Sustainable investment guidelines for

CT (Lux) Sustainable Multi-Asset Income Fund

Last review: March 2025

Contents

1 Philosophy

Our Responsible Investment philosophy is framed by several policy statements, including our: Corporate Governance Guidelines, Engagement Policy, as well as our Social and Environmental Expectations statements. These policy documents are available on our website.

The CT (Lux) Sustainable Multi-Asset Income Fund aims to deliver income and capital growth while maintaining long-term value through investment in a portfolio of traditional and alternative assets and strategies, integrating analysis of sustainability-related risks and opportunities into the portfolio construction process.

The overarching sustainability philosophy of the fund is to "Avoid; Invest; Improve":

- **Avoid** – We have a set of exclusion criteria setting threshold standards to avoid investment in issuers with socially or environmentally damaging products or unsustainable business practices.
- **Invest** – We invest in issuers that make a positive contribution to society and/or the environment.
- **Improve** – We engage with issuers with a view to helping them to enhance their performance, viability, and sustainability to create long-term economic value for our clients.

'Avoid' (exclusions policy)

Consistent with the Fund's goal to invest in issuers that make a positive contribution to society and the environment, we have developed an exclusion policy to set threshold standards, which applies to the entire fund.

We monitor the universe of holdings on an ongoing basis, and any position held by the Fund that no longer qualifies must be sold within 30 calendar days unless there are exceptional circumstances.

Product-based exclusions

- **Weapons**[1]
  Exclude issuers that derive:
  - >0% of their revenue from the production or retail of weapons.
  - >0% of their revenue from the production of controversial and/or nuclear weapons components*.
  - >5% of their revenue from the production of other weapons components and/or support systems and services which are customised for strategic military use.
- **Tobacco**
  Exclude issuers that derive:
  - >0% of their revenue from the production of tobacco products.
  - >5% of their revenue from the production of Next Generation products (including e-cigarettes) and their components.
  - >5% of their revenue from the distribution of tobacco products.
  - >10% of their revenue from the retail of tobacco products.
  - >10% of their revenue from the supply of products which are essential to the tobacco industry, e.g. machinery and packaging materials.
- **Fossil fuels**
  Exclude issuers with ownership of fossil fuel reserves.

  In addition, exclude issuers:
  Coal
  - That derive >0% of their revenue from the mining of coal and its sale to external parties.
  - That derive >1% of their revenue from coal distribution.
  - That derive >1% of their revenue from coal refining.
  - That derive 50% of their revenue from equipment and services for coal-related activities.

  Oil
  - That derive >0% of their revenue from the extraction and production of oil and natural gas liquids.

1 Conventional, unconventional and civilian weapons are in-scope.

NB. We expect issuers to be actively decreasing their involvement in coal-/oil-/gas-related activities.

* Our definition of controversial weapons encompasses the following types of weapons: biological; blinding lasers; chemical; cluster munitions; depleted uranium (incl. armour); incendiary; land mines; non-detectable fragments.

- That derive >5% of their revenue from the refining of oil fuels.
- That derive >5% of their revenue from the distribution of oil and related products.
- That derive >5% of their revenue from pipelines for oil and oil products or natural gas liquids.
- That derive >5% of their revenue from the transportation of oil and oil products.
- That derive >5% of their revenue from the retailing of oil and oil products[2].
- That derive 50% of their revenue from equipment and services for oil-related activities[4].

Gas

- That derive >0% of their revenue from the extraction and production of natural gas.
- That derive >5% of their revenue from the processing of natural gas fuels.
- That derive >5% of their revenue from the distribution of gas and related products[3].
- That derive >5% of their revenue from natural gas pipelines[3].
- That derive >5% of their revenue from the transportation of natural gas[3].
- That derive >5% of their revenue from gas retail sales and liquefied petroleum gas (bottled gas) dealers[3].
- That derive 50% of their revenue from equipment and services for gas-related activities[4].

