



Global Strategic Bond Fund

Supplement to the Prospectus

for

NEDGROUP INVESTMENTS FUNDS PLC

(an umbrella sub-fund with segregated liability between sub-funds)

This Supplement contains specific information in relation to the Global Strategic Bond Fund (the **Sub-Fund**), a Sub-Fund of Nedgroup Investments Funds plc (the **Company**) an umbrella fund with segregated liability between sub-funds constituted as an open-ended investment company with variable capital and with limited liability incorporated under the laws of Ireland and authorised pursuant to the Regulations.

This Supplement forms part of and should be read in conjunction with the Prospectus dated 1 June 2023

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Directors of the Company, whose names appear in the **Directors of the Company** section of the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 21 December 2023

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1. INVESTMENT OBJECTIVE, POLICIES, STRATEGY AND PROFILE OF A TYPICAL INVESTOR

1.1. Investment Objective

The investment objective of the Sub-Fund is to provide a combination of capital growth and income over the long term by investing in global bonds.

1.2. Investment Policies

In order to pursue its objective, the Sub-Fund will employ an active management approach and will primarily invest in a diversified portfolio of global debt and fixed income securities denominated in different currencies and issued by government and/or corporate entities which securities may be fixed or floating, rated or unrated, including high yield (non-investment grade) bonds, variable rate notes, treasury bills, non-convertible bonds/debentures and preferred stock. The Sub-Fund will not be subject to any specific geographical region or sector.

The Sub-Fund may also invest up to 20% of its Net Asset Value in asset-backed debt securities (which will not embed leverage). An asset-backed security is a type of security which may be backed by or collateralised by, amongst other things a pool of loans secured on project finance, infrastructure, receivables or cash flows.

The Sub-Fund may also seek exposure to the types of securities referred to above by investing in collective investment schemes that invest or seek exposure to debt and fixed income securities which are aligned with the investment objective of the Sub-Fund. Such collective investment schemes may include other open-ended collective investment schemes that may be constituted as exchange traded funds ("ETFs"), investment trusts, unit trusts, investment companies (with variable or fixed capital), contractual structures similar to trusts (such as common contractual funds where the underlying fund is set up based on a contract or a trust document rather than being a separate legal entity like a company) that satisfy the requirements of the Central Bank. These may be UCITS or AIFs, open-ended and established in jurisdictions such as Ireland, other member states of the EEA, the US, the UK, Jersey, Guernsey or the Isle of Man. The Sub-Fund may gain exposure to securities through ETFs and investments may also be made on indices, usually via financial derivative instruments. The indices selected by the Investment Manager will meet the requirements for financial indices as laid out in the Central Bank UCITS Regulations. In particular they shall be sufficiently diversified, represent an adequate benchmark for the markets to which they refer, be published in an appropriate manner, and be independently managed from the management of the Sub-Fund.

Details of any indices used by the Sub-Fund will be provided to Shareholders on request and will be set out in the Company's semi-annual and annual accounts. These indices include MSCI Indices, FTSE Indices, iBOXX indices, Markit iTraxx and CDX indices, S&P Dow Jones Indices, BofA Merrill Lynch Indices and Bloomberg Barclays Capital Indices. Any indices will be cleared by the Central Bank or will meet its requirements. The financial indices to which the Sub-Fund may gain exposure will be rebalanced on a quarterly or monthly basis (but not more frequently than monthly). As the Sub-Fund will invest in the financial indices using financial derivative instruments, there will be no material impact on its costs arising as a result of the re-balancing of a financial index. Where the weighting of a particular constituent in a financial index subsequently exceeds the UCITS investment restrictions, the Investment Manager will as a priority objective look to remedy the situation taking into account the interests of Shareholders and the Sub-Fund.

The Sub-Fund may invest up to 20% of its Net Asset Value in emerging markets as determined by the Investment Manager. For the purposes of the Sub-Fund, emerging market countries can be defined as all the countries in the world other than those classified as "advanced" by the International Monetary Sub-Fund ("IMF"). Investments in emerging markets will only be made via hard currency and not local currency denominated debt instruments.

