

## 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:

Legal entity identifier: TRL4GTICNI70AHJ6FL89

Blackstone Low Carbon Global Investment Grade Corporate Bond Fund (UCITS)

## Environmental and/or social characteristics

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

☒ ☐ Yes

☐ It made **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 made **sustainable investments with a social objective**: \_\_\_\_%

☒ ☐ No

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

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

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

☐ with a social objective

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

**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.



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

The Investment Manager promoted environmental and social characteristics by applying a number of exclusions from its investment universe. The Investment Manager avoided certain issuers from categories including but not limited to nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry.

The ESG-related exclusions referred to above applied at the time of acquisition of the relevant securities. There were no inadvertent holding of securities in breach of the Investment Manager's principles or exclusions.

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



The Fund also aimed to constrain carbon intensity in respect of its corporate bond portfolio by targeting 50% lower weighted average carbon intensity than the Barclays Global Aggregate Corporate Bond Index hedged to US Dollars (the "Index").

No reference benchmark was used for the purpose of attaining the above characteristics.

Whilst the Fund did use derivatives as part of its investment strategy, the use of derivatives was not with a view to attaining the environmental and/or social characteristics promoted by the Fund.

The Fund did not make sustainable investments.

● ***How did the sustainability indicators perform?***

The sustainability indicator(s) performed as follows:

Indicator	Fund Performance during the Reporting Period
Compliance with ESG-related exclusions	100%
Fund's WACI* ratio relative to the Index	Ratio as at 31 January 2022 – 51% Ratio as at 31 December 2022 – 52%

\*Weighted Average Carbon Intensity. Weighted average carbon intensity ("WACI") is a measure of the portfolio's exposure to carbon-intensive companies, based on a company's carbon emissions relative to its revenue. Further information on the WACI measurement can be found in the Fund supplement and as well below in the section headed "What actions have been taken to meet the environmental and/or social characteristics during the reference period?".

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

N/A. As this is the first period that the periodic disclosure for principal 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 are effective, no comparatives are presented.

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

N/A. This section is not applicable for the Fund as it did not commit to holding sustainable investments during the reference period.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

N/A. The Fund did not make sustainable investments.

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

N/A. The Fund did not make sustainable investments.

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

*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.*

N/A. The Fund did not make sustainable investments.

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

N/A. The Fund does not consider principal adverse impacts on sustainability factors.



The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 31 December 2022



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



Largest investments	Sector <sup>1</sup>	% Assets <sup>2</sup>	Country <sup>3</sup>
UBS GROUP AG	Financials	2%	Switzerland
STANDARD CHARTERED PLC	Financials	2%	United Kingdom
DANSKE BANK AS	Financials	2%	Denmark
ING GROEP NV	Financials	2%	Netherlands
BANK OF AMERICA CORP	Financials	1%	United States of America
EXXON MOBIL CORP	Energy	1%	United States of America
MITSUBISHI UFJ FINANCIAL	Financials	1%	Japan
NATIONAL AUSTRALIA BK	Financials	1%	Australia
AIB GROUP PLC	Financials	1%	Ireland
GOLDMAN SACHS GROUP	Financials	1%	United States of America
VICI PROPERTIES INC	Financials	1%	United States of America
GOLDMAN SACHS GROUP	Financials	1%	United States of America
BANK OF NOVA SCOTIA	Financials	1%	Canada
W P CAREY INC	Financials	1%	United States of America
NIPPON TELEGRAPH & TELEPHONE	Communications	1%	Japan

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

### ● What was the asset allocation?



In order to meet the environmental and/or social characteristics promoted by the Fund, it invested 99%<sup>4</sup> of the Fund's assets in investments which are aligned with the same characteristics. To achieve this, the Fund invested in a portfolio of corporate bonds, notes and commercial paper (primarily fixed rate) issued by corporations, and credit default swaps on the credit risk of such companies.

The remaining percentage of the Fund's investments were investments which sought to achieve broader objectives of the Fund including instruments for the purposes of efficient portfolio management, hedging and liquidity management purposes.

