

‘ANNEX V

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: CT (Lux) European Social Bond

Legal entity identifier: 549300071NVI9LFDKW96

Sustainable investment objective

Did this financial product have a sustainable investment objective?



Yes



No



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**: 98.02%



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 was the sustainable investment objective of this financial product met?

The sustainable investment objective of the Portfolio provided positive social outcomes by investing in bonds that supported or funded socially beneficial activities and development, as assessed by the Investment Manager's Social Rating Methodology.

It achieved the social objective by:

- (i) Investing in bonds that positively contributed to one or more areas of social outcome (outlined below). These are based on the social hierarchy of needs, whereby "primary" social needs are foundational and supersede more general social needs. The social outcomes are also aligned to the UN Sustainable Development Goals ("SDGs"), as the core global set of priorities for social and sustainable development.

The Investment Manager uses a proprietary categorisation and rating model (the "Social Rating Methodology") to carry out a detailed assessment of the bond's contribution to the social objective pursued by the Portfolio. The Investment Manager only selects bonds that are rated as social investments for inclusion in the Portfolio.

Social Outcome Category	Primary SDG	Areas of Social Outcome
Primary Social Needs	Sustainable Cities and Communities	Affordable Housing e.g. Social bonds (housing focus)
Basic Social Needs	Good Health and Well Being	Health and Welfare e.g. Health services
Social Enabling	Quality Education	Education and Training e.g. Printing and publishing
Social Empowerment	Decent Work and Economic Growth	Employment e.g. Retail
Social Enhancement	Sustainable Cities and Communities	Community e.g. Social bonds (community focus)
Social Facilitation	Reduced Inequalities	Access to Services e.g. Financial services (socially focused)
Societal Developments	Industry, Innovation and Infrastructure	Economic Regeneration and Development e.g. Green bonds

The Investment Manager identifies the social intentionality and purpose of the use of a bond's proceeds and the bond is categorised according to its level of impact as:

- An impact investment where a bond's use of proceeds has a clear social objective.
- An investment with impact, where a bond's use of proceeds does not have a clear social objective, but where positive social benefit is nonetheless identifiable.
- Development finance where a bond's use of proceeds supports investments in infrastructure and economic development for positive social contribution.

The Investment Manager also assesses the intensity of a bond's social focus by scoring each bond against 9 indicators (such as the bond's ability to tackle deprivation by assessing the target population and region) to produce an overall rating of minor, moderate, good or strong. Any bond rated, or whose rating falls below, minor is subject to review and may be re-categorised as general financing and therefore no longer eligible to be held by the Portfolio.

(ii) Excluding bonds from issuers that:

- Derived revenue above specific thresholds from industries or activities that it considered offer minimal social benefits or have a high risk of negative outcomes on society and/or the environment;
- Breached accepted international standards and principles of governance as determined by the Investment Manager such as, but not limited to, the United Nations Global Compact, the International Labour Organization Labour Standards, and the United Nations Guiding Principles on Business and Human Rights.

(iii) Engaging with issuers to enhance the Portfolio's social focus and standards. As a bondholder, the Investment Manager actively sought opportunities to engage with issuers to better understand and positively influence their social value.

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

The Investment Manager uses the following sustainability indicators to measure the attainment of the social objective of the Portfolio:

- (i) The number of bonds that are categorised and rated as social investments (sustainable investments) under the Social Rating Methodology. During the reporting period, the Portfolio had the following allocation to bonds rated as social investments (sustainable investments) under the Social Rating Methodology:

**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.

Social Rating	Portfolio
Impact Investments	44.34% (98 bonds)
Investment with Impact	34.66% (105 bonds)
Development Finance	19.02% (48 bonds)

- (ii) The number of bonds from issuers determined to be in breach of the Portfolio’s exclusion criteria. During the reporting period, there were no bonds that breached the Portfolio’s exclusion criteria.

The number of bonds that are categorised and rated as social investments have been subject to an assurance review by a third party.

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

The table below shows a like for like breakdown for the Social Impact Ratings over time.

Social Rating	31/03/2025	31/03/2024	31/03/2023
Impact Investments (A)	44.34%	42.64%	38.86%
Investment with Impact (B)	34.66%	36.38%	38.38%
Development Finance (C)	19.02%	17.32%	21.60%

In addition, the Portfolio did not breach any of the exclusion criteria during this or previous reporting periods.

