


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:	Magellan	Legal entity identifier:	969500BPQVGLNSYY5B13
<p>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.</p>	Environmental and/or social characteristics			
<p>The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. This 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.</p>	Does this financial product have a sustainable investment objective?			
	<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes		<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No	
	<input type="checkbox"/> It will make a minimum proportion of sustainable investments with an environmental objective of: ___%	<input checked="" type="checkbox"/> It promotes environmental and/or social (E/S) characteristics and while it does not have a sustainable investment objective, it will have a minimum proportion of sustainable investments of <u>15</u> %		
	<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective and made 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"/> with an environmental objective and made in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy		
	<input type="checkbox"/> It will make a minimum proportion of sustainable investments with a social objective of: ___%	<input type="checkbox"/> with a social objective <input 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? <input type="checkbox"/></p>			
	<p>The Fund promotes environmental or social characteristics by targeting companies with a positive overall ESG proposition, namely companies that:</p> <ul style="list-style-type: none"> (i) have an ESG score in the top 80% of scores assigned to companies reviewed by the Management Company using its proprietary ESG scoring tool; and (ii) do not engage in activities that the Management Company considers to have material adverse impacts on the environment, people or society. <p>The Management Company applies exclusion lists to the Fund on an ongoing basis and before making an investment in order to achieve the above characteristics.</p> <p>Although the Fund does not have sustainable investment as an objective, it undertakes to have a minimum proportion of 15% of its assets in investments which, according to the Management Company, are considered sustainable and contribute to environmental and/or social objectives.</p> <p>A benchmark has not been designated for the purpose of achieving the environmental or social characteristics promoted by the Fund.</p>			

Sustainability indicators are used to verify whether the financial product complies with the environmental or social characteristics promoted by the financial product.

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

The Fund uses the following sustainability indicators to measure the achievement of environmental and social characteristics:

- (i) at least 90% of the portfolio companies have an ESG rating in the top 80% of scores assigned to companies reviewed by the Management Company;
- (ii) none of the portfolio companies are involved in excluded activities; and
- (iii) at least 15% of the assets qualify, in the Management Company’s opinion, as sustainable investments.

● **What are the objectives of the sustainable investments that the financial product intends to pursue and how will the investments made contribute to such objectives?**

Although the Fund does not have sustainable investment as an objective, it may invest 15% of its assets in sustainable investments that contribute to environmental and/or social objectives.

In order to be considered as a sustainable investment, the portfolio company must contribute to one or more of the following environmental and/or social objectives, must not cause significant harm to these objectives and must apply good governance practices.

Environmental objectives include (i) climate change mitigation, (ii) adaptation to climate change, (iii) sustainable use and protection of aquatic and marine resources, (iv) transition to a circular economy, (v) pollution prevention and control, (vi) protection and restoration of biodiversity and ecosystems.

Social objectives include (i) the establishment of decent working conditions (including for workers involved in the various stages of the value chain), (ii) the promotion of adequate standards of living and the well-being of end users, and (iii) an inclusive and sustainable community.

The Management Company will use an exclusive analysis system and will draw on internal and external sources to identify companies that contribute to one or more of these environmental and/or social objectives.

As part of this identification process, the Management Company will only consider companies that meet at least one of the criteria listed below:



For the social objectives:

- **at least 25%** of the portfolio company’s revenue is generated by business activities that contribute to one or more of the United Nations Sustainable Development Goals (SDG 2, 3, 4, 6, 7, 8, 9, 11 and 12).

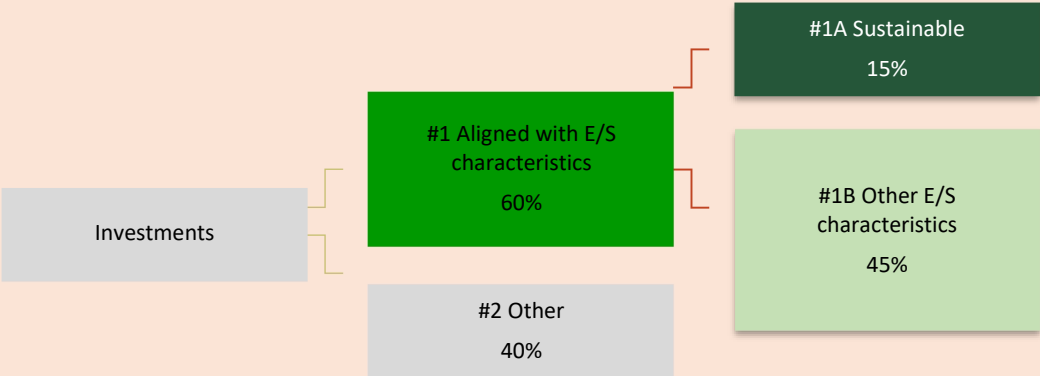
For the environmental objectives:

