

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.

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: Global Credit Income Fund **Legal entity identifier:** 21380038HF8IE6XMBV22

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

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

The Sub-Fund promotes better carbon outcomes (i.e., maintaining a carbon profile lower than typical global credit indices by making investments in borrowers that meet the standards of the Investment Manager's proprietary sustainability frameworks and by excluding direct investments in certain sectors or business areas (that are deemed to have less favourable sustainability characteristics).

Details of the proprietary sustainability frameworks and information on exclusions are explained in the question below on 'what investment strategy does the financial product follow?'

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

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

On at least an annual basis, the following sustainability indicators will be used to measure the attainment of the environmental or social characteristics promoted by the Sub-Fund:

- the carbon profile of the Sub-Fund; and
- the carbon profile of typical global credit indices

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

Currently, the Sub-Fund's carbon profile is measured using its Weighted Average Carbon Intensity (WACI). The Sub-Fund's WACI is derived as the weighted aggregate of each borrower's emissions normalised by its sales in USD (which allows for comparison between borrowers of different sizes) where the weighting is the percentage each investee borrower represents in the Sub-Fund. Sector estimates are used where data is not available for a specific investment.

The Sub-Fund's promotion of better carbon outcomes is intended at the aggregate Sub-Fund level. This means not every investment held will have a lower carbon profile than the comparable global credit indices at any single time.

- **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

- **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?*

N/A

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.

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, as part of the in-depth fundamental analysis on an individual borrower, the following principal adverse impacts are currently considered for the Sub-Fund's investments:

- Carbon footprint

- GHG intensity of investee companies

In addition, as described in the section on the investment strategy followed below, the Sub-Fund does not invest in borrowers in relation to the following principal adverse impacts:

- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)

An assessment of the principal adverse impacts at the aggregate Sub-Fund level will be reported on an annual basis in the annual report as required by Article 11 SFDR.

No



What investment strategy does this financial product follow?

Sustainability Framework

The Investment Manager assesses the investee borrowers using a proprietary Sustainability Framework and proprietary Transition Alignment Framework described below to determine whether they meet the standards required by the Investment Manager. This analysis uses a variety of qualitative information and available data. There will be no mechanistic reliance on external ESG ratings and scores.

– **Sustainability Framework:** an appraisal of the sustainability of each holding, currently encompassing aspects such as climate change, pollution and waste, natural capital, human capital, social capital, product liability, corporate behaviour, regulatory risk, and good governance.

– **Transition Alignment Framework:** an assessment of a borrower's transition risk alongside how the borrower is positioned to offset this transition risk, as well as the commitment, processes, and governance in place to support that transition. This framework is ultimately aimed at tracking the transition of the portfolio to achieving net zero over time. The Investment Manager aims for a majority of the borrowers in the Sub-Fund to have at least committed to a credible net zero pathway before the end of 2030 and are showing some progress on that pathway.

In addition, this framework helps the Investment Manager identify areas for borrower engagement in an effort to improve the trajectory of the transition process.

Analysis within both frameworks combine the use of third party data, internal analysis and interaction with the investee borrowers. There will be no mechanistic reliance on external ESG ratings and scores.

Exclusions

The Sub-Fund avoids sectors deemed to have less favourable sustainability characteristics. As a result, the Sub-Fund will not invest in borrowers that derive more than 5% of their revenue from the following business activities (to the best of the Investment Manager's knowledge):

- thermal coal extraction;
- production of crude oil from oil sands;
- the manufacture and production of tobacco products; or
- adult entertainment production or distribution.

The Sub-Fund is not precluded from investing in heavy emitters which are committed to a transition pathway.

Furthermore, the Sub-Fund will not invest in borrowers that (to the best of the Investment Manager's knowledge):

- are directly involved in the manufacture and production of controversial weapons (including biological and chemical weapons, cluster munitions, anti-personnel landmines);
- are directly involved in the manufacture and production of nuclear weapons; or
- the Investment Manager deems to be in violation of the UN Global Compact principles.

Over time, the Investment Manager may, in its discretion, elect to apply additional exclusions to its strategy that it believes are consistent with the Sub-Fund's investment policy. Such changes will be disclosed on the Investment Manager's website as they are implemented and subsequently updated in this Prospectus at the next available opportunity.