The Sub-Fund may hold and invest in ancillary liquid assets as permitted by the Prospectus such as cash, trade deposits and cash equivalents such as money market instruments including but not limited to commercial paper and certificates of deposit, money market funds or equivalent short term paper including treasury bills. Such assets may be held: (i) because the Investment Manager is unable to identify sufficient suitable investment opportunities; (ii) to protect the value of the Sub-Fund and maintain liquidity at times of falling or volatile markets; or (iii) as otherwise deemed appropriate by the Investment Manager

The Sub-Fund will target a return in excess of the Bloomberg Barclays Global Aggregate Bond USD Hedged Index over rolling 3-year periods. The Sub-Fund is not managed in reference to any benchmark.

In addition, the Sub-Fund's investment in transferable securities (save for permitted investments in unlisted securities) will be made on exchanges and markets listed in Appendix 1 to the Prospectus.

1.3. Investment Strategy

To seek to achieve its investment objective, the Investment Manager will actively manage the Sub-Fund using fundamental research overlaid with absolute and relative value analysis. In its assessing of value, the Investment Manager considers whether the investment is “good value” relative to the risk incurred and avail of market standard tools to assess value. such as long-term yield histories of individual markets, relative points on specific market interest rate curves and cross market relative value. In carrying out fundamental research, the Investment Manager considers economic data and economic variables which includes analysing and reviewing market leading economic research from independent third-party providers to maximize exposure to what it considers to be the best market opportunities, while keeping the portfolio within acceptable risk tolerance levels and ensuring proper diversification of investment. The Investment Manager analyses supply and demand patterns from the various research providers (as above) together with free investment banking research and central bank information flow to understand the supply and demand dynamic in bond markets. The Investment Manager seeks to add value primarily through asset allocation, duration management and security selection.

The Investment Manager, having carried out its analysis, will then select the most appropriate instruments for investment. The investment process places a strong emphasis on risk management practices and portfolio diversification to manage the overall risk profile.

The Sub-Fund may invest, where appropriate in assets (as described above), where in the opinion of the Investment Manager, the risk reward characteristics offer the opportunity to meet the investment objective of the Sub-Fund.

1.4. Profile of a Typical Investor

Investment in the Sub-Fund is suitable for investors seeking medium to long term capital growth with an investment that promotes environmental and social characteristics as described below and who are prepared to accept a low to medium level of volatility.

2. HEDGING STRATEGY

The Sub-Fund will seek to hedge against exchange rate fluctuation risks between the denominated currency of the Hedged Share Classes and the Base Currency of the Sub-Fund. Information in relation to share class hedging is set out in the section of the Prospectus entitled "Hedged Share Classes".

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Manager, in consultation with the Investment Manager has identified the Sub-Fund as subject to the disclosure requirements of Article 8 of the SFDR. The Sub-Fund promotes environmental and social characteristics as part of its overall strategy. The Sub-Fund seeks to promote environmental and social characteristics through limiting portfolio exposure to companies identified as engaging in activities related to the production, maintenance, or use of controversial weapons, or whose activities as regards climate change, tobacco, or human rights potentially create an adverse impact on sustainability factors. With issuers who are less advanced in their sustainability practices, the Investment Manager may use engagement to generate positive changes for all stakeholders.

The Investment Manager also assesses environmental, social and governance ("**ESG**") factors with particular focus on those considered most likely to have a material impact on the performance of the holdings or potential holdings in the Sub-Fund's portfolio. For instance, the Investment Manager applies a minimum exclusion criteria for direct investments, whereby issues with severe violation / breach of principles and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles for Business and Human Rights, or are involved with controversial weapons, or derive more than 10% of their revenue from weapons, thermal coal extraction or tobacco are excluded. Furthermore, minimum thresholds on ESG ratings of fixed income securities must be met. The maximum exposure of the Sub-Fund to bonds with an ESG rating lower than “BB” must not exceed 10% of the NAV of the Sub-Fund, the maximum exposure of the Sub-Fund to individual bonds with ESG ratings lower than “BBB” must not exceed 2% of the NAV of the Sub-Fund and no sovereign debt with an ESG rating lower than “BB” will be held.

These ESG factors, which are incorporated into the investment process alongside financials, valuation, macro-economics and other factors, are components of the investment decision. Consequently, ESG factors are not the sole driver of an investment decision but are instead one of several important inputs considered during investment analysis.

EU Taxonomy Regulation Disclosures

While the Sub-Fund promotes environmental and social characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any "sustainable investments" within the meaning of the SFDR. It should be noted that the investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and, as such, the Sub-Fund's portfolio alignment with such Taxonomy Regulation is not calculated. It follows that the Sub-Fund does not currently commit to investing more than 0% of its assets in investments aligned with the EU Taxonomy Regulation.

