

## Axiom Emerging Markets Equity Fund

A Sub-Fund of MGI Funds plc, a UCITS umbrella fund

SFDR Article 8

**An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors as the product may significantly invest in, or be exposed to, asset classes with comparatively high risks such as:**

- Emerging Markets

### OBJECTIVE AND INVESTMENT POLICY

#### INVESTMENT OBJECTIVE(S)

To seek long term growth of capital.

#### INVESTMENT POLICY

**Strategy** The Sub-Fund pursues an actively managed concentrated strategy that seeks to provide exposure to equity securities of companies in Emerging Markets globally. The Sub-Fund does not focus on any specific industrial sectors but rather pursues a policy of active security selection in the markets in which it operates.

To implement this strategy, the Investment Manager appoints the Sub-Investment Manager who constructs a portfolio considering various factors and actively selects securities in order to seek to identify companies with strong growth potential that are undergoing significant change in emerging markets.

In determining investment allocations, the Sub-Investment Manager considers various factors both qualitative and quantitative, such as (i) prevailing market conditions (ii) macro-economic factors (e.g., unemployment changes, monetary and fiscal policy shifts, GDP growth, or inflation) (iii) the ESG profile of a company (see Sustainability Approach below) and (iv) the risks associated with specific investments. The Sub-Investment Manager focuses on securities that are believed to demonstrate the strongest leading indicators. These indicators include consistent earnings revisions, analyst upgrades, reasonable valuation and a demonstrated ability to grow earnings.

The Sub-Investment Manager selects the 20 to 50 top securities which in its opinion, represent its highest conviction ideas with respect to these criteria but also, when constructed as a portfolio, exhibit optimal diversification across industries, geographies and market capitalisation.

**Sustainability approach** The environmental and social characteristics of the Sub-Fund are to invest in companies that are deemed positive ESG contributors using the Sub-Investment Managers'

proprietary analysis of companies' ESG performance (Proprietary Structural Factors Ratings) and third party ESG ratings of companies' exposure to and management of ESG risks and opportunities.

The Sub-Investment Manager seeks to actively engage with companies, in line with its engagement policy, where it feels there is an opportunity to advance positive change in the ESG profile of those companies.

The Sub-Fund excludes companies which are deemed to be UNGC violators by third party data providers such as MSCI.

At least 70% of the Sub-Fund's assets will be aligned with the environmental and social characteristics promoted by the Sub-Fund.

The remaining (up to) 30% may be comprised of companies that are not deemed positive ESG contributors.

The Sub-Fund will invest at least 10% in sustainable investments.

These considerations are implemented and monitored in accordance with the Sub-Investment Manager's ESG Policy, which, together with its engagement policy, is available at <https://axiominvestors.com/policies/>

More complete information on the Sub-Fund's sustainability approach is set out in the Annex to this Supplement and in the Sub-Investment Manager's ESG Policy. The Annex applies in conjunction with the investment policy described herein.

**Benchmark(s)** MSCI Emerging Markets Net Tax Total Return Index (USD), unhedged (the "Benchmark"). The Benchmark is used as an outperformance target. The Benchmark is a free float-adjusted market capitalisation index that is designed to capture large and mid-cap equity market performance across emerging markets.

The Sub-Fund seeks to outperform the Benchmark by 2% - 4% gross of fees, on average over the medium to long term.

The Sub-Fund does not intend to track the Benchmark and can invest in securities that are not included in the Benchmark. Under normal market

conditions, the ex-post tracking error is expected to range between 3% and 5% over the medium to long term (indicative only).

**Investments** The Sub-Fund invests primarily in Emerging Markets equity securities.

The Sub-Fund invests at least 70% of NAV in equity securities of companies in Emerging Markets. The Sub-Fund may invest in:

- equity securities
- participation notes (where these provide a more efficient means of access to markets such as China, Vietnam and Saudi Arabia (up to 5% of NAV))
- REITs (up to 5% of NAV)
- warrants (up to 5% of NAV)
- UCITS and other regulated collective investment schemes (up to 10% of NAV)
- China A shares via Stock Connect

Equity securities include common stocks and equity related securities such as depositary receipts, preferred shares, real estate investment trusts, warrants, convertible securities (such as convertible bonds or convertible preference shares) and participation notes.