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

Additional Considerations

The Sub-Fund's holdings will be monitored on an ongoing basis by the Investment Manager. A holding may be sold for a range of reasons but in particular, if it is determined that the investment case for the holding has been weakened or it no longer satisfies the investment objective and policy of the Sub-Fund. Such sales will take place over a time period to be determined by the Investment Manager, taking into account the best interests of the Shareholders of the Sub-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?***

The Investment Manager applies its sustainability analysis consistently and on an ongoing basis to assess the environmental and social characteristics of the Sub-Fund's investments.

In the securities selection process, the Investment Manager applies in a binding manner the promoted environmental characteristics of better carbon outcomes, as described above, in the portfolio of the Sub-Fund.

This criterion does not apply to the Sub-Fund's '#2 Other' investments – please find more detail in the question about asset allocation planned below.

In addition, the Sub-Fund will not invest in certain sectors or investments, as described above.

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

N/A

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

The Investment Manager follows an internal investment framework to analyse any governance issues related to borrowers. This is rooted in widely accepted governance principles and guidelines which are outlined in the Investment Manager's Ownership policy on its website. The following corporate governance themes are considered, as applicable, as part of Ninety One's policy in relation to managing governance related issues and determining good governance:

- Leadership and Strategic Control, including board diversity, independence and engagement;
- Alignment with the long term, including remuneration and governance of sustainability issues;
- Climate change, including adequacy of management and disclosure of risks;
- Protecting capital through capital management and preserving shareholder rights; and
- Audit and disclosure, including financial reporting quality and auditor competence.

Third party data complements the governance assessment.

For the Sub-Fund, assessing the good governance practices of borrowers is part of the in-depth fundamental analysis that the Investment Manager performs on borrowers and through the ongoing monitoring of holdings. The Investment Manager considers, amongst other elements, sound management structures, employee relations, remuneration of staff, and tax compliance. The governance assessment is tailored to the type of corporate issuer.

Where a governance issue is identified, the Investment Manager may engage directly with the borrower's management in an effort to catalyse change.

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



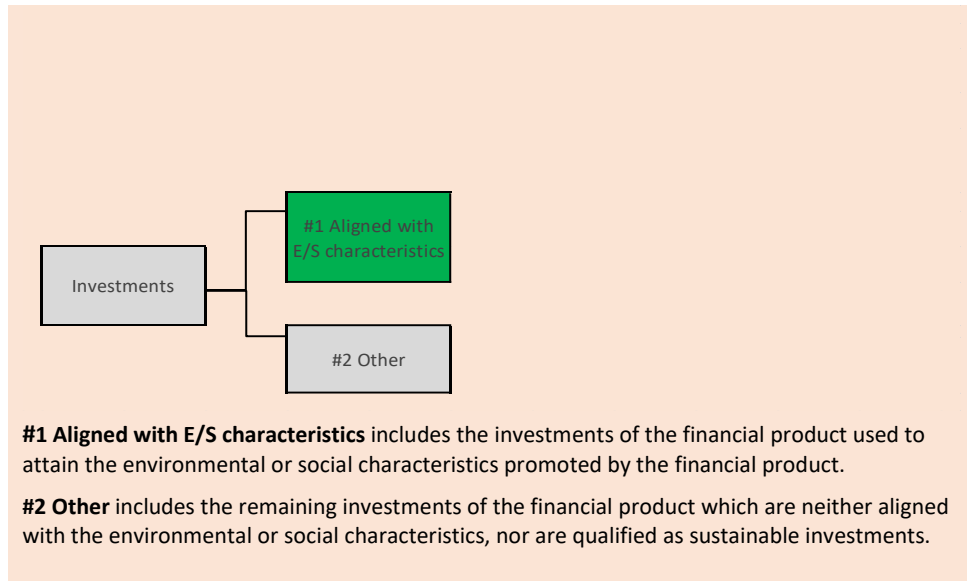
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The minimum proportion of investments used to meet the environmental or social characteristics promoted by the Sub-Fund (i.e. '#1 Aligned with E/S characteristics') is 51% of the Sub-Fund's assets.

Information on the remaining investments, their purpose and any minimum environmental or social safeguards applied is outlined in the section below on 'What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?'

The investments included in ‘#1 Aligned with E/S characteristics’ are selected in accordance with the binding criteria outlined in the section ‘what investment strategy does this financial product follow?’ under the sub-sections entitled ‘Sustainability Framework’ and ‘Exclusions.’



Taxonomy-aligned activities are expressed as a share of:

- 1 **turnover** reflecting the share of revenue from green activities of investee companies.
- 2 **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- 3 **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?**

N/A



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

The Sub-Fund does not currently commit to invest in any sustainable investment within the meaning of Article 2(17) SFDR or the EU Taxonomy Regulation, accordingly the minimum share of EU Taxonomy-aligned investments is 0% of the Sub-Fund’s assets.