Further information on the ESG characteristics of the Sub-Fund can be found in the Sub-Fund's pre-contractual disclosures annex which is included at Appendix I of this Supplement.

Investors should consider the potential risks associated with ESG set out in the Prospectus under the heading "Sustainability Risks". The Investment Manager has set out supplementary information on its approach to sustainability risk on its website: www.nedgroupinvestments.com

4. **INVESTMENT RESTRICTIONS**

The general investment restrictions as set out in the section of the Prospectus entitled **Investment Restrictions** shall apply.

The Sub-Fund will not:

- invest more than 10% in aggregate in underlying collective investment funds;
- engage in short selling; and
- acquire securities that compel it to accept physical delivery of a commodity in any circumstances.

The Sub-Fund may only invest in collective investment schemes (including ETFs) which invest predominantly in transferable securities which meet the investment policies of the Sub-Fund itself.

The collective investment schemes in which the Sub-Fund may invest may not use financial derivative instruments.

5. **BORROWING**

The Sub-Fund may borrow up to 10% of its total Net Asset Value for temporary purposes to meet its obligations in relation to the administration of the Sub-Fund relating to settlement of purchase and sale transactions and repurchase or cancellation of shares and not for speculative purposes.

6. **FINANCIAL DERIVATIVE INSTRUMENTS / EFFICIENT PORTFOLIO MANAGEMENT**

The Sub-Fund may employ financial derivative instruments ("FDI") for the efficient portfolio management or hedging purposes. The Investment Manager will ensure that all revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, are returned to the Sub-Fund. The Sub-Fund may use futures and forwards for the purpose of reducing risk associated with currency exposures within the Sub-Fund, as more particularly described in the Prospectus which are within the limits laid down by the Central Bank as described in the Prospectus. Subject to these limits, the Sub-Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Regulated Markets in Appendix 1 to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for efficient portfolio management and/or for hedging purposes.

The Manager on behalf of the Sub-Fund employs a risk management process to accurately measure, monitor and manage the various risks associated with FDIs. The Sub-Fund will only utilise FDIs in accordance with the risk management policy filed with the Central Bank.

Calculation of Global Exposure

The use of derivatives (whether for efficient portfolio management or hedging) may result in the Sub-Fund having commitments under the terms of the FDI contracts. To manage its commitments the Sub-Fund will hold assets as cover for these commitments in accordance with the Central Bank UCITS Regulations. The Sub-Fund will use the absolute

value-at-risk (**VaR**) model, thereby ensuring that the VaR of the Sub-Fund's portfolio may not exceed 20% of the Net Asset Value of the Sub-Fund, the confidence level shall not be less than 99% and the holding period shall not be less than 20 days. The historical period will typically be 1 year or greater but a shorter observation period may be used in instances of recent significant price volatility.

VaR is an advanced risk measurement methodology used to assess the Sub-Fund's global exposure, as set out in the risk management policy for the Sub-Fund. It should be noted that these are the current VaR limits required by the Central Bank. In the event that the Central Bank changes these limits, the Sub-Fund will have the ability to avail of such new limits which will be included in an updated Supplement.

The level of leverage of the Sub-Fund (calculated using the sum of the notional values of the FDIs used by the Sub-Fund) under normal circumstance is expected to be in the range of 100% to 300% of the Net Asset Value of the Sub-Fund. It is possible that there may be higher gross exposure levels from time to time during abnormal market conditions and, for example, at times when there is low volatility. Such use will not result in exposure above 100% of invested capital, therefore, will not produce a leverage type effect and entail greater risk to investors. It is anticipated that this 100% figure will primarily be made up of the notional value of FDI used by the Sub-Fund for futures on government issued securities and FX forwards.

7. RISK FACTORS

The general risk factors under the heading **Risk Factors** in the Prospectus apply to the Sub-Fund.

8. DISTRIBUTION POLICY

It is the intention of the Directors to declare a dividend in respect of Income Shares. Dividends may be declared and paid on a quarterly basis on the last Business Day of each of March, June, September and December. In respect of Accumulating Shares, any distributable profits will remain in the Sub-Fund's assets and be reflected in the Net Asset Value of the Shares.

This section should be read in conjunction with the provisions set out in the Prospectus under the heading **Dividend Policy**.

