designated for the purpose of attaining the environmental characteristics promoted by the 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 Fund's sustainability-related impact shall be measured through the Investment Advisor's implementation of its issuer engagement policy and exclusion strategy. The Fund's exclusion strategy and exclusion screening process applies to 100% of its direct investments.

For example, the Fund's screening process results in the exclusion of certain sectors including issuers involved in coal and unconventional oil (such as arctic oil and oil sands). In this regard, the Investment Advisor refers to globally accepted norms such as the UN Global Compact Principles.

The EU Taxonomy sets out a "do no 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.



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.

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

☐ Yes

☒ No



What investment strategy does this financial product follow?

As part of the Fund's investment strategy, the Fund seeks to maximise real return, consistent with preservation of real capital and prudent investment management. The Fund invests at least two-thirds of its assets in a diversified portfolio of inflation-indexed Fixed Income Instruments of varying maturities issued by governments, their agencies or instrumentalities and corporations.

This process includes both top-down and bottom-up decision-making inputs to identify multiple sources of value. Top-down strategies focus on macroeconomic considerations and are utilised as part of regional and sector selection. Bottom-up strategies examine the profiles of individual instruments and securities and are key to the Investment Advisor's ability to select undervalued instruments and securities spanning all sectors of the global fixed-income market.

The Fund shall also promote environmental characteristics (such as climate change mitigation) through an exclusion screening process and issuer engagement (for example, encouraging companies to align to the Paris Agreement and/or adopt science-based targets for carbon emissions reduction). The Fund shall exclude direct investments in sectors deemed by the Investment Advisor to be harmful to the environment, including the coal industry and unconventional oil (such as arctic oil and oil sands). Notwithstanding this, certain ESG Fixed Income Securities (as further described in the section of the Prospectus entitled "**ESG Fixed Income Securities**") from excluded sectors, may be permitted, if the Investment Advisor determines such investments are aligned with the Fund's promotion of environmental characteristics.

● ***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 Fund shall exclude any direct investment in sectors deemed by the Investment Advisor to be harmful to the environment, including coal and unconventional oil (such as arctic oil and oil sands). Notwithstanding this, certain ESG Fixed Income Securities (as further described in the section of the Prospectus entitled "**ESG Fixed Income Securities**") from excluded sectors, may be permitted, if the Investment Advisor determines such investments are aligned with the Fund's promotion of environmental characteristics.

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

The companies in which investments are made follow good governance practices as determined by the Investment Advisor. The Investment Advisor assesses the governance practices of the Fund's investee companies by means of a proprietary and/or third party scoring system which considers how an investee company's governance compares to its peers in the industry. Factors considered by the Investment Advisor, include but are not limited to:

1. Board diversity;
2. Legal or regulatory matters relating to the investee company (such as tax compliance); and

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

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

3. Conduct and culture of the investee company.

As set out above, the Fund's exclusion screening processes result in the exclusion of certain sectors, noting that the Investment Advisor refers to globally accepted norms such as the UN Global Compact Principles in relation to sound management practices, employee relations, and remuneration of staff.

