Supplementary information to the TCFD report

ESG 2.3.11R	MI Chelverton European Select Fund
(1) Where a TCFD product report relates to a TCFD product that has concentrated exposures or high exposures to carbon intensive sectors, the firm must describe these and disclose:	
(a) a qualitative summary of how climate change is likely to impact the assets underlying the relevant TCFD product under 'orderly transition', 'disorderly transition' and 'hothouse world' scenarios;	**Orderly Transition (1.5C NGFS Orderly) - Qualitative Summary** The main drivers of impact under an orderly transition scenario are policy- and market-related transition risks, including steadily increasing carbon prices, tightening regulatory frameworks, and a growing focus from investors and lenders on emissions performance. Companies with higher carbon intensity or weaker transition plans face incremental cost pressures and potential financing disadvantages as climate policies strengthen. These effects are channelled through higher operating costs, changing market expectations, and capital market reallocation away from lagging firms. Physical risks play a relatively limited role in this scenario, reflecting the more managed temperature pathway and the fact that policy interventions are front-loaded. The fund also benefits to some extent from allocations to companies positioned for the transition, including low-carbon technology providers and firms with credible decarbonisation strategies, which can mitigate some of the transition pressures within the portfolio. **Disorderly scenario (2C NGFS disorderly) - Qualitative Summary** Under a disorderly transition, the fund is likely to experience abrupt and concentrated transition shocks, reflecting its European geographic focus. Delayed policy action followed by sudden regulatory tightening leads to rapid increases in carbon costs, shifts in investor expectations, and tighter lending conditions. Companies in carbon-intensive sectors are particularly exposed, facing valuation stress through channels such as access to capital, where insurers and lenders raise financing costs, and market dynamics, where consumer and investor behaviour shifts quickly. Physical risks remain relevant but are secondary to the sharp transition effects. While some exposures to climate solution providers and transition leaders offer resilience, these are not sufficient to materially offset the concentrated policy shock in key sectors. **Hot House World scenario (3C NGFS NDC) - Qualitative Summary** In a hot house world scenario, the MI Chelverton European Select Fund's European concentration means that physical climate risks dominate the portfolio's risk profile, particularly over the medium and long term. Companies are increasingly exposed to flooding, extreme weather events,

	water scarcity, and heat stress, which manifest through operational disruptions, supply chain vulnerabilities, and rising insurance costs. Transition risks are comparatively low, but the absence of strong climate policy accelerates the build-up of physical hazards, resulting in higher systemic vulnerability for European assets. The lack of geographic diversification heightens the fund's sensitivity to regional climate impacts, and opportunities from the low-carbon transition are more limited in this scenario, as weaker policy signals slow technological deployment and investment.

(b) a discussion of the most significant drivers of impact on that TCFD product; and	Please see 1(a).
(c) a quantitative analysis of 'orderly transition', 'disorderly transition' and 'hothouse world' scenarios.	
(2) Where a firm manages TCFD products that do not have concentrated exposures or high exposures to carbon intensive sectors, a firm must still make the disclosures under (1)(a) and 1(b).	
(3) For the purposes of (1)(a) and 1(c):	
(a) 'orderly transition' scenarios assume climate policies are introduced early and become gradually more stringent, reaching global net zero CO2 emissions around 2050 and likely limiting global warming to below 2 degrees Celsius on pre-industrial averages;	
(b) 'disorderly transition' scenarios assume climate policies are delayed or divergent, requiring sharper emissions reductions achieved at a higher cost and with increased physical risks in order to limit temperature rise to below 2 degrees Celsius on pre-industrial averages; and	
(c) 'hothouse world' scenarios assume only currently implemented policies are preserved, current commitments are not met and emissions continue to rise, with high physical risks and severe social and economic disruption and failure to limit temperature rise.	