

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



PRODUCT NAME: USD Investment Grade Credit Fund (the “Sub-Fund”)

LEGAL ENTITY IDENTIFIER: 222100428TQ8GYW59277

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ Yes ☐

☐ 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:** _____ %

☒ ☐ No ☒

☐ 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?

This financial product promotes the following environmental and/or social characteristics:

- It commits to holding a minimum of at least 5% of total net assets in green, sustainable, sustainable-linked and social (GSSS) bonds.
- Applies the Sub-Investment Manager’s “core” set of exclusions and additional negative-screening criteria as set out in the Sub-Fund’s Sustainability-Related Disclosures found at <https://www.allspringglobal.com/assets/edocs/lux/legal/lux-fund-sustainability-related-disclosures.pdf>

Through use of a negative screening process, the Sub-Fund seeks to exclude securities issued by, but not limited to, companies that:

- are assessed to be in breach of the United Nations Global Compact principles on human rights, labour, environment, and anti-corruption;
- have exposure to controversial weapons, such as (but not limited to) biological, chemical, cluster and nuclear weapons, and anti-personnel mines; and
- receive revenue, exceeding a revenue threshold, from specific excluded activities, such as, but not limited to civilian small arms, tobacco, thermal coal and oil sands (the “Excluded Investments”).

Additionally, the Sub-Fund applies a more stringent 10% revenue threshold for thermal coal power generation and the portfolio will not have exposure to securities that receive the lowest rating from an independent third party. A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by this financial product.

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?

E/S CHARACTERISTICS PROMOTED

Holding a minimum of 5% of total net assets in GSSS bonds

Applies the Sub-Investment Manager's "core" set of exclusions and additional negative-screening criteria as set out in the Sub-Fund's Sustainability-Related Disclosures

SUSTAINABILITY INDICATORS USED

Use of proceeds bond labelling data from an independent third party

- Securities that receive the lowest rating from an independent third party
- Global Standards Screening Data from an independent third party

- 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?

Not applicable for this financial product

- 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?

Not applicable for this financial product

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

Not applicable for this financial product

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

Not applicable for this financial product

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.

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

Certain principal adverse impacts on sustainability factors are considered as part of the Sub-Investment Manager's ESG and investment evaluation. Principal adverse impacts are also considered as part of the Sub-Investment Manager's engagement model, whereby the Sub-Investment Manager engages with issuers on any of these indicators, and tracks, as appropriate, to monitor for signs of improvement.

The consideration of principal adverse impacts, however, is not the sole driver of an investment decision, but rather one of several inputs considered during investment analysis. Consequently, such consideration of principal adverse impacts may not result in securities being excluded, smaller positions being held, or positions being reduced.

From a binding perspective, consideration of certain principal adverse impacts on sustainability factors is relevant as part of the product's exclusionary process, in which certain companies are excluded from the portfolio by design. Please see the environmental/social characteristics detailed above for more information on "Excluded Investments" and additional negative-screening criteria for the financial product.

Information on principal adverse impacts on sustainability factors will be made available in ongoing periodic reports.



What investment strategy does this financial product follow?

Under normal circumstances, the Sub-Fund invests at least two-thirds of its total assets in US Dollar-denominated credit debt securities rated investment grade at the time of purchase as further detailed under the "Investment Policies and Strategies" section for the Sub-Fund in Sub-Fund Information.

- 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?

E/S CHARACTERISTICS PROMOTED	BINDING ELEMENTS OF THE INVESTMENT STRATEGY USED TO SELECT INVESTMENTS
Holding a minimum of 5% of total net assets in GSSS bonds	The Sub-Investment Manager will seek out appropriate and attractive GSSS bonds to meet its minimum allocation using its fundamental research process,
Applies the Sub-Investment Manager's "core" set of exclusions and additional negative-screening criteria as set out in the Sub-Fund's Sustainability-Related Disclosures.	The Sub-Investment Manager will exclude the "Excluded Investments" and apply the additional negative-screening criteria for the financial product detailed above