Electricity generation

- Exclude issuers that derive: >10% of their revenue from thermal coal-based power generation[5].
- Issuers that derive >10-50% of their revenue from liquid fuel- and/or natural gas-based power generation must have a Science Based Targets initiative (SBTi) target set at 1.5 degrees Celsius/well-below 2 degrees Celsius and/or robust interim targets as assessed by Columbia Threadneedle Investments' net zero methodology.
- Exclude issuers that derive >50% of their revenue from liquid fuel- and/or natural gas-based power generation.

Nuclear energy

- Exclude electricity utilities that derive >5% of their revenue from power production based on nuclear sources[6].
- Exclude issuers that derive >5% of their revenue from supplying key products or services to the nuclear power industry, except those that provide standard, non-customised or safety-related products/services.
- Exclude issuers that derive >5% of their revenue from uranium mining.

Conduct-based exclusions

- **UNGC breaches** – We exclude issuers with breaches of the UN Global Compact principles[7] and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.
- We use qualitative analysis and a variety of ESG data tools to assess and monitor issuers' management of key ESG risks and their approach to addressing sustainability challenges. We seek to exclude issuers with particularly poor ESG risk management and weak strategies to advance sustainable objectives.

Sustainability in sovereign bonds

We will exclude states:

- Which have not ratified or have not implemented in equivalent national legislation:
  - The eight fundamental conventions identified in the International Labour Organisation’s declaration on Fundamental Rights and Principles at Work.
  - At least half of the 18 core International Human Rights Treaties.
- Which are not party to:
  - The Paris Agreement.
  - The UN Convention on Biological Diversity.
  - The Nuclear Non-Proliferation Treaty.
- With particularly high military budgets (>4% of GDP).
- Considered “Jurisdictions with strategic AML/CFT deficiencies” by the FATF.
- With <40/100 on the Transparency International Corruption Perceptions Index.
- Qualified as “Not Free” by the Freedom House “Freedom in the World” survey.
- With the death penalty legal and in use.

[2] The Sustainable Funds are permitted to hold companies that exceed the 5% revenue threshold for the retailing of oil and oil products if they have a Science Based Targets initiative (SBTi) target set at 1.5 degrees Celsius/well-below 2 degrees Celsius and/or robust interim targets as assessed by Columbia Threadneedle Investments' net zero methodology.

[3] The Sustainable Funds are permitted to hold issuers that exceed the 5% revenue threshold if they have a Science Based Targets initiative (SBTi) target set at 1.5 degrees Celsius/well-below 2 degrees Celsius and/or robust interim targets as assessed by Columbia Threadneedle Investments' net zero methodology. However, issuers are excluded which derive >50% of their revenue from the distribution of gas and related products.

[4] Products/services aimed at mitigating or reducing the negative effects of these activities are not in-scope.

[5] Issuers with thermal coal-based power generation must have a Science Based Targets initiative (SBTi) target set at 1.5 degrees Celsius/well-below 2 degrees Celsius and/or robust interim targets as assessed by Columbia Threadneedle Investments' net zero methodology.

[6] Electricity utilities with nuclear-based power generation capacity must have a SBTi target set at 1.5 degrees Celsius/well-below 2 degrees Celsius.

[7] The UN Global Compact are 10 principles businesses should follow and incorporate in order to meet their basic responsibilities to people and planet, which fall under 4 broad headings (Human Rights, Labour, Environment and Anti-Corruption). See here for full details.

Further aspects considered:

- **Biodiversity**: We expect issuers to minimise their negative impact on biodiversity.
- **Water Use**: We expect issuers to comply with national regulations and international agreements regarding managing water consumption.
- **Taxation**: We expect issuers to pay fair and appropriate taxes, and transparently report their taxes.
- **Oppressive regimes (government and issuer level)**: We use our country scoring approach, which incorporates political and civil rights, to assess whether a holding is connected to an oppressive regime. See also "Sustainability in sovereign bonds" above.

Currency exposures

- Currency exposures may arise from securities held within the portfolio if they are not hedged.
- Additional currency exposures can be added but must be consistent with the sovereign bond criteria, with the exception of the reserve currencies (Euro, US Dollar, GB Pound, Japanese Yen). This exception will be capped at 30% of the portfolio under normal market conditions, however, this may be temporarily exceeded under extraordinary market conditions.
- Currency exposures may be taken via currency derivatives (forwards, futures and options) or cash or public debt instruments.