The Sub-Fund shall not acquire equity securities which are listed, traded or dealt on the Moscow Exchange or acquire the securities of Russian issuers which are listed, traded or dealt on Recognised Markets in other countries.

The Sub-Fund will hold long positions only and will not hold any short positions.

The Sub-Fund may invest in assets denominated in any currency and currency exposure is usually unhedged. However, the Sub-Investment Manager is permitted to hedge any currency exposures at its discretion.

**Derivatives** The Sub-Fund may use Derivatives for efficient portfolio management to reduce risks (hedging), to reduce costs or to seek additional capital or income in line with its risk profile.

*Derivative types* FX forwards.

*Global exposure* The Sub-Fund's global exposure will not exceed 10% of NAV (measured using the commitment approach).

For more information, see "Investment Techniques" in the Prospectus.

**Cash management** Ancillary Liquid Assets (up to 10% of NAV under normal market conditions).

**Base currency** USD.

## MAIN RISKS

All investments involve risk. The Sub-Fund's main risks are those listed below. These are explained further in "Special Considerations and Risk Factors" in the Prospectus. Any of the following risks could result in the Sub-Fund losing money, underperforming similar investments (including the

Benchmark), experiencing high volatility (significant ups and downs in NAV), or failing to meet its objective over any period of time:

- China Market
  - Stock Connect
- Concentration
- Currency
- Equity
- Emerging Markets
- REITs
- Sustainable Investing

**Sustainability risks** Sustainability Risks are integrated in the investment process for the Sub-Fund, including in portfolio construction, and in ongoing risk management and portfolio monitoring.

The Sub-Investment Manager integrates Sustainability Risks in its investment decisions for the Sub-Fund as a component of its fundamental research and evaluation of the return potential and riskiness of an investment opportunity. The Sub-Investment Manager employs an ESG integration investment strategy where material ESG risk factors are considered as part of the broader investment process. In line with the Sub-Investment Manager's active management philosophy, ESG integration involves considering both "top-down macro-level ESG analysis" and "bottom-up micro level ESG issuer analysis".

As part of its broader risk assessment for each Sub-Fund, the Sub-Investment Manager will selectively consider the potential Sustainability Risks that would likely impact on the performance of the Sub-Fund. These risks are monitored on an ongoing basis as part of the Sub-Investment Manager's active portfolio management strategy.

Emerging markets portfolios may typically have higher sensitivity to the impact of certain Sustainability Risks such as the impact of physical damages and resource availability due to climate change, or the impact of bribery or corruption or poor labour standards of investee companies.

Sustainability Risks, should they arise, can materially affect an issuer's performance and in turn the performance of the Sub-Fund.

For more information, see "Sustainability Policies" in the Prospectus.

## PLANNING AN INVESTMENT

**Typical investor profile** The Sub-Fund is suitable for investors with at least basic knowledge of, and experience with, financial products, who understand the risks of the Sub-Fund including potential capital loss and who:

- seek to achieve investment objectives aligned with that of the Sub-Fund
- have a long-term investment horizon
- seek a product that promotes environmental and/or social characteristics

**Dealing information** Every day that is a bank business day in Ireland or the UK (“Business Day”) will be a Dealing Day for the Sub-Fund. Requests to subscribe or redeem Shares of the Sub-Fund that are received and accepted by the Administrator on behalf of the Sub-Fund before 1:00 pm Irish time on any Dealing Day are processed that day.

The NAV per Share is calculated using close of business prices in the relevant markets on the Dealing Day (the “Valuation Point”) and is published the following Business Day.

Transactions typically settle 3 Business Days after the day the request is accepted; for subscriptions this means that payments must be received by this time.

For more information, see “Making an Investment” in the Prospectus.

