



## Fund Summary Carbon Metrics

| Item                                                              | Data type                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>General characteristics</b>                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Reporting Period                                                  | 31/12/2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Name of the Fund                                                  | VT Tatton Blended Defensive Fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Issuer Coverage % of Market Value                                 | 98.79                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Coverage of the Fund</b>                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Number of Instruments Covered                                     | 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Number of Instruments Not Covered                                 | 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Main indicators of the Fund</b>                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Absolute Scope 1 GHG emissions (tCO2e)                            | 3,342,203                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Absolute Scope 2 GHG emissions (tCO2e)                            | 1,289,187                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Absolute Scope 3 GHG emissions (tCO2e)                            | 49,519,046                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Total Absolute GHG emissions (tCO2e)                              | 54,150,435                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Owned Emissions                                                   | <b>What is this?</b><br>These are the GHG emissions associated with the portfolio expressed in tons of CO2e calculated by considering underlying company's emissions proportional to the investor's ownership stake in that company. Simply put this can be considered the volume of GHGs an investor could be considered responsible for based on their investments. This metric can be used to track changes in GHG emissions in a fund. $\sum_{(sum\ of)} \left( \frac{\text{current value of investment}}{\text{issuer's market capitalisation}} * \text{issuer's Scope (1,2 or 3 as appropriate) GHG emissions} \right)$                                                                                                                                                                                                                                                                                                                           |
| Scope 1 GHG emissions (tCO2e)                                     | 464                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Scope 2 GHG emissions (tCO2e)                                     | 118                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Scope 3 GHG emissions (tCO2e)                                     | 5,375                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Weighted Average Carbon Intensity (tCO2e per USD million revenue) | <b>What is this?</b><br>This is the fund's exposure to carbon