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

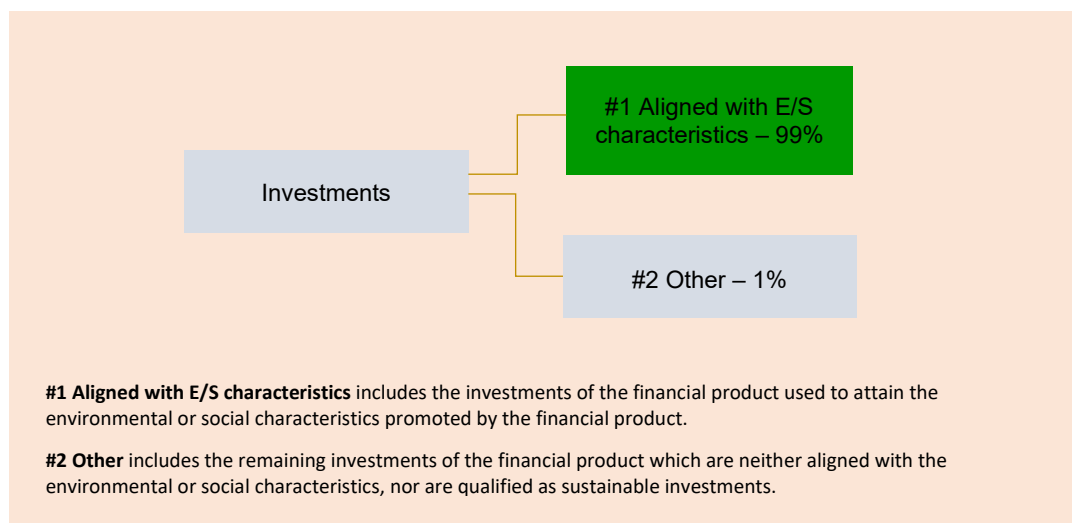
<sup>1</sup> NACE sector classification

<sup>2</sup> Rounded to the nearest whole percentage

<sup>3</sup> Bloomberg country of risk

<sup>4</sup> Certain information and data provided herein is based on Blackstone proprietary knowledge and data. While Blackstone currently believes that such information is reliable for purposes used herein, it is subject to change, and reflects Blackstone's opinion as to whether the amount, nature and quality of the data is sufficient for the applicable conclusion, and no representations are made as to the accuracy or completeness thereof.





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

A breakdown of the sub-sectors that the Fund is exposed to, including any sub-sectors of the economy that derive revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade of fossil fuels, is provided below.

NACE Sector	NACE Sub-Sector	Proportion of Investments <sup>5</sup>
Accommodation and Food Service Activities	Accommodation	0%
	Food and beverage service activities	0%
Administrative and Support Service Activities	Rental and leasing activities	0%
Construction	Civil engineering	0%
	Construction of buildings	1%
Electricity, Gas, Steam and Air conditioning supply	Electricity, gas, steam and air conditioning supply	2%
Financial and Insurance Activities	Activities auxiliary to financial services and insurance activities	7%
	Financial service activities, except insurance and pension funding	35%
	Insurance, reinsurance and pension funding, except compulsory social security	8%
Human Health and Social Work Activities	Human health activities	1%
Information and Communication	Computer programming, consultancy and related activities	1%
	Information service activities	1%
	Publishing activities	0%
	Telecommunications	3%

<sup>5</sup> Rounded to the nearest whole percentage



Manufacturing	Manufacture of basic pharmaceutical products and pharmaceutical preparations	1%
	Manufacture of beverages	2%
	Manufacture of chemicals and chemical products	1%
	Manufacture of coke and refined petroleum products	3%
	Manufacture of computer, electronic and optical products	5%
	Manufacture of food products	1%
	Manufacture of motor vehicles, trailers and semi-trailers	4%
	Manufacture of other transport equipment	2%
	Manufacture of wearing apparel	0%
	Manufacture of wood and of products of wood and cork, straw and plaiting	1%
	Other manufacturing	0%
Mining and Quarrying	Extraction of crude petroleum and natural gas	3%
	Mining of metal ores	2%
	Mining support service activities	0%
Professional, Scientific and Technical Activities	Legal and accounting activities	0%
	Scientific research and development	1%
Real Estate Activities	Real estate activities	9%
Transportation and Storage	Land transport and transport via pipelines	1%
	Warehousing and support activities for transportation	0%
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	Retail trade, except of motor vehicles and motorcycles	0%
	Wholesale and retail trade and repair of motor vehicles and motorcycles	1%
	Wholesale trade, except of motor vehicles and motorcycles	1%



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

The Fund did not make sustainable investments with an environmental objective aligned with the Taxonomy Regulation.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>6</sup>?

<sup>6</sup> 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.



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.