9. GENERAL INFORMATION RELATING TO THE SUB-FUND

Base Currency	US Dollars
Business Day	When banks are open for business in Ireland and the Isle of Man excluding Saturdays and Sundays and public holidays in Ireland and the Isle of Man and any day on which the Directors may determine.
Dealing Day	Any day being a Business Day and/or such other day as the Directors may determine provided there is at least one Dealing Day per fortnight and all shareholders are notified in advance. If the Dealing Day falls on a day which is not a Business Day, then the Dealing Day shall be the following Business Day.
Dealing Deadline	For subscriptions and redemptions, the Dealing Deadline will be at 4pm (Irish time) on the Business Day prior to the Dealing Day.
Settlement Date	For subscriptions means three Business Days after the Dealing Day. For redemptions means three Business Days after the Dealing Day.
Valuation Point	11pm (Irish time) on the Business Day prior to the Dealing Day. Foreign Exchange rates will be taken at the London market close at 4pm (Irish time) on the Business Day prior to the Dealing Day.

10. DESCRIPTION OF THE SHARES

10.1. Available Share Classes

Classes of Shares	Class Currency	Dividend policy	Minimum Initial Investment Amount*
Class A	US\$	Accumulating	n/a
Class A	US\$	Income	n/a
Class A	GBP (hedged)	Accumulating	n/a
Class A	GBP (hedged)	Income	n/a
Class A	EUR (hedged)	Accumulating	n/a
Class A	EUR (hedged)	Income	n/a
Class C	US\$	Accumulating	n/a
Class C	US\$	Income	n/a
Class C	GBP (hedged)	Accumulating	n/a
Class C	GBP (hedged)	Income	n/a
Class C	EUR (hedged)	Accumulating	n/a
Class C	EUR (hedged)	Income	n/a
Class D	US\$	Accumulating	US\$ 50,000,000
Class D	US\$	Income	US\$ 50,000,000
Class D	GBP (hedged)	Accumulating	GBP 50,000,000
Class D	GBP (hedged)	Income	GBP 50,000,000
Class D	EUR (hedged)	Accumulating	EUR 50,000,000
Class D	EUR (hedged)	Income	EUR 50,000,000
Class E	US\$	Accumulating	US\$ 10,000,000
Class E	US\$	Income	US\$ 10,000,000
Class E	GBP (hedged)	Accumulating	GBP 10,000,000
Class E	GBP (hedged)	Income	GBP 10,000,000
Class E	EUR (hedged)	Accumulating	EUR 10,000,000
Class E	EUR (hedged)	Income	EUR 10,000,000

*The Directors reserve the right to waive or lower these amounts at their discretion.

The Minimum Sub-Fund Size is US\$ 10,000,000.

10.2. Initial Offer Period

The Initial Offer Period in respect of the Share classes which have not launched will be from 9.00 a.m. (Irish time) on 22 December 2023 to 5.30pm (Irish time) on 18 June 2024 during which shares will be available at the respective Initial Issue Price as set out below. The Initial Offer Period of each class of Shares may be extended or shortened as the Directors may determine and any change will be notified to the Central Bank in accordance with its requirements.

After the Initial Offer Period of each class, Shares of such class will be available for subscription at the Net Asset Value per Share.

10.3. Initial Issue Price

The Initial Issue Price in respect of the Share Classes is as follows:

- GBP Share classes GBP 1
- Euro Share classes EUR 1
- US Dollar Share classes USD 1

11. FEES AND EXPENSES

11.1. Manager

The Manager shall be paid a fee out of the assets of the Sub-Fund, calculated and accrued on each Dealing Day and payable monthly in arrears, of an amount up to 0.01% of the Net Asset Value of the Sub-Fund (plus VAT, if any), subject to a monthly minimum fee of up to €5,500 (plus VAT, if any).

The Manager shall also be entitled to be reimbursed for its reasonable out-of-pocket expenses, payable out of the assets of the Sub-Fund (with value added tax thereon, if applicable).

11.2. Investment Manager and Distributor

The Investment Manager and Distributor is entitled to a fee as set out in the table below.

<u>Class</u>	<u>Investment Management and Distribution Fee (% of NAV per annum)</u>
A	0.60%
C	0.50%
D	0.30%
E	0.40%

This fee will accrue and be calculated at each Valuation Point and be payable monthly in arrears. The Investment Manager and Distributor will also be entitled to be reimbursed out of the assets of the Sub-Fund for all its own reasonable out of pocket costs and expenses. The Investment Manager and Distributor will be responsible for the payment of the fees of the Investment Manager.