## SHARE CLASSES

FEES AND EXPENSES (% per annum)				
Share Class Type	MANAGEMENT FEES		Sub-Investment Manager Fee(s) (max)	Operating Expenses (max)
	Manager Fee (max)	Hedging Fee*		
G	0.10%	-	0.80%	0.20%

\*Hedging Fee (where applicable). The Hedged Fee is chargeable in respect of Hedged Share Classes.

**Available share classes** The Sub-Fund may offer Share Classes with specific features or a combination of features, including differing Sub-Investment Manager Fee levels up to the levels indicated above.

The Share Class naming convention denotes the features of the particular Share Class through the combination of letters and numbers. For example: A GBP Hedged Share Class of type G with a Sub-Investment Manager Fee of 0.40% and a Hedging Fee of 0.02% will be named “G-H-0.42-GBP”.

A list of individual Share Classes available in each applicable jurisdiction, including any Share Classes with a scheduled future launch is available at <https://investment-solutions.mercer.com>.

**Available share class features** Accumulating, unhedged.

Share Classes are available in the Base Currency and any of the other Standard Currency options.

**Share Class eligibility** Share Class G is available for subscription for all eligible investors in the Sub-Fund.

For a full description of each feature of the Share Classes, see “Available Share Classes” in the Prospectus.

**Fees and expenses** Share Classes are subject to the fees and expenses set out in the table above. The specific level of Sub-Investment Manager Fee applicable to a Share Class will form part of the Share Class name and will not exceed the levels indicated above.

Where Operating Expenses incurred are less than the maximum figures indicated above, only the Operating Expenses actually incurred are charged to the Sub-Fund.

For further information on the fees and expenses and other costs applicable to the Sub-Fund, see “Fees and Expenses” in the Prospectus.

**Voluntary Cap** The Sub-Investment Manager has undertaken to limit the sum of the Management Fees, Sub-Investment Manager Fee and Operating Expenses (together the “Annual Expenses”) attributable to the Capped Share Classes listed below based on the daily net asset value attributable to the relevant Capped Share Class (the “Voluntary Cap”).

Capped Share Class	Voluntary cap (% per annum)
G-0.30-EUR	0.30%

To achieve this Voluntary Cap, the Sub-Investment Manager will absorb, either directly by waiving a portion of its fees or by reimbursement to the account of the relevant Capped Share Class, any Annual Expenses (as defined above) over the applicable Voluntary Cap that may arise. As the Voluntary Cap has been agreed to by the Sub-Investment Manager on a voluntary basis, the Sub-Investment Manager may withdraw the Voluntary Cap at any time or increase or decrease the Voluntary Cap in respect of a Capped Share Class from time to time. Where the Sub-Investment Manager withdraws, increases or decreases a Voluntary Cap, the Company will notify the Shareholders of the relevant Capped Share Class. Should the actual fees and expenses incurred be less than the Voluntary Cap as applicable to a Capped Share Class, Shareholders are charged only for the fees and expenses actually incurred.

## SHARE CLASSES NOT YET LAUNCHED

The table below shows the initial offer price per Share for each unlaunched Share Class in the respective Share currency. The initial offer period for all unlaunched Share Classes will run until 5:00 pm Irish time on the Business Day which is six months from the next Business Day after the date of this Supplement.

Initial Offer Price per Currency	Share Class G
AUD, CAD, CHF, EUR, GBP, NZD, SGD, USD	100
CNH, HKD, MXN, ZAR	100
DKK, NOK, SEK	1,000
JPY	10,000

All launched Share Classes are available at their NAV per Share on each Dealing Day.

## SUB-INVESTMENT MANAGER(S)

*Sub-Investment Manager(s) — with delegated day-to-day management of the Sub-Fund’s investments:*

- Axiom Investors LLC, 33 Benedict Place,

Greenwich, CT 06830 USA, registered as an investment manager and adviser by the U.S. Securities and Exchange Commission

*Words and expressions not specifically defined in this Supplement bear the same meaning as that attributed to them in the Prospectus. To the extent that there is any inconsistency between this Supplement and the Prospectus, this Supplement will prevail. MGI Funds plc is an investment company with variable capital incorporated as a public limited company in Ireland with registered number 421179 and established as an open-ended umbrella fund with segregated liability between sub-funds authorised and regulated by the Central Bank of Ireland. The directors of MGI Funds plc have taken all reasonable care to ensure the accuracy and adequacy of the Prospectus and this Supplement and accept responsibility for its content accordingly.*