Ongoing monitoring

To ensure issuers held in the sustainable strategies continue to meet our criteria, we conduct ongoing monitoring of all held issuers. Each quarter the Responsible Investment team reviews whether issuers continue to meet our criteria, alongside any involvement in recent controversies that might indicate poor ESG practices. All breaches are assessed by the Responsible Investment team. If a breach is assessed as genuine, then the issuer is divested.

'Invest' (targeted investment in sustainability leadership)

Core to all of our sustainable strategies is the proactive allocation to investments whose activities are oriented to providing sustainability solutions, i.e. with some positive impact on societies and the environment.

Holdings will be selected on the basis of having a strong association with addressing sustainability challenges and opportunities such as:

Energy transition – issuers providing affordable and clean energy or improving energy efficiency.

Resource efficiency – issuers promoting more sustainable resource use, consumption, and production.

Sustainable infrastructure – issuers enabling less damaging construction processes to maintain sustainable networks.

Health and wellbeing – issuers advancing global health, wellbeing, nutrition and food security.

Sustainable finance – issuers supporting both financial inclusion for under-served communities and businesses addressing sustainability challenges.

Societal development – issuers supporting education and training and improving social mobility for underrepresented groups.

Technological innovation & inclusion – issuers providing innovative hardware or software solutions to solve a range of global sustainability challenges.

We also make reference to the framework of the Sustainable Development Goals (SDGs) in identifying investments making a positive contribution to society and the environment[8].

Our 'Invest' approach applies to both traditional assets (e.g. equity and debt securities) and alternative opportunities, which may include areas such as social housing, renewable energy or microfinance. Sovereign bonds, including green gilts, can be mapped to the SDGs.

'Improve'

For this Fund we see it as our responsibility to take key financially material ESG issues into account before, during and after investment decisions.

We engage issuers with a view to helping them to enhance their performance, viability, and sustainability to create long-term economic value for our clients.

Targeted Responsible Investment engagement with issuers that can align with our clients' investment goals is an important part of our investment approach, as it creates future value. In addition, we believe that engagement on ESG issues in certain cases can have a positive impact on corporate performance and investment returns. Our key expectations on good practice are outlined in our **corporate governance guidelines**, and **environmental and social practices statement**.

We support our engagement approach by the thoughtful use of our voting rights, where relevant. All proxy voting results are made public.

Further details can be found in our **RI Engagement Policy**, which defines our group-wide engagement activities.

8 The 17 SDGs were developed in 2015 by the UN and cross-industry stakeholders and endorsed by all 193 member states. The SDGs set out a roadmap towards a more sustainable global economy and society by 2030. See **here** for full details.

2 Instruments

Securities

All UCITS-eligible securities are allowed, as long as they meet minimum regulatory and ESG standards, as determined above.

Sustainable Bonds (Green and Social)

We can invest in ‘Sustainable’ bonds, as long as they have been approved by the Responsible Investment team.

Before we invest, we conduct in-depth due diligence to identify whether the issuer and its green/social bond framework meet our exclusion criteria specifically for the issuers of Sustainable Bonds (please refer to 'Sustainable Bonds exclusion criteria' on pg. 9). These criteria differ from the product-based criteria above because we recognise that Green Bonds facilitate issuers' net zero transition and their proceeds are exclusively allocated to projects which deliver environmental benefits. The proceeds of social bonds are exclusively allocated to projects delivering social benefits.

Derivatives

Derivatives are permitted within the fund in order to assist with the efficient management of overall asset class positions, such as mitigating interest rate fluctuations, hedging against price falls in equity markets or managing currency exposure. Derivatives will not be used to take the fund to a net short equity exposure on a delta-adjusted basis.

Positive net exposure to indices is only permitted through ESG-based index derivatives or ETFs that comply with the exclusion criteria described above. Derivatives will not be used to take indirect long positions in excluded securities.