- **at least 5%** of the company’s revenue is declared as coming from taxonomy-aligned activities (taxonomy-aligned revenues) or is estimated, using the taxonomy’s substantial contribution criteria, as coming from activities that make a substantial contribution to an environmental objective according to the taxonomy (“Substantially Contributing Income”); or
- at least 10% of the company’s capital expenditures (CapEx) is declared as coming from taxonomy-aligned activities or is estimated, using the taxonomy’s substantial contribution criteria, as coming from activities that make a substantial contribution to an environmental objective according to the taxonomy (“Substantially Contributing CapEx”); or

	<ul style="list-style-type: none"> - the percentage of CapEx declared aligned with the taxonomy, divided by the percentage of revenue declared aligned with the taxonomy or the Substantially Contributing CapEx divided by the percentage of Substantially Contributing Income, is greater than 1; or - a portfolio company whose short-term climate targets have been approved by the Science Based Targets Initiative (SBTi).
	<p>To what extent do the sustainable investments the financial product intends to pursue not cause significant harm to any environmentally or socially sustainable investment objective?</p>
<p>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-bribery and anti-corruption matters.</p>	<p>An assessment is carried out to ensure that investments identified as contributing to one or more of the above environmental and/or social objectives do not cause significant harm to any of these objectives. To this end, the Management Company will assess and monitor the 14 mandatory principal adverse impact indicators and the relevant optional indicators referred to in Annex 1 of the SFDR Delegated Regulation (EU 2022/1288) and will seek to ensure that such investments comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.</p> <p><i>How have the indicators for adverse impacts been taken into account?</i></p> <p>The 14 mandatory principal adverse impact indicators and the relevant optional indicators are reviewed by the Management Company as part of its ESG assessment of sustainable investments. The Management Company uses external data, if any, and may also rely on a qualitative assessment using information directly from the company or its own research and knowledge on the potentially significant impacts of the industry or sector concerned. The Management Company regularly updates information on the indicators in order to monitor any changes in its initial valuation. Where a portfolio company is assessed as having a significant adverse impact, it will not be considered as a sustainable investment.</p> <p><i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Detailed description:</i></p> <p>The Management Company assesses companies' compliance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (the "Principles") through regular monitoring to detect any reported breach of these Principles and to determine whether the investee companies have put in place compliance processes and mechanisms in relation to these Principles. Reviews and controls of controversies and breaches of international standards are also carried out before a portfolio company is classified as a sustainable investment.</p> <p>If, based on its assessment, the Management Company concludes that a portfolio company does not comply with these Principles, the latter shall not be considered a sustainable investment.</p>

	<p>The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives. It is accompanied by specific EU criteria.</p> <p>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.</p>
	<p>Does this financial product consider principal adverse impacts on sustainability factors?</p>
	<p><input checked="" type="checkbox"/> Yes.</p> <p>The Fund takes principal adverse impacts on sustainability factors into consideration. To do so, we assess and monitor the 14 mandatory indicators of principal adverse impacts referred to in Annex 1 of Delegated Regulation (EU) 2022/1288. The Management Company uses external data where available and may draw on information directly from the company or its own research and knowledge of the industry or sector concerned to assess the 14 mandatory indicators of principal adverse impacts. The Management Company regularly updates information on the indicators in order to monitor any changes in its initial valuation. Identified environmental, social and governance related harm can be mitigated through exclusion policies, engagement with investee companies, voting and advocacy. Further information on principle adverse impacts on sustainability factors will be available in the financial statements.</p>
	<p><input type="checkbox"/> No</p>
	<p>What is the investment strategy followed by this financial product?</p> <p>The Management Company incorporates ESG considerations into investment selection by applying exclusion lists on an ongoing basis and prior to investment.</p> <p>The Fund applies an exclusion policy to exclude investment in companies with negative social and environmental characteristics and invests in companies that have an ESG rating in the top 80% of scores assigned to companies reviewed by the Management Company using its exclusive ESG rating tool.</p> <p>Environmental or social characteristics and sustainability indicators are regularly monitored as part of the investment process.</p> <p>The Management Company continues to monitor environmental or social characteristics after the initial investment in order to update the initial ESG assessment, identify risks and controversies and engage with the company in areas identified for ESG improvement.</p>
<p>The investment strategy guides investment decisions in terms of factors such as investment objectives and risk tolerance.</p>	<p>What are the constraints defined in the investment strategy for selecting investments in order to achieve each of the environmental or social characteristics promoted by this financial product?</p>