## ANNEX

### Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 ('SFDR') and Article 6, first paragraph, of Regulation (EU) 2020/852 ('Taxonomy Regulation')

**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.

<b>Product name:</b>	Axiom Emerging Markets Equity Fund	<b>Legal entity identifier:</b>	549300G3M7HA84YPTC87
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#### 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: \_\_\_\_%**

☒ 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 10% of sustainable investments\*

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ 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

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

☒ with a social objective

☐ It will make a minimum of **sustainable investments with a social objective: \_\_\_\_%**

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



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

#### What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics of the Sub-Fund are to invest in companies that are deemed positive ESG contributors, using the Sub-Investment Managers' proprietary analysis of companies' ESG performance (Proprietary Structural Factors Ratings) and third party ESG ratings of companies' exposure to and management of ESG risks and opportunities.

To be regarded as a positive contributor, companies will be engaged in economic activities considered as advancing environmental and/or social objectives that may include, but are not limited to the following:

Environmental: pollution management, energy efficiency, air quality, water management, waste management, renewable generation, participation in green technology development

Social: human capital initiatives, accessibility/customer welfare, data security/privacy, transparent disclosure, positive marketing practices and regulatory/license concerns

To promote compliance with the UN Global Compact (UNGC), the Sub-Fund also excludes companies which are deemed to be UNGC violators by third party data providers.



● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicators of the Sub-Fund are:

1. Percentage of the portfolio (which in aggregate will not be less than 70%) invested in companies deemed positive ESG contributors, based on the following thresholds:

(i) Companies with an ESG rating from an external data provider of: Environmental or Social Score  $\geq 5$  (1-10 scale); and

(ii) Companies assessed by the Sub-Investment Manager as having a Proprietary Structural Factors Rating (ESG)  $\geq D$

2. Confirmation that the Sub-Fund did not invest in any companies deemed to be UNGC violators.

● **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?**

The sustainable investments are to make a positive contribution to environmental and/or social objectives through an investee company's current positive alignment environmental and/or social considerations such as:

Environmental: pollution management, energy efficiency air quality, water management, waste management, renewable generation, participation in green technology development

Social: human capital initiatives, accessibility/customer welfare, data security/privacy, transparent disclosure, positive marketing practices and regulatory/license concerns

The Sub-Investment Manager, using a combination of internal proprietary data and fundamental research, and third-party data, applies a Proprietary Structural Factors Rating to each security in order to identify companies which are exhibiting current positive alignment to environmental and/or social factors.

An investment is deemed to be a sustainable investment if it achieves the following thresholds:

(i) A third party ESG data provider: Environmental or Social Score  $\geq 7$  (1-10 scale) and Governance Score  $\geq 5$  (1-10 scale) and Overall ESG Score  $\geq A$  (scale AAA-CCC)

And:

(ii) Proprietary Structural Factors Rating (ESG)  $\geq C$  (scale A-E)

*If there is no coverage of a security by third party data provider, the Sub-Investment Manager will default to its Proprietary Structural Factors rating.*

● **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?**

The Sub-Investment Manager assesses sustainable investments to ensure these do no significant harm to any environmental or socially sustainable investment objective through a consideration and appropriate use of relevant principal adverse sustainability indicators (having regard to those set out in Table 1 of Annex I of Commission Delegated Regulation (EU) 2022/1288, otherwise known as SFDR Level 2 RTS, and where relevant from Table 2 and 3 of Annex I of the SFDR Level 2 RTS) ("**PAI Indicators**").

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

The Sub-Investment Manager assesses each PAI Indicator using a combination of direct engagement with the investee company, data taken from company fundamentals and third-party data providers. Each PAI Indicator is assessed individually to ensure that it is not at an unexpected or unreasonable level relative to its sector and business activities

Certain PAI Indicators are assessed for absolute exposure where a company will be excluded from consideration as a sustainable investment - PAI 14 (exposure to controversial weapons) and PAI 10 (Violations of UNGC principles or OECD Guidelines).