Short selling

Use of short positions in broad index derivatives to manage overall exposure may result in a short position in excluded securities. The fund does not take direct short positions in securities. Use of index derivatives to manage overall exposure may result in indirect short exposures in excluded securities.

External funds / alternative strategies

External funds / alternative strategies need to meet the following minimum criteria:

- Exclusion of weapons, tobacco and fossil fuels / power generation as defined above
- Commitment to ESG integration
- Commitment to positive sustainable investment trends

This is assessed via an initial in-depth due diligence process and subsequently on an ongoing basis.

3 Addendum

Criteria updates since October 2024:

Previous criteria	New criteria
Electricity Generation	
Exclude electricity utilities: ■ That derive >5% of their revenue from coal-based power production[9]. ■ That derive >5% of their revenue from oil & gas-based power production[10].	■ Exclude issuers that derive >10% of their revenue from thermal coal-based power generation[5]. ■ Issuers that derive >10-50% of their revenue from liquid fuel- and/or natural gas-based power generation must have a Science Based Targets initiative (SBTi) target set at 1.5 degrees Celsius/well-below 2 degrees Celsius and/or robust interim targets as assessed by Columbia Threadneedle Investments' net zero methodology. ■ Exclude issuers that derive >50% of their revenue from liquid fuel- and/or natural gas-based power generation.
Fossil Fuels	
Exclude issuers with ownership of geological reserves of coal/oil/gas, and exclude issuers that derive: ■ >0% of their revenue from the mining of thermal coal and its sale to external parties. ■ >0% of their revenue from the extraction and production of oil/gas. ■ >5% of their revenue from the distribution and retailing of oil/gas and related products[11]. ■ >5% of their revenue from coal/oil/gas transportation and/or oil/gas pipelines[12]. ■ >5% of their revenue from refining coal/oil/gas. ■ >25% of their revenue from equipment and services for coal-/oil-/gas-related activities[13][14].	Exclude issuers with ownership of fossil fuel reserves. In addition, exclude issuers: **Coal** ■ That derive >0% of their revenue from the mining of coal and its sale to external parties. ■ That derive >1% of their revenue from coal distribution. ■ That derive >1% of their revenue from coal refining. ■ That derive 50% of their revenue from equipment and services for coal-related activities[4]. **Oil** ■ That derive >0% of their revenue from the extraction and production of oil and natural gas liquids. ■ That derive >5% of their revenue from the refining of oil fuels. ■ That derive >5% of their revenue from the distribution of oil and related products. ■ That derive >5% of their revenue from pipelines for oil and oil products or natural gas liquids. ■ That derive >5% of their revenue from the transportation of oil and oil products. ■ That derive >5% of their revenue from the retailing of oil and oil products[2]. ■ That derive >50% of their revenue from equipment and services for oil-related activities.

9 Electricity utilities with coal-based power production must have a Science Based Targets initiative (SBTi) target set at 1.5 degrees Celsius/well-below 2 degrees Celsius. NB. This criteria point may include issuers in other sectors which have power generation activities. Overall, we expect issuers to be structurally decreasing their coal-based power generation.
10 Unless they have a Science Based Targets initiative (SBTi) target set at 1.5 degrees Celsius/well-below 2 degrees Celsius.
11 The Sustainable Funds are permitted to hold issuers that exceed the 5% revenue threshold if they have robust net zero transition plans which cover their product emissions, and/or are substantially benefitting customers in remote/rural areas.
12 The Sustainable Funds are permitted to hold issuers that exceed the 5% revenue threshold for gas transportation/pipelines if they have robust net zero transition plans which cover their product emissions.
13 Issuers deriving >5% of their revenue from the use and/or production of hydraulic fracking technologies are excluded.
14 Unless they have a Science Based Targets initiative (SBTi) target set at 1.5 degrees Celsius/well-below 2 degrees Celsius. Products/services aimed at mitigating or reducing the negative effects of these activities are not in scope.