	<p>To help select companies with positive ESG characteristics, the Management Company performs an ESG analysis of the market to identify companies with the poorest ESG characteristics and exclude them from the Fund's investable universe. The ESG analysis applies to at least 90% of the Fund's investee companies.</p> <p>For the purpose of ESG analysis, the market is defined as the components of the benchmark used for performance comparison purposes augmented by companies not included in the relevant index and which the Management Company has identified as potentially eligible for investment by the Fund.</p> <p>The Management Company rates companies using an exclusive tool with external E, S and G ratings that are adjusted according to the sector and sub-sector and aggregated to calculate an internal ESG rating for companies in the investable universe. Where no external rating is available, the company is assessed internally, and if no internal rating is available, it is not included in the analysis or the investable universe. Companies with a rating in the bottom 20% are excluded from any investment by the Fund.</p> <p>Furthermore, the Fund applies an exclusion policy in order to exclude any investment in: (i) companies with negative social characteristics, including those that (a) manufacture anti-personnel mines, cluster bombs, biological/chemical weapons, depleted uranium, nuclear weapons, white phosphorus, non-detectable fragments and blinding lasers (>0% of revenue); (b) manufacture and/or distribute conventional weapons (>10% of revenue); (c) are involved in direct tobacco manufacturing (>0% of revenue), (d) are involved in the distribution of tobacco products and/or the manufacture and supply of key products necessary to the production of tobacco products (>5% of revenue); and (e) commit serious violations of international standards, including the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the ILO standards and the United Nations Guiding Principles and show no prospect of improvement; and (ii) companies with negative environmental characteristics, including thermal coal mine operators (>0% of revenue) and electricity producers whose energy mix including coal exceeds defined relative or absolute thresholds (and whose coal-based generation or revenue is equal to or greater than 10% or electricity producers whose existing coal-based capacity is equal to or greater than 5 GW), without a coal exit strategy.</p>
<p>Good governance practices involve sound management structures, staff relations, staff remuneration and compliance with tax obligations.</p>	<ul style="list-style-type: none"> ● <i>What is the minimum proportion by which the financial product undertakes to reduce its investment scope before applying this investment strategy?</i> <p>The application of the Management Company's ESG analysis results in a 20% reduction in the investable universe.</p> <ul style="list-style-type: none"> ● <i>What policy is applied to assess the good governance practices of companies in which the financial product invests?</i>
	<p>To determine whether the investee companies follow good governance practices, the Management Company examines various governance indicators (in particular, ownership profile, structure of the board of directors, independence of the board of directors, executive remuneration, diversity of the board of directors, controversies related to ESG issues, in particular with regard to labour law, human rights, staff remuneration, staff relations, compliance with tax obligations), bearing in mind the four governance principles set out in the Management Company's Responsible Investment Policy. This includes data and ratings from external sources as well as internal research on corporate governance practices in relation to local standards.</p>
	<p>What is the expected asset allocation for this financial product?</p> <p>It is expected that 60% or more of the assets of the financial product will be used to meet the environmental and social characteristics promoted.</p>
<p>Asset allocation refers to the proportion of investments in specific assets.</p>	<p>This includes at least 15% sustainable investments. Up to 40% of the assets may not comply with environmental or social characteristics.</p>