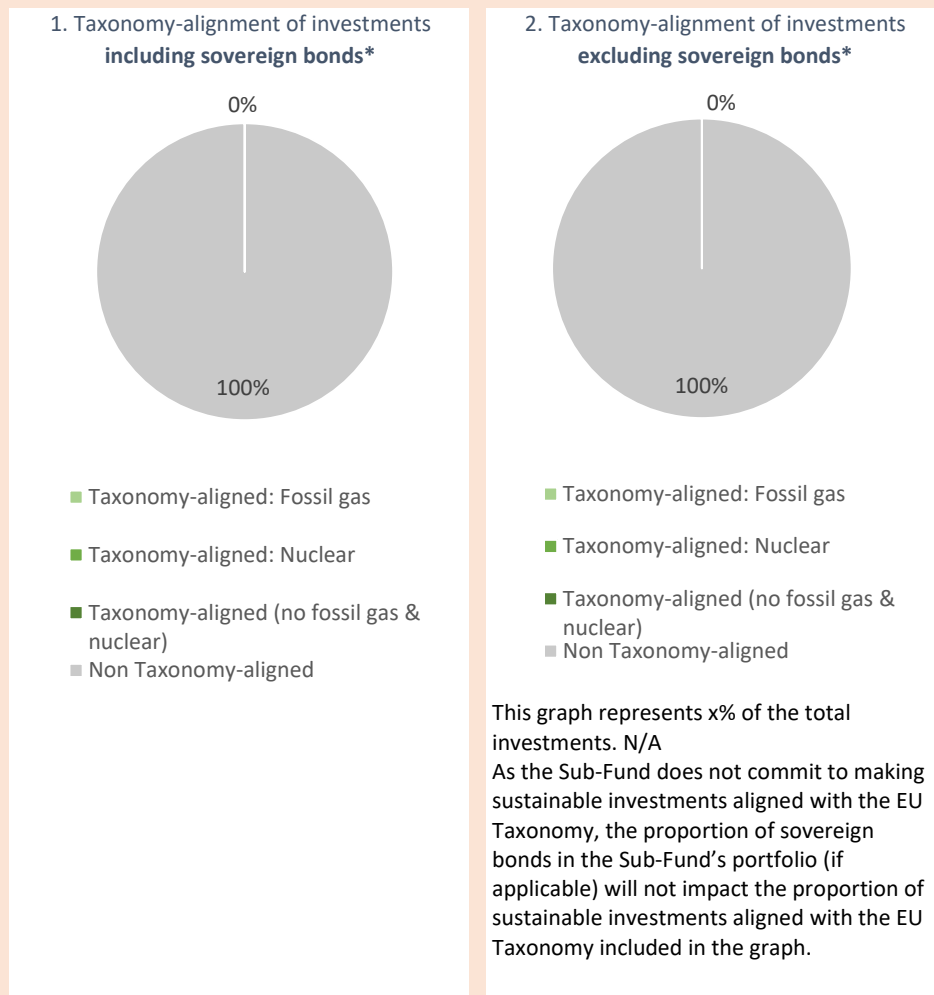
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹⁰?**

- Yes:
- in fossil gas in nuclear energy
- No

¹⁰ 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.

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.

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.




*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 invest in any sustainable investment within the meaning of Article 2(17) SFDR or the EU Taxonomy Regulation, accordingly the minimum share of investments in transitional and enabling activities is 0% of the Sub-Fund assets.

 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 Sub-Fund does not currently commit to invest in any sustainable investment within the meaning of Article 2(17) SFDR or the EU Taxonomy Regulation, accordingly the minimum share of sustainable investment with an environmental objective that is not aligned with the EU Taxonomy is 0% of the Sub-Fund's assets.



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?

‘#2 Other’ includes investments, as described in the Sub-Fund’s investment policy, that support the financial objective and other management activities of the Sub-Fund such as:

- borrowers that are considered not aligned with E/S characteristics;
- derivatives for hedging, Efficient Portfolio Management and/or Investment Purposes;
- Cash held for liquidity purposes as an ancillary asset, deposits and money market instruments; and
- shares or units in other funds and exchange traded funds in which the Investment Manager does not have direct control of the underlying investments.

No minimum environmental or social safeguards are applied.



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?

N/A

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: <https://ninetyone.com/srd>