Yes:

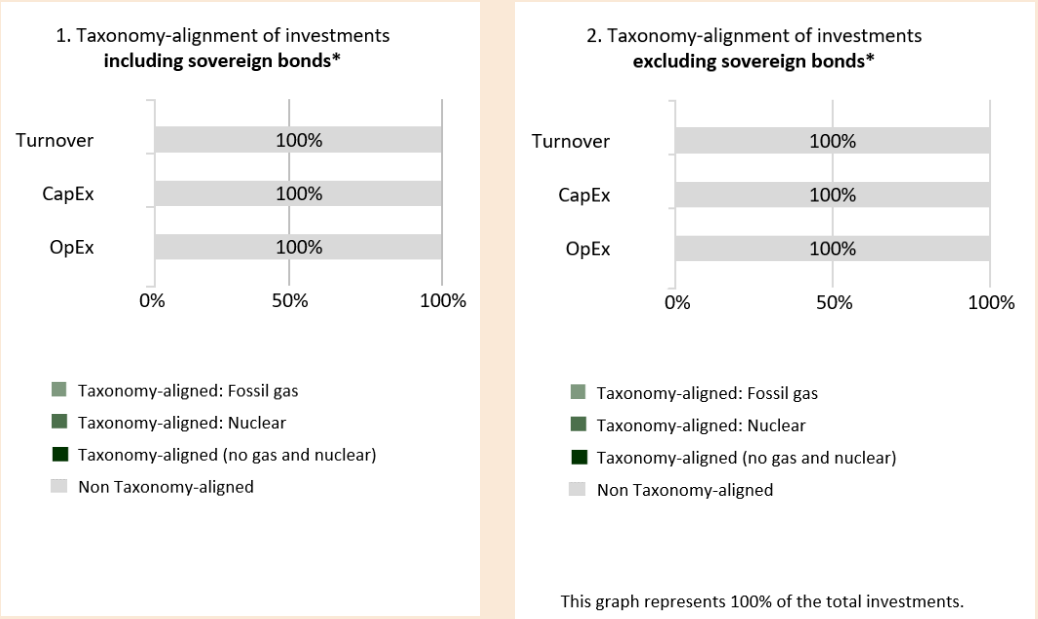
In fossil gas

In nuclear energy

✖

No

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





The Fund did not make sustainable investments with an environmental objective not aligned with the Taxonomy Regulation.



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

The Fund did not make socially sustainable investments.



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

Investments included under “other” were held to achieve the broader objectives of the Fund including instruments for the purposes of efficient portfolio management, hedging and liquidity management purposes.

There were no minimum safeguards for these investments.



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

The Fund sought to produce returns, net of fees and expenses above the performance of the Index. The Fund also aimed to constrain carbon intensity in respect of its corporate bond portfolio by targeting at least 50% lower weighted average carbon intensity than the Index.

The weighted average carbon intensity of the Fund is the exposure to carbon intensive companies. The carbon intensity of the Fund was determined by measuring direct CO<sub>2</sub> emissions from the individual corporate bond issuers in the Fund as well as emissions from purchased energy relative to their corporate revenues. The Investment Manager utilised a proprietary system to measure the carbon intensity of the individual investments. The Investment Manager relied on third-party data for carbon emissions and potential carbon emissions from fossil fuel reserves which are measured based on an issuer's reported data from annual reports, corporate social responsibility reports, the CDP (carbon disclosure project), oil and gas industry bodies, and data derived from other relevant third-party sources. As part of the investment selection process, the Investment Manager systematically down-weighted individual issuers with high carbon intensity but did not exclude any particular sector or industry solely based on carbon intensity.

In order to meet the environmental and social characteristics promoted, Responsible Investment was integrated into the Investment Manager's investment process in accordance with three foundational pillars as follows:

- (a) Application of a socially responsible investing ("SRI") exclusion screen in respect of the portfolio of the Fund.
- (b) Conducting ongoing research into SRI (and ESG) factors.
- (c) Reviewing, monitoring, and risk modelling the Fund's portfolio for emerging trends, threats, and developments, including those arising from SRI factors.



The Investment Manager integrated exclusion screening in respect of its investment selection process to account for additional risks that are inherent in socially and environmentally costly businesses. In this regard, it carried out a systematic approach of constructing a broad portfolio using fundamentally driven models, with holding periods typically measured in months. For example, the Investment Manager sought to avoid certain issuers from categories including but not limited to, nuclear weapons, controversial munitions, opioid manufacturing, retail sold assault weapons, coal mining, private prisons, payday lending and the tobacco industry, or those investments that are considered to be poor SRI performers by the Investment Manager as further described below. While the Investment Manager did not pursue an activist investment strategy in respect of the Fund, it took account of additional risks that are inherent in socially and environmentally costly businesses and when possible, sought to avoid them. In this regard, the Investment Manager's policy aimed to avoid providing implicit or explicit support for socially and environmentally irresponsible businesses. Whilst this analysis can be subjective, the Investment Manager assessed certain businesses where the social or environmental cost of the business created negative externalities for society that are not fully captured by regulation, taxation or shareholder value. These risks typically manifested as low probability, but high cost, regulatory and legal exposures. Various factors were considered by the Investment Manager in the SRI screening process which are broadly categorised into: (i) ethical reasons; (ii) social responsibility and stewardship; and (iii) environmental responsibility and stewardship.



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

N/A.

- ***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.

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