

Supplementary information to the TCFD report

ESG 2.3.11R	MI Chelverton UK Equity Income 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;	<u>Orderly Transition (1.5C NGFS Orderly)- Qualitative Summary</u> For MI Chelverton UK Equity Income Fund, exposure under an orderly transition is mainly shaped by policy and market forces. Transition risks such as carbon pricing, investor pressure, and tightening capital allocation criteria affect companies with higher emissions intensity or weaker climate strategies. There are fewer physical risks related to orderly transition compared with transition risks, with the portfolio's main sensitivities tied to sectors facing cost and financing pressures from early policy action. MI Chelverton UK Equity Income Fund also holds companies positioned to benefit from low-carbon technologies and adaptation solutions, offering partial offsets to transition exposures. <u>Disorderly scenario (2C NGFS disorderly) - Qualitative Summary</u> Under a disorderly transition, MI Chelverton UK Equity Income Fund faces sharper transition shocks. Abrupt policy changes, rapid increases in carbon costs, and tightening credit conditions lead to valuation stress, especially among companies in carbon-intensive sectors. Key transmission channels include access to capital and market dynamics, with lagging firms experiencing higher financing costs and investor divestment. Physical risks remain relevant but are secondary to transition-related repricing. Some exposure to climate solution providers offers resilience but does not fully offset the accelerated transition pressures. <u>Hot House World scenario (3C NGFS NDC) - Qualitative Summary</u> In a hot house world, physical risks dominate MI Chelverton UK Equity Income Fund's profile. Flooding, extreme weather, heat stress, and water scarcity drive increasing operational and asset risks, particularly over the medium to long term. Limited policy action reduces transition pressures but results in rising systemic physical vulnerabilities and growing insurance and operational costs. Opportunities are more limited than in transition scenarios, reflecting weaker policy support and slower uptake of low-carbon technologies.



(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.	

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