<table>
<tr><th>Previous criteria</th><th>New criteria</th></tr>
<tr><td colspan="2">Fossil Fuels (continued)</td></tr>
<tr><td></td><td>Gas
■ That derive >0% of their revenue from the extraction and production of natural gas.
■ That derive >5% of their revenue from the processing of natural gas fuels.
■ That derive >5% of their revenue from the distribution of gas and related products[3].
■ That derive >5% of their revenue from natural gas pipelines[3].
■ That derive >5% of their revenue from the transportation of natural gas[3].
■ That derive >5% of their revenue from gas retail sales and liquefied petroleum gas (bottled gas) dealers[3].
■ That derive >50% of their revenue from equipment and services for gas-related activities[4].</td></tr>
<tr><td colspan="2">Weapons[15]</td></tr>
<tr><td>Exclude issuers that derive:
■ >0% of their revenue from the manufacture or sale of weapons.
■ >0% of their revenue from the manufacture of controversial weapons components.
■ >5% of their revenue from the manufacture of other weapons components or systems designed for strategic military use.</td><td>Exclude issuers that derive:
■ >0% of their revenue from the production or retail of weapons.
■ >0% of their revenue from the production of controversial and/or nuclear weapons components*.
■ >5% of their revenue from the production of other weapons components and/or support systems and services which are customised for strategic military use.</td></tr>
<tr><td colspan="2">Tobacco</td></tr>
<tr><td>Exclude issuers that derive:
■ >0% of their revenue from the manufacture of tobacco products.
■ >5% of their revenue from the wholesale trading of tobacco products.
■ >10% of their revenue from the sale of tobacco products.
■ >10% of their revenue from the supply of products which are essential to the tobacco industry, e.g. machinery and packaging materials.</td><td>Exclude issuers that derive:
■ >0% of their revenue from the production of tobacco products.
■ >5% of their revenue from the production of Next
■ Generation products (including e-cigarettes) and their components.
■ >5% of their revenue from the distribution of tobacco products.
■ >10% of their revenue from the retail of tobacco products.
■ >10% of their revenue from the supply of products which are essential to the tobacco industry, e.g. machinery and packaging materials.</td></tr>
</table>

15 Conventional, unconventional and civilian weapons are in-scope.

* Our definition of controversial weapons encompasses the following types of weapons: biological; blinding lasers; chemical; cluster munitions; depleted uranium (incl. armour); incendiary; land mines; non-detectable fragments.

4 Sustainable Bonds exclusion criteria

Please note that the criteria below only apply to sustainable bonds approved by the Responsible Investment team for Responsible and Sustainable funds. Please refer to pg. 6 for our process.

Alcohol

- Exclude issuers that derive >0% of their revenue from the production of alcohol.

Electricity generation

- Exclude electricity utilities that derive >10% of their revenue from coal-based power production[16].

Fossil fuels – Activities related to the exploration/extraction of conventional oil & gas

- Exclude issuers that derive >5% of their revenue from activities related to the exploration/extraction of conventional oil & gas.

Fossil fuels – Activities related to the exploration/extraction of unconventional oil & gas

- Exclude issuers that derive >5% of their revenue from activities related to the exploration/extraction of unconventional oil & gas.

Fossil fuels – Thermal Coal

- Exclude issuers that derive >5% of their revenue from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties.

Gambling

- Exclude issuers whose core business is gambling, e.g. casinos and betting shops.

Norms adherence

- Exclude issuers in violation of the UNGC Principles or OECD Guidelines for Multinational Enterprises.

Pornography, harmful and violent materials

- Exclude issuers involved in the production or distribution of pornographic, harmful or violent materials[17].

Tobacco

- Exclude issuers that derive >0% of their revenue from the manufacture of tobacco products.

Weapons

- Exclude issuers that derive >0% of their revenue from the manufacture or sale of weapons.

In addition, sustainable bonds are excluded if the activities they finance do not comply with the Paris-aligned Benchmarks' exclusions.

16 Electricity utilities with thermal coal-based power generation must have a Science Based Targets initiative (SBTi) target set at 1.5 degrees Celsius/well-below 2 degrees Celsius and/or robust interim targets as assessed by Columbia Threadneedle Investments' net zero methodology.

17 Retailers and telecom companies may derive up to 5% of revenue from the sale of pornographic or violent material.

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