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

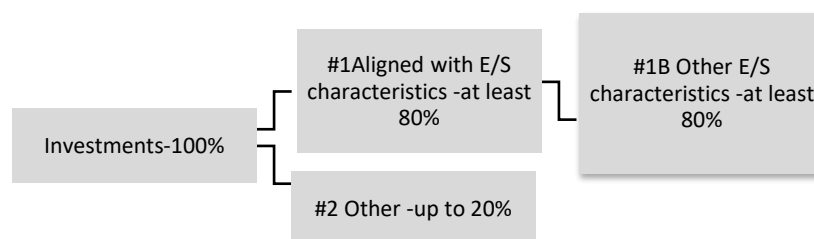
Not applicable as this financial product does not make any commitment in this respect

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

The Sub-Investment Manager's policy is to include the assessment of good governance practices of investee companies in its proprietary ESG risk scores and assessment of those scores, which drives security selection. The Sub-Investment Manager believes that sound governance can mitigate environmental and social risks, while the reverse or poor governance can exacerbate environmental and social risks. The Sub-Investment Manager also excludes securities issued by, but not limited to, companies that are assessed to be in breach of the United Nations Global Compact principles on human rights, labour, environment, and anti-corruption.

What is the asset allocation planned for this financial product?

The planned asset allocation of the investments of the financial product will be at least 80% in alignment with the environmental/social characteristics promoted. In addition to the environmental and social characteristics promoted, the Sub-Investment Manager may use derivatives for hedging or efficient portfolio management and may utilise cash or cash-like instruments in line with regulatory guidelines relating to ancillary liquid assets collectively, of up to 20% of the financial product's investments. This has been represented in the graph below as: #1 "Aligned with E/S Characteristics" of at least 80%, and #2 Other to reflect that up to 20% of investments may be allocated to assets for hedging, efficient portfolio management and/or ancillary liquidity purposes as permitted by law and regulatory guidance.



#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.

#2 Other 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 **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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.

Asset allocation describes the share of investments in specific assets.

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

The financial product can use derivatives for hedging or efficient portfolio management and/or for investment purposes. Where used for hedging or efficient portfolio management purposes, derivatives are not used to attain the environmental or social characteristics promoted by the financial product. Where used for investment purposes, derivatives are selected in accordance with the binding element of the investment strategy to select investments as described above to attain the environmental or social characteristics promoted by the financial product.



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

The minimum alignment is 0%.

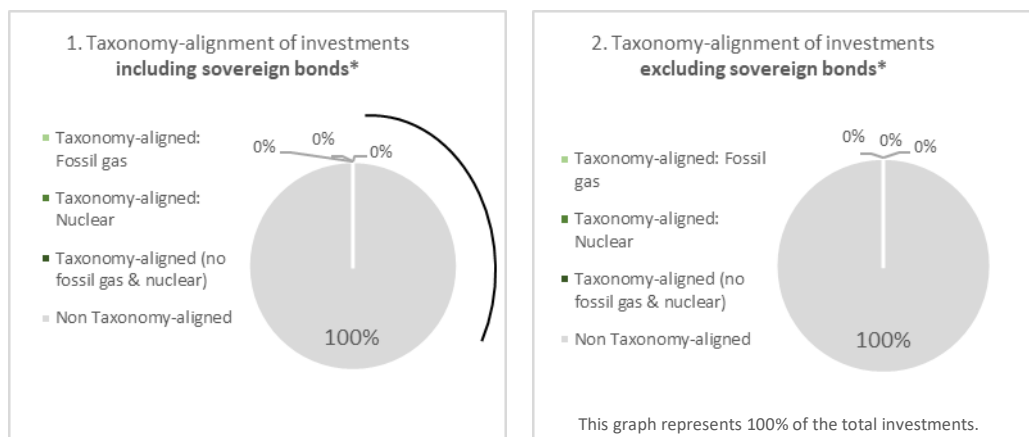
- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

☐ Yes

- ☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show 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 alignment is 0%.



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 minimum alignment is 0%.



What is the minimum share of socially sustainable investments?

The minimum alignment is 0%.



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

The investments in "#2 Other" include futures, forward contracts, options, or swap agreements, as well as other derivatives, cash and/or cash-like instruments, which may be held for hedging, efficient portfolio management and/or ancillary liquidity purposes. There are no minimum environmental or social safeguards applied to these investments.



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?

No index has been designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.

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

Per above, this is not applicable.

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

Per above, this is not applicable.

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

Per above, this is not applicable.

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

Per above, this is not applicable.



Where can I find more product specific information online?

More product-specific information can be found at <https://www.allspringglobal.com/assets/edocs/lux/legal/lux-fund-sustainability-related-disclosures.pdf>.