**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.

Other PAI Indicators are assessed individually to ensure that it is not at an unexpected or unreasonable level relative to its sector and business activities i.e.. PAI 2 and PAI 6 are assessed to ensure that the carbon footprint profile and the energy consumption of a company is in line with a stated net zero target, PAI 13 is assessed to ensure alignment with board diversity expectations and to confirm that a company has policies in place to address any misalignment.

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

Through the use of third-party data providers, the Sub-Investment Manager ensures companies designated as a sustainable investment comply with the OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights and the UN Global Compact. The Sub-Fund excludes companies deemed to be in violation of the UNGC Principles

*The EU Taxonomy sets out a “do not significantly harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do not significantly 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.*



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

☒ No.

**What investment strategy does this financial product follow?**

The objective of the Sub-Fund is to seek long term growth of capital. It is intended to achieve the Sub-Fund’s investment objective through an actively managed, concentrated strategy, that seeks to provide exposure to equity securities of companies in Emerging Markets globally.

As part of this investment strategy, the Sub-Investment Manager considers an investee company’s ESG profile as part of its investment research. During the initial and ongoing investment selection process and in particular to ensure that the Sub-Fund is continually ensuring that it invests at least 70% of NAV in companies deemed as exhibiting positive environmental and/or social contributions in areas referred to above under “What environmental and/or social characteristics are promoted by this financial product?”. This will be done through a combination of quantitative and qualitative fundamental analysis to construct the portfolio which will be concentrated on long stock positions.

● ***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 binding elements of the investment strategy used by the Sub-Investment Manager to select investments that attain the environmental and social characteristics of the Sub-Fund are as follows:

**1. Internal Structural Framework:** the Sub-Investment Manager will fundamentally evaluate the environmental and social activities of companies through its stock selection-based investment philosophy and process. Investments must score at least a D in the Sub-Investment Manager’s internal framework to align with the environmental and social characteristics of the Sub-Fund. *Scale is based on E being the lowest rating and A the highest rating.*

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

**2. Incorporation of External Data:** the Sub-Investment Manager will incorporate data and other information from external sources (e.g., MSCI) into the investment research process. This external data allows the Sub-Investment Manager to identify environmental and social performance that may not otherwise be identified through traditional fundamental analysis. Investments must score at least a 5 in either the E or S pillar using external data provider to align with the Sub-Fund's environmental and social characteristics. *Scales are based on 1 being the lowest rating and 10 the highest rating.* Periodic reporting will note the cases where there is no third-party data coverage of a security. *For more information in relation to the external data provider's scoring methodology, please see: ESG Ratings Methodology.*

**3. UNGC Exclusion:** the Sub-Fund will exclude companies deemed to be UNGC violators by third party data providers (such as MSCI).

**4. Engagement:** The Sub-Investment Manager seeks to actively engage with select portfolio companies, in particular those not currently deemed positive ESG contributors, in order to advance positive change in the ESG profile of such companies and enhancing management awareness and practices in relation to managing sustainability risks and opportunities relevant to those companies. Engagement will be undertaken in line with the Sub-Investment Manager's engagement policy and, where there is an opportunity to foster and improve ESG practices at investee companies.

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

The Sub-Fund pursues an active investment selection strategy. No pre-defined minimum rate of investable universe reduction is defined.

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

The Sub-Investment Manager will assess companies in which the Sub-Fund invests to ensure these follow good governance practices. The Sub-Investment Manager incorporates corporate governance considerations into the investment process. The Sub-Investment Manager evaluates governance of investee companies through a research-based assessment involving a comprehensive consideration of a range of metrics associated with several fundamental areas of good governance including the following. These elements collectively guide the Sub-Investment Manager's assessment of governance practices, ensuring that the companies the Sub-Fund invests in are well-governed and positioned for sustainable growth.

**Management Depth:** Assessing the industry experience and tenure of key individuals, the robustness of the leadership team, and succession planning.