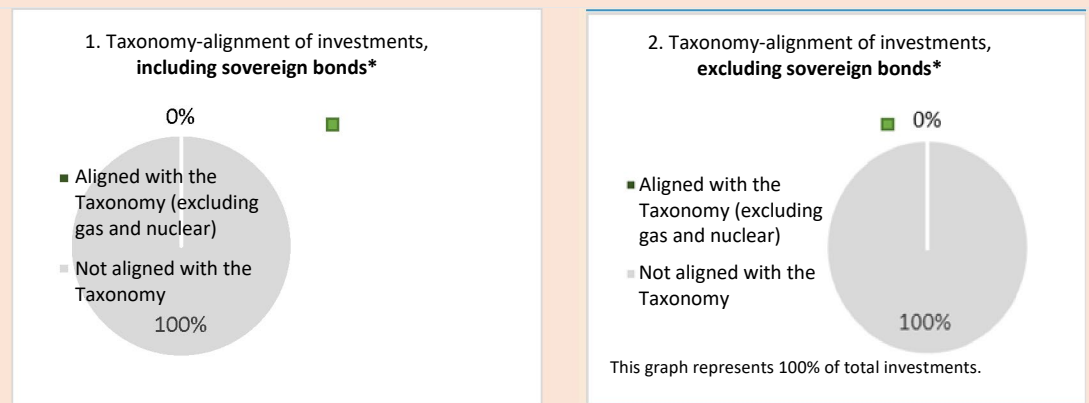
<p>Taxonomy-aligned activities are expressed as a share of:</p> <ul style="list-style-type: none"> - revenue reflecting the proportion of income from green activities of companies in which the financial product invests; - capital expenditure (CapEx) showing the green investments made by the companies in which the financial product invests, e.g for a transition to a green economy. - operating expenses (OpEx) reflecting the green operating activities of the companies in which the financial product invests. 	 <p>#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p> <p>#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p> <p>Category #1 Aligned with E/S characteristics includes:</p> <ul style="list-style-type: none"> - Sub-category #1A Sustainable which covers environmentally and socially sustainable investments; - The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.
	<p>● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</p> <p>The Fund does not use derivatives to achieve environmental or social characteristics.</p>
<p>Enabling activities directly enable other activities to make a substantial contribution to achieving an environmental objective.</p>	<p>● In what minimum proportion are the sustainable investments with an environmental objective aligned with the EU Taxonomy?</p> <p>The Management Company does not currently commit to a minimum proportion of taxonomy-aligned investments in the Fund. Therefore, the percentage of the Fund's investments that are EU Taxonomy-aligned is 0%.</p> <p>● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?</p>

¹ Fossil gas and/or nuclear activities will only comply with the EU Taxonomy if they contribute to limiting climate change (“climate change mitigation”) and do not cause significant harm to any of the EU Taxonomy’s objectives. All the criteria applicable to economic activities in the fossil gas and nuclear energy sectors that comply with the EU Taxonomy are defined in Commission Delegated Regulation (EU) 2022/1214.

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

<input type="checkbox"/>		Yes	
		<input type="checkbox"/> In fossil gas	<input type="checkbox"/> In nuclear energy
<input checked="" type="checkbox"/>		No	

The two charts below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology for determining the Taxonomy-alignment of sovereign bonds*, the first chart shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second chart shows the Taxonomy alignment in relation to investments of the financial product other than sovereign bonds.



* For the purpose of these charts, "sovereign bonds" consist of all sovereign exposures.



The symbol represents sustainable investments with an environmental objective that **do not take into account the criteria** applicable to environmentally sustainable economic activities pursuant to the EU Taxonomy.

● What is the minimum proportion of investments made in transitional and enabling activities?

The Management Company does not currently commit to a minimum proportion of investment in transitional and enabling activities.






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

0% The Fund does not commit to having a minimum proportion of sustainable investments with an environmental objective that is not aligned with the EU Taxonomy? It commits only to a minimum overall proportion of sustainable investments that may be socially or environmentally sustainable investments.



● What is the minimum proportion of socially sustainable investments?

0% The Fund does not commit to a minimum proportion of socially sustainable investments and only commits to a minimum overall share of sustainable investments that may be socially or environmentally sustainable investments.

	 <p>What investments are included under "# 2 other", what is their purpose and are there any minimum environmental or social safeguards?</p>
<p>The benchmark indices are used to measure whether the financial product achieves the environmental or social characteristics it promotes.</p>	<p>The Fund may hold cash and cash equivalents or money market instruments for the purpose of meeting short-term cash commitments. The Fund may also invest in companies or other funds, including for diversification purposes, where the Management Company has not classified the investment as promoting E/S characteristics. However, the Management Company ensures that all investee companies (including those not deemed to promote E/S characteristics) are not exposed to serious breaches of the UN Global Compact without any prospect of improvement.</p>
	<p>Has a specific index been designated as a benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics it promotes?</p>
	<p>No.</p>
	<p>● How is the benchmark constantly aligned with each of the environmental or social characteristics promoted by the financial product?</p>
	<p>N/A</p>
	<p>● How is the alignment of the investment strategy with the methodology of the index ensured at all times?</p>
	<p>N/A</p>
	<p>● How does the designated index differ from a relevant broad market index?</p>
	<p>N/A</p>
	<p>● Where can the methodology used for the calculation of the designated index be found?</p>
	<p>N/A</p>
	<p>Where can I find more product specific information online?</p> <p>Further information on the product can be found on the Comgest website: www.comgest.com.</p> <p>The Fund Prospectus is also available on the Comgest website.</p> <p>All capitalised terms used in this Appendix have the same meaning as in the current version of the Prospectus.</p>