● **How did the sustainable investments not cause significant harm to any sustainable investment objective?**

To ensure the sustainable investments do not significantly harm the sustainable investment objective, the Investment Manager applies two additional checks:

- The exclusion of companies in the Portfolio that: (i) breach international standards; (ii) are involved in controversial weapons; or (iii) generate revenues over specified thresholds in potentially harmful activities.
- The consideration of Principal Adverse Impact (PAI) indicators. The Investment Manager considers and monitors all mandatory PAIs and certain voluntary PAIs, as described below.

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

Investments which are reported as sustainable investments have been assessed to ensure they do not significantly harm sustainability objectives using an in-house data driven model and investment due diligence.

The Investment Manager identifies harm when assessing a sustainable investment by using quantitative thresholds against a selection of principal adverse impact indicators, including mandatory indicators from Table 1 and certain indicators from Tables 2 and 3 of Annex I of the SFDR Regulatory Technical Standard. Issuers which fall below these thresholds are flagged as potentially harmful and a review is undertaken to determine whether significant harm is being caused by the issuer. Where quantitative data is not available, the Investment Manager endeavours to satisfy that no significant harm has taken place through qualitative research.

Depending on the type and materiality of the principal adverse impact indicator, the Investment Manager will either engage with the issuer to address the harmful practices by taking appropriate action, or limit exposure to such issuers in the Portfolio.

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

The sustainable investments held in the Portfolio are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The Portfolio excludes companies which breach UN Global Compact (“UNGC”) principles and the OECD Guidelines. In addition, the DNSH checks also assess companies for explicit harm against the underlying principles of the UNGC and OECD Guidelines.



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

The Portfolio proactively considers the principal adverse impacts (“PAIs”) of its investment decisions that may negatively harm sustainability factors through a combination of exclusions, monitoring and engaging with investee companies, and investment research.

As part of portfolio construction and stock selection, the Portfolio has in place exclusions that correspond to PAI indicators. These exclusions relate to fossil fuel exposure, non-renewable energy production, global norms, controversial weapons, freedom of expression and corruption. The Portfolio adhered to its exclusion policy during the reporting period.

In addition, the Portfolio considered PAIs as part of its stewardship activities. Details of PAI engagement are outlined later in this report. PAIs were also considered as part of investment research during the reporting period.



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

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 01/04/2024 to 31/03/2025

Largest investments	Sector	% Assets	Country
COUNCIL OF EUROPE DEVELOPMENT BANK	Supranational	2.50%	Supranational
EUROPEAN INVESTMENT BANK	Supranational	2.44%	Supranational
UNEDIC	Government Guaranteed	2.24%	France
EUROPEAN UNION	Supranational	2.20%	Supranational
GOVERNMENT OF GERMANY	Sovereign	2.14%	Germany
WELLCOME TRUST LIMITED	Services	2.14%	United Kingdom
NATWEST GROUP PLC	Banking	2.02%	United Kingdom
KBC GROUP NV	Banking	2.02%	Belgium
ORANGE SA	Telecommunications	1.99%	France
CAISSE D'AMORTISSEMENT DE LA DETTE SOCIALE	Agency	1.97%	France
AIB GROUP PLC	Banking	1.95%	Ireland
SUEZ SA	Utility	1.92%	France
VONOVIA SE	Real Estate	1.84%	Germany
MOTABILITY OPERATIONS GROUP PLC	Financial Services	1.79%	United Kingdom
BANQUE FEDERATIVE DU CREDIT MUTUEL SOCIETE ANONYME	Banking	1.77%	France