11.3. Costs of Establishment

The costs of establishing the Sub-Fund will be borne by the Investment Manager and Distributor.

11.4. Investment in collective investment schemes

The collective investment schemes in which the Sub-Fund may invest may charge subscription, repurchase, management, performance, distribution, administration and/or custody fees. Accordingly, the Sub-Fund will pay indirectly, its pro rata share of the fees and expenses charged by each underlying fund as well as the operating fees and expenses of any underlying fund. All such fees and expenses will be reflected in the Net Asset Value of the Sub-Fund.

11.5. Pricing / Dilution Adjustment

In the event of there being net subscriptions or net redemptions on any Dealing Day, the Directors may adjust the Net Asset Value by applying a dilution adjustment as part of its valuation policy. An Anti-Dilution Levy may be added to the price at which Shares will be issued in the case of net subscription requests and may be deducted from the price at which Shares will be redeemed in the case of net redemption requests of the Sub-Fund. Any such provision will be applied to cover dealing costs and to preserve the value of the underlying assets of a Sub-Fund.

Further details of the charges and expenses to be borne by the Sub-Fund are set out in the section of the Prospectus entitled **Fees and Expenses**.

12. MISCELLANEOUS

As at the date of this Supplement the Company has eight other Sub-Funds, namely the Global Equity Fund, the Global Flexible Fund, the Global Cautious Fund, the Global Property Fund, the Core Global Fund, the Contrarian Value Equity Fund, the Global Emerging Markets Equity Fund and the Global Behavioural Fund.

ANNEX

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: Global Strategic Bond Fund (the “Sub-Fund”)

Legal entity identifier: 213800G3YKH466UQKQ75

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 lay down 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?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<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 <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



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

The Sub-Fund promotes the environmental characteristics of: a reduction in environmental harm derived from thermal coal extraction, a reduction on controversial weapons production, maintenance, or use of, and the social characteristics of: a reduction in human and labour rights controversy occurrences, through limiting the exposure of its portfolio to companies identified as engaging in such activities. In relation to issuers who are less advanced in their sustainability practices, the Investment Manager **✗** use engagement to generate positive changes for all

stakeholders.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-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?***

The investment strategy of the Investment Manager is to exclude or restrict investment in a number of securities issued by entities identified according to a set of ESG factors (as detailed in the description of the Sub-Fund's investment strategy below). Therefore, the key sustainability indicators to measure the attainment of the ESG characteristics this strategy promotes is:

- The weighted average ESG rating of the portfolio being greater than “BBB”, using the MSCI scale.
- The weighted average ESG rating of the portfolio relative to the Bloomberg Global Aggregate Total Return Index, using the MSCI scale.

- ***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?***

N/A - the Sub-Fund does not make any 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?***

N/A

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

N/A

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

N/A

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

No

The Sub-Fund promotes environmental and social characteristics but does not commit to invest in companies classified as sustainable investments (which would require a full PAI review as part of the "do no significant harm" test), accordingly, principal adverse impacts on sustainability factors are not considered.



What investment strategy does this financial product follow?

The Sub-Fund seeks to achieve its investment objective by employing an active management approach and will invest primarily in and gain exposure to a diversified portfolio of global debt and fixed income securities denominated in different currencies issued by government and/or corporate entities which securities may be fixed or floating, rated or unrated, including high yield (non-Investment grade) bonds, variable rate notes, bonds, treasury bills, non-convertible bonds/debentures and preferred stock.

The Investment Manager will actively manage the strategy using fundamental research, overlaid with absolute and relative value analysis. The Investment Manager seeks to add value primarily through asset allocation, duration management and security selection. The Investment Manager also assesses ESG factors with particular focus on those considered most likely to have a material impact on the performance of the holdings or potential holdings in the Sub-Fund's portfolio. These ESG factors, which are incorporated into the investment process alongside financials, valuation, macro-economics and other factors, are components of the investment decision. Consequently, ESG factors are not the sole driver of an investment decision but are instead one of several important inputs considered during investment analysis.

Investment Strategy:

A screen will be applied to the investment universe according to the exclusionary criteria as detailed above. Investments which pass the screening criteria form the investment universe and will be assessed based on their fundamentals and valuations. The ESG ratings of issuers will be integrated into the investment process by regularly reviewing improvements and any deterioration of their scores, over time. The overall Sub-Fund's portfolio's ESG rating will also be reviewed to ensure it meets the minimum criteria stated above.