**Board Composition:** Evaluating the balance between executive and non-executive directors, the role of independent directors, and the diversity of the board in terms of demographics and professional experience.

**Incentive Alignment:** Reviewing compensation practices and remuneration frameworks to ensure alignment with shareholder interests.

**Business Ethics and Competitive Practices:** Analyzing the company's stated policies, track record, and adherence to industry best practices for conduct, including transparency and compliance reporting.

**Supply Chain Management:** Considering all aspects of materials sourcing, supplier selection, and adherence to established codes of conduct throughout the supply chain.

**Engagement and Monitoring:** The Sub-Investment Manager emphasizes active engagement with investee companies to ensure they adhere to good governance practices. This includes ongoing monitoring and the use of proxy voting to influence governance outcomes.

**Governance Metrics from external data provider:** The Sub-Investment Manager refers to relevant third-party data provider information on a company's governance and incorporates data from third-party ratings providers, for example using an external data provider's scoring on a given company. Data provider scoring is not determinative of the Sub-Investment Manager's own research but is an additional external information source to assist in its overall good governance assessment.

**Minimum safeguards:** In addition, companies deemed to be UNGC violators by third party data providers (such as MSCI) are excluded from investment.

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





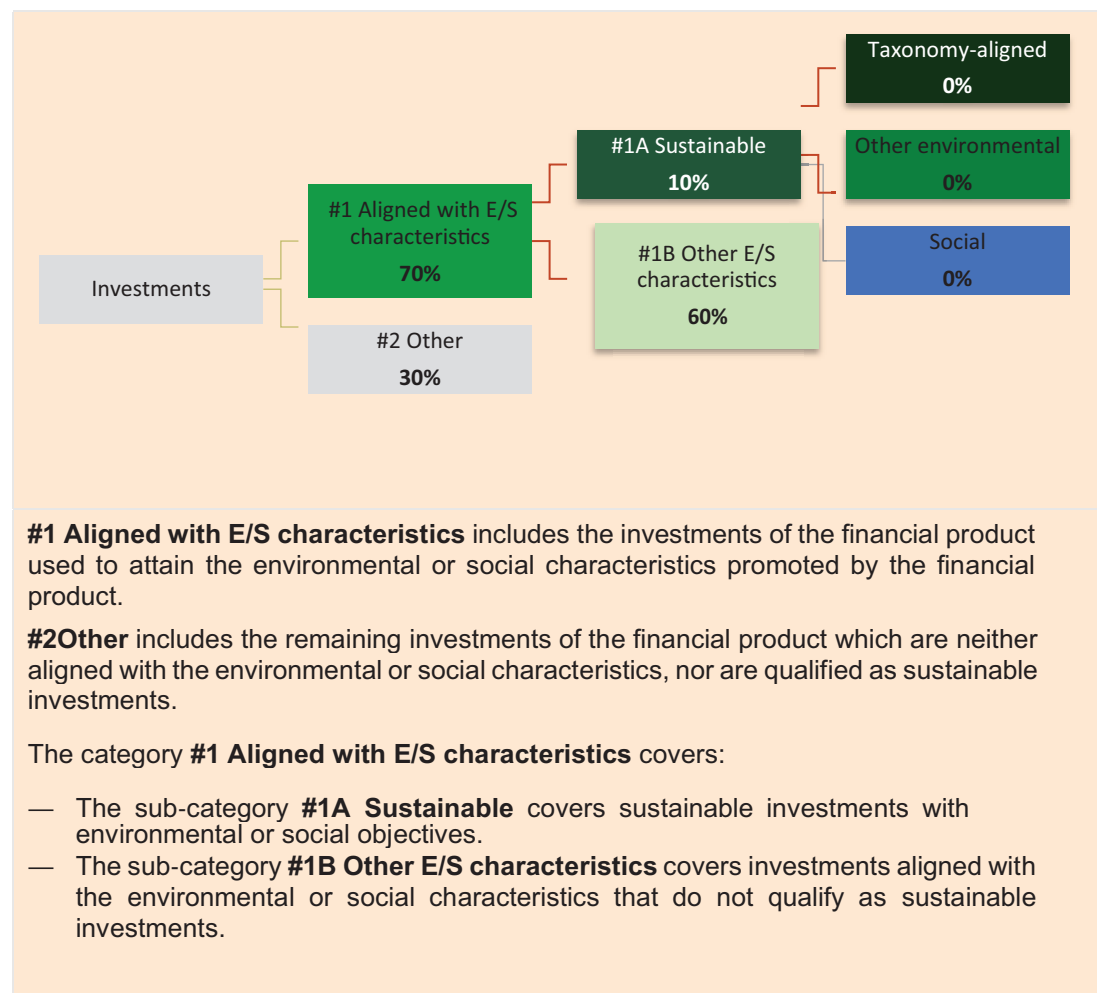
**Asset allocation** describes the share of investments in specific assets.

