

Template 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

Product name: iMGP US High Yield Fund

Legal

entity

identifier:

54930030NV1S958BSH35

Environmental and/or social characteristics

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.

Does this financial product have a sustainable investment objective?	
<p><input checked="" type="radio"/> <input type="radio"/> Yes</p> <p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ____%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ____%</p>	<p><input checked="" type="radio"/> <input type="radio"/> No</p> <p><input type="checkbox"/> 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</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>



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

The environmental characteristic promoted by this Fund consists in having a lower estimated carbon intensity as compared with the broad high yield fixed income investable universe as represented by the ICE BofA US Non-Financial High Yield Index. The aforementioned index is a broad high yield market index and, correspondingly, no reference benchmark has been designated to attain the environmental characteristic promoted by this Fund.

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?

For the purpose of attaining the environmental characteristic promoted by the Fund, the Sub-Manager will also monitor the carbon intensity of individual issuers (where such information is available) as well as the estimated carbon intensity of the portfolio in the aggregate.

The Sub-Manager seeks to achieve a portfolio with a lower carbon intensity than the carbon intensity of the US Non- Financial High Yield market, as measured by the Sub-Manager methodology. The ESG rating of the portfolio is also monitored.

- ***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 as the Fund does not make sustainable investments.

- ***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 as the Fund does not make sustainable investments.

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

Not applicable as the Fund does not make sustainable investments.

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

Not applicable as the Fund does not make sustainable investments.

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.



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

☒ Yes, in line with Article 7 of the Sustainable Finance Disclosure Regulation, this Fund considers the Principal Adverse Impacts (PAI) of its investment decisions.

Adverse sustainability indicator	Metric	Impact year	Explanation and Actions taken, actions planned, and targets set for the next reference period
GHG intensity of investee companies	Data to be calculated at the end of 2023	2023	Principal adverse impacts are taken into account by this Fund through the following measures: <ul style="list-style-type: none"> the exclusion policy implemented by the Sub-Manager limits the exposure to certain PAI on ESG aspects by excluding sectors that have a negative impact on sustainability (ex: exclusion of controversial weapons) the analysis of ESG score using PAI such as GHG intensity of investee companies to measure the alignment of the portfolio with the ESG characteristics promoted by the Sub-Manager
Exposure to controversial weapons (anti-personnel mines, cluster munitions)	0%	2023	

While the ability to currently meaningfully assess these impacts may be limited by an absence or limited availability and quality of information; the Sub-Manager will continue to further develop these processes to gather, when available, information and data on PAI of their investments.

The present table summarizes the lists of the principal adverse impacts considered by this Fund in its investment process (Annex I of the Commission delegated regulation supplementing Sustainable Finance Disclosure Regulation). More information on how the Fund considers its principal adverse impacts may be found in the periodic reporting of the Fund.

☐ No



What investment strategy does this financial product follow?

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

While this Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “sustainable investment” within the meaning of the SFDR or the Taxonomy Regulation. Accordingly, it should be noted that this Fund does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and its portfolio alignment with such Taxonomy Regulation is not calculated. Therefore, the “do not significantly harm” principle does not apply to any of the investments of this Fund.

- ***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?***

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

The ESG analysis that the Sub-Manager will apply on the whole portfolio (excluding cash and derivatives) to achieve the Fund’s objective is binding. This includes the assessment of various factors to exclude poorly rated issuers. The Fund has also adopted an exclusion policy whereby certain investments are excluded (such as companies involved in controversial weapons or that have significant exposure to tobacco products and thermal coal mining).

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

There is no committed minimum rate to reduce the scope of investments prior to the application of the Fund’s investment strategy.

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

Good governance is assessed through the implementation of the exclusion policy and the investment strategy finalised to invest in a bond portfolio in which the issuers are screened by world rating agencies or by the Sub-Manager internal review process.