To ensure compliance with issuer restrictions and exclusions, the Sub-Fund's portfolio will be regularly monitored. Where an issuer falls onto the exclusion list or breaches the restrictions in place, the investment will be eliminated in accordance with the Sub-Fund's portfolio guidelines.

● **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 are:

1. Application of the following sustainable minimum exclusion criteria for direct investments:
 - securities issued by companies having a severe violation / breach of principles and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles for Business and Human Rights on the grounds of problematic practices around human rights, labour rights, environment, and corruption issues;
 - securities issued by companies involved in controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus, and nuclear weapons);
 - securities issued by companies that derive more than 10% of their revenues from weapons, military equipment, and services;
 - securities issued by companies that derive more than 10% of their revenue from thermal coal extraction;

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

- securities issued by utility companies that generate more than 10% of their revenues from coal; and
- securities issued by companies involved in the production of tobacco, and securities issued by companies involved in the distribution of tobacco which represents more than 10% of their revenues.

The sustainable minimum exclusion criteria are based on information from an external data provider and coded in pre- and post-trade compliance.

2. Application of positive screening via the ESG factors:

- The Sub-Fund will maintain a positive balance between improving and declining issuer ratings, based on the MSCI scale.

3. In the portfolio construction of the Sub-Fund, the following minimum thresholds on ESG ratings, as determined by the Investment Manager’s selected third-party data provider, must be met:

- The weighted average ESG rating for the portfolio of rated assets held by the Sub-Fund must be at least “BBB” using the MSCI scale;
- The weighted average ESG rating for rated bonds will be at least one notch higher than the Bloomberg Global Aggregate Total Return Index, until such time as the index is at least “A” rated;
- The maximum exposure of the Sub-Fund to bonds with an ESG rating lower than “BB” must not exceed 10% of the NAV of the Sub-Fund;
- The maximum exposure of the Sub-Fund to individual bonds with ESG ratings lower than “BBB” must not exceed 2% of the NAV of the Sub-Fund; and
- No sovereign debt with an ESG rating lower than “BB” will be held. Sovereign debt investments will be focused on OECD hard currency bonds.

The Investment Manager will only hold on behalf of the Sub-Fund a bond that is rated lower than “BBB” when in the opinion of the Investment Manager the rating does not fully reflect the position of the relevant issuer, or has not captured recent positive sustainability-related changes which have been implemented by the relevant issuer. This may include issuers which are transitioning their business model to generate positive changes such as those investing in the reduction of their carbon footprint. Some issuers (for example smaller issuers) may not be rated or covered by data providers and may publish little or no information on their ESG policies and sustainability risks, and in these cases the Investment Manager’s scope for analysis of ESG factors and sustainability risk will be limited.

● ***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 considered prior to the application of that investment strategy.

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

The Investment Manager will assess the good governance practices of issuers. It is expected that companies conduct their operations in accordance with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles (UNGP) on Business and Human Rights, and the UN Global Compact principles. To identify potential breaches of these norms, the corporate holdings of the portfolio are periodically screened using external specialized research, such as controversies, that indicate actual or potential breaches of international norms and standards.

What is the asset allocation planned for this financial product?

At least 80% of the Sub-Fund’s assets will be investments aligned with any one or more of the environmental and social characteristics of the Sub-Fund. The Sub-Fund does not commit to making sustainable investments. Any investments in the “#2Other” category is likely to include investments and other instruments of the Sub-Fund that