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.

## What is the asset allocation planned for this financial product?

At least 70% of the Sub-Fund's Net Asset Value will be aligned with the environmental and social characteristics of the Sub-Fund. Up to 30% of the Sub-Fund's Net Asset Value may be comprised of holdings that are not aligned with the environmental and social characteristics of the Sub-Fund (see further under “**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?”**). The Sub-Fund will invest at least 10% in sustainable investments.



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

Derivative use, if any, does not contribute to attaining the environmental or social characteristics promoted by the Sub-Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The Sub-Fund does not currently commit to investing more than 0% of its assets in investments in environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

### ● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

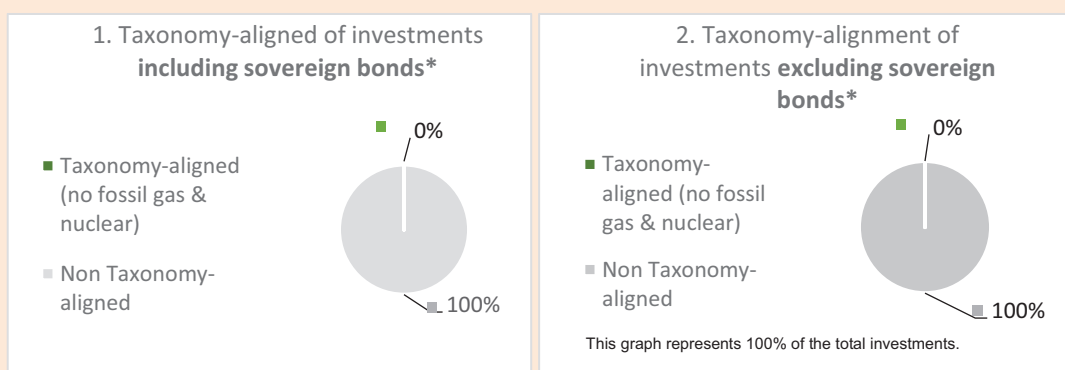
☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

**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 Sub-Fund does not currently commit to investing more than 0% of its assets in transitional and enabling activities.



## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-Fund's minimum share of sustainable investments with an environmental objective that is not aligned with the EU Taxonomy is 0%.



## What is the minimum share of socially sustainable investments?

The Sub-Fund's minimum share of sustainable investments with a social objective 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.

<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 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.



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

These investments comprise:

Up to 30% of the Sub-Fund's Net Asset Value may be invested in companies which are not aligned with the environmental and social characteristics of the Sub-Fund (and in particular, investee companies which have not been deemed positive ESG contributors by the Sub-Investment Manager as referred to above under “*What environmental and/or social characteristics are promoted by this financial product?*”). These investments are made for the purpose of achieving the Sub-Fund's investment objective and are subject to minimum safeguards via the Sub-Fund's exclusion of UNGC violators from its investible universe.

Ancillary Liquid Assets (up to 10% of Sub-Fund Net Asset Value under normal market conditions) for liquidity purposes and derivatives for efficient portfolio management purposes. No minimum safeguards apply to these holdings.

**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.

● ***Where can I find more product specific information online?***

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

<https://investment-solutions.mercer.com/global/all/en/investment-solutions-home/responsible-investment.html>



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