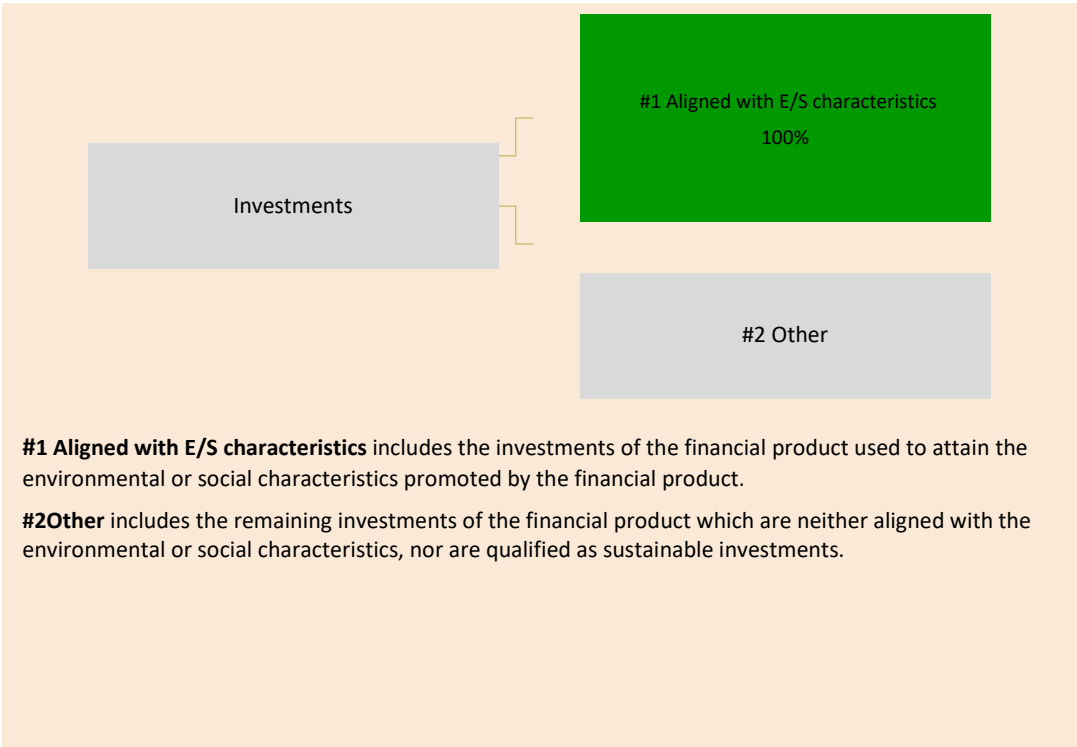
When the Investment Advisor is applying its policy to assess good governance practices, the Fund has the ability to retain securities from investee companies that the Investment Advisor deems to be in the best interests of the Fund and its Shareholders.

The Investment Advisor may also actively engage with issuers in order to seek to improve their governance practices.



Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?



As set out above, the Fund’s exclusion strategy and exclusion screening process applies to 100% of its direct investments.

The Fund does not seek to invest in sustainable investments.

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

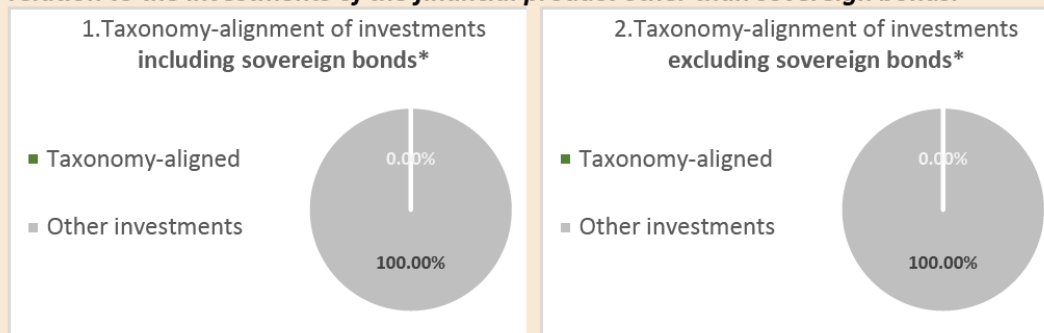
The Investment Advisor does not typically use derivatives for the purposes of promoting environmental or social characteristics. The Fund may use derivative instruments for other purposes as outlined in the Fund Supplement, including for example, for investment purposes and/or for hedging purposes.



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

As shown in the graph below, the minimum share of investments in environmentally sustainable economic activities aligned with the EU Taxonomy is 0%.

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

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

The minimum share of investments in transitional and enabling activities is 0%.



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

As set out above, the Fund's direct investments are screened against its exclusion strategy and the Fund's exclusion strategy applies to 100% of its direct investments (noting that minimum environmental or social safeguards are provided for such direct investments only and do not apply to indirect investments).



Where can I find more product specific information online?

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

[SFDR Article 10 Disclosure – Global Real Return Fund](#)