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

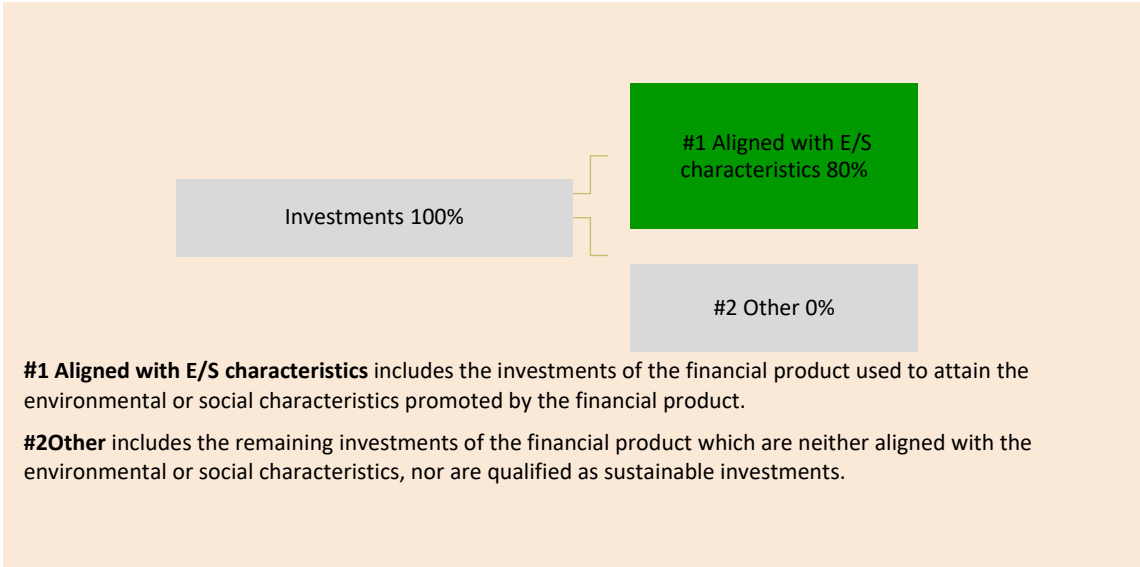


Asset allocation describes the share of investments in specific assets.

cannot be aligned with the environmental and social characteristics of the Sub-Fund. These can include, for example, cash, cash equivalents and derivatives. The Sub-Fund does not make a minimum commitment to making investments that fall within the “#2Other” category and therefore 0% is included for that category in the graph below. This means that between 0% and 20% of the Sub-Fund’s assets might at any point in time be in investments that qualify as “#2Other” investments.

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.



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

The Sub-Fund does not use derivatives on indices to attain its promoted ESG characteristics.

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.



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

While the Sub-Fund promotes environmental and social characteristics within the meaning of Article 8 of the SFDR, it does not make any assessment of whether its investments are Taxonomy-aligned; as such, the Sub-Fund will invest 0% of its Net Asset Value in Taxonomy-aligned investments.

The “do no significant harm” principle referred to above applies only to those investments underlying the Sub-Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

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

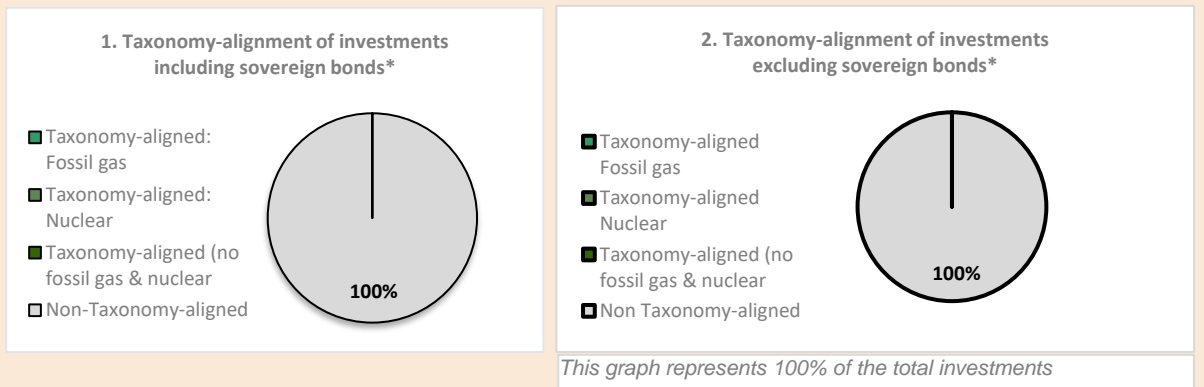
Yes:



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.

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.

No

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

N/A.

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?

N/A

What is the minimum share of socially sustainable investments?

N/A

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

The “#2Other” category will include investments and other instruments of the Sub-Fund made/used for the purpose of efficient portfolio management, that may not be aligned with the environmental and social characteristics of the Sub-Fund. These can include, for example, cash, cash equivalents and derivatives. No minimum environmental or social safeguards are applied to these investments. The Sub-Fund does not make a minimum commitment to making investments that fall within the “#2Other” category and therefore 0% is included in the “What is the asset allocation planned for this financial product?” section above.



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 reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

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

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

N/A

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

N/A

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

N/A

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

N/A



Where can I find more product specific information online?

More product-specific information can be found on the website: www.nedgroupinvestments.com