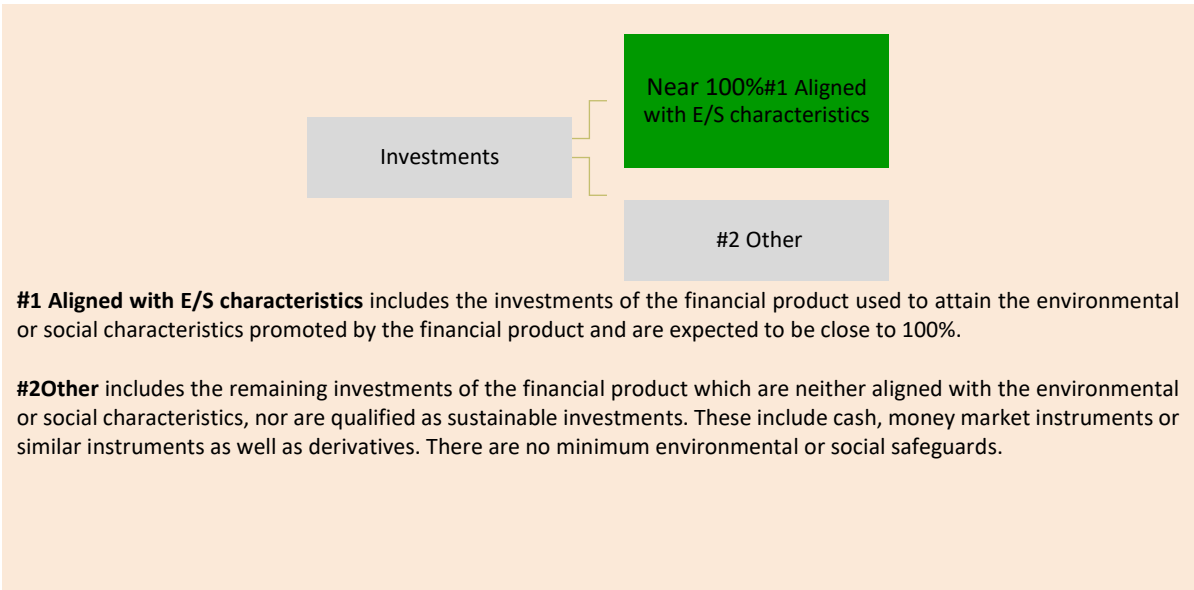


Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

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



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

The ESG performance of the Fund does not take into consideration the derivatives to measure the attainment of the environmental characteristic promoted.



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

The Fund does not currently commit to invest in any sustainable investment within the meaning of the EU Taxonomy. However, the position will be kept under review as the underlying rules are finalised and the availability of reliable data increases over time.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

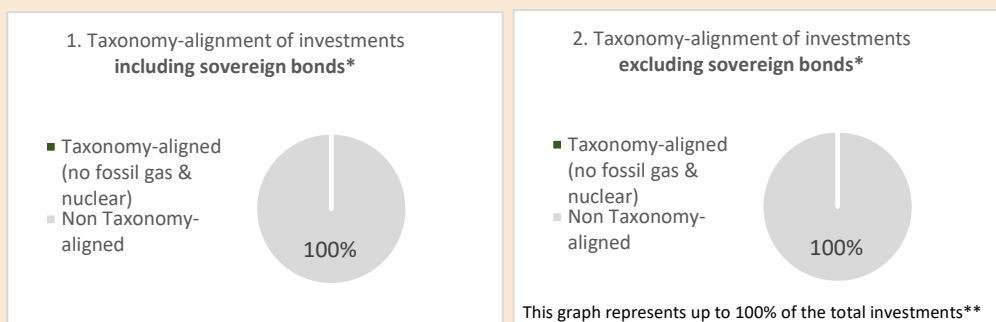
☐ Yes:

☐ 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.

**As the Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

- **What is the minimum share of investments in transitional and enabling activities?**

As the Fund does not commit to invest any sustainable investment within the meaning of the EU Taxonomy, the minimum share of investments in transitional and enabling activities within the meaning of the EU Taxonomy Regulation is therefore also set at 0%.

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.

¹ 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.



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 Fund promotes an environmental characteristic but does not commit to making any sustainable investments. As a consequence, the Fund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



What is the minimum share of socially sustainable investments?

Not applicable as the Fund does not make sustainable investments.



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

“Other” includes the remaining investments of the financial product which are neither aligned with the environmental characteristic nor are qualified as sustainable investments. These include cash, money market instruments or similar instruments as well as derivatives. These investments do not follow minimum environmental and social safeguards.



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?

Not applicable: no designated benchmark for this Fund to measure whether the financial product attains the environmental characteristic that it promotes.

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



Where can I find more product specific information online?

More product-specific information can be found on the website:
<https://www.imgp.com/en/sustainability>