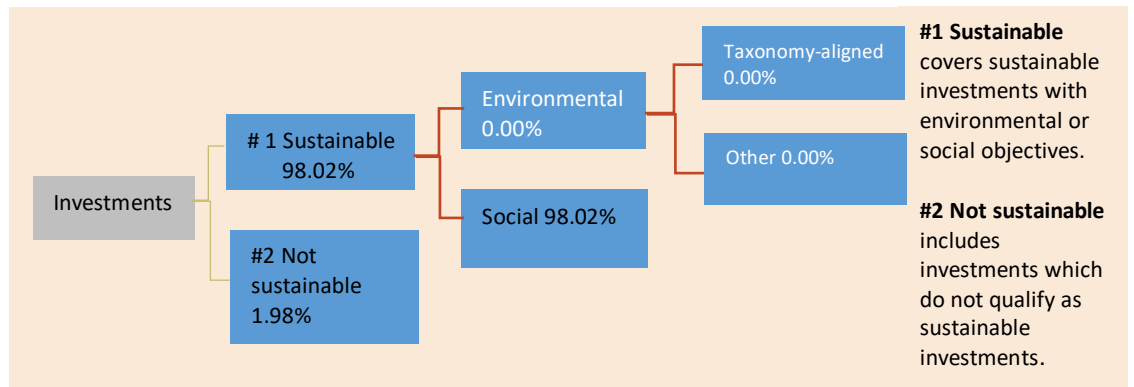
### What was the proportion of sustainability-related investments?

#1 Sustainable: 98.02% of the Portfolio was invested in bonds that provided positive social outcomes by supporting or funding socially beneficial activities and development, as assessed by the Social Rating Methodology.

#2 Not sustainable: 1.98% of the Portfolio was invested in cash and derivatives.

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

## ● What was the asset allocation?



Note: Due to rounding, reported figures may not sum to 100%.

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

Sector	% of Net Assets
Agency	7.87%
Agency	7.87%
Asset Backed	0.15%
ABS Miscellaneous ABS	0.15%
Banking	19.78%
Banking	19.78%
Basic Industry	0.25%
Chemicals	0.25%
Capital Goods	0.73%
Diversified Capital Goods	0.30%
Packaging	0.43%
Consumer Goods	0.28%
Personal & Household Products	0.28%
Covered Bonds	1.78%
Mortgage Covered Bonds	1.52%
Public Loan Covered Bonds	0.25%
Financial Services	0.86%
Cons/Comm/Lease Financing	0.48%
Investments & Misc Financial Services	0.38%
Government Guaranteed	4.51%
Government Guaranteed	4.51%
Healthcare	3.51%
Medical Products	1.15%
Pharmaceuticals	2.36%
Insurance	4.57%
Life Insurance	1.65%

Multi-Line Insurance	2.47%
Reinsurance	0.45%
Local-Authority	9.60%
Local-Authority	9.60%
Media	0.92%
Printing & Publishing	0.92%
Real Estate	7.37%
Housing Association	0.06%
RealEstate Dev & Mgt	3.86%
REITs	3.45%
Services	2.40%
Support-Services	2.40%
Sovereign	3.17%
Sovereign	3.17%
Supranational	9.95%
Supranational	9.95%
Telecommunications	5.35%
Telecom - Wireless	0.74%
Telecom - Wireline Integrated & Services	4.62%
Transportation	3.48%
Rail	1.09%
Transport Infrastructure/Services	2.13%
Trucking & Delivery	0.26%
Utility	11.48%
Electric-Distr/Trans	7.45%
Electric-Integrated	2.21%
Non-Electric Utilities	1.82%

\*Due to rounding, the percentages for subsectors may not total to the sector percentage.



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

The Portfolio does not commit to holding a minimum proportion in sustainable investments with an environmental objective aligned with the EU Taxonomy Regulation. It does, however, have a discretion to invest in these type of securities as part of delivering its investment objective.

0.00% of the investments made by the Portfolio are in economic activities that qualify as environmentally sustainable under the EU Taxonomy Regulation. This taxonomy alignment figure is based on reliable data that has been made available to date and is measured by the proportion of turnover associated with economic activities that qualify as environmentally sustainable.

An economic activity qualifies as environmentally sustainable under the EU Taxonomy Regulation where it substantially contributes to one of six environmental objectives.



The proportion of the Portfolio's investments that contributed towards these environmental objectives is broken down as follows:

Climate change mitigation	0.00%
Climate change adaptation	0.00%
Sustainable use and protection of water and marine resources	0.00%
Transition to a circular economy	0.00%
Pollution prevention and control	0.00%
Protection and restoration of biodiversity and ecosystems	0.00%

The mentioned percentage figures have been subject to an assurance review by a third party auditor.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**

☐

Yes:

☐

In fossil gas

☐

In nuclear energy

☒

No

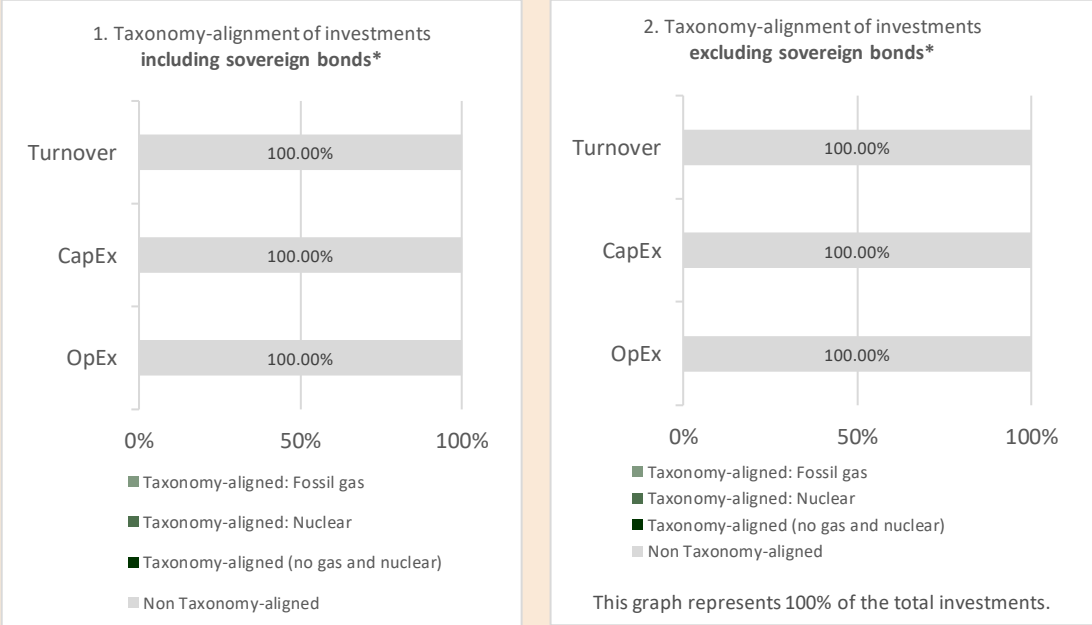
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<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory 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.

*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.*



*\* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures.*

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

0.00% of the investments held by the Portfolio are in transitional activities as defined by the EU Taxonomy Regulation.

0.00% of the investments held by the Portfolio are in enabling activities as defined by the EU Taxonomy Regulation.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

	31/03/2025	31/03/2024	31/03/2023
EU Taxonomy Alignment	0.00%	0.00%	0.00%



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

0% of the sustainable investments had an environmental objective not aligned with the EU Taxonomy.



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

98.02% of the sustainable investments had a social objective.



### What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

Holdings classified as “non sustainable” include: (i) ancillary liquid assets (i.e. bank deposit at sight) which are held for liquidity management purposes; (ii) bank deposits, money market instruments or money market funds, held for treasury purposes; and (iii) derivatives held for hedging purposes.

These instruments are not used to meet the sustainable investment objective of the Portfolio. However, minimum environmental or social safeguards are applied to ensure that such instruments do not affect the delivery of the Portfolio’s sustainable investment objective. For cash positions and derivatives, ESG considerations are integrated into the counterparty risk assessment.



### What actions have been taken to attain the sustainable investment objective during the reference period?

During the reporting period there were 14 sustainability specific engagement activities with companies held in the Portfolio. These covered 10 companies across 7 countries and related to a range of themes.

Engagements are structured in line with the Investment Manager’s engagement themes, which align with the PAIs. A breakdown of the engagements undertaken during the reporting period is provided below.

Engagements Theme	Alignment with PAIs	Proportion of Engagements
Climate Change	GHG Emissions and Energy Performance	45.83%
Environmental Stewardship	Biodiversity, Water and Waste	4.17%
Human Rights	Social and Employee Matters	20.83%
Labour Standards		20.83%
Public Health		8.33%



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

Not applicable. The Portfolio does not have a designated reference benchmark that is used to measure whether it attains its sustainable objective.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.

● ***How did the reference benchmark differ from a broad market index?***

Not applicable.

● ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

Not applicable.

● ***How did this financial product perform compared with the reference benchmark?***

Not applicable.

● ***How did this financial product perform compared with the broad market index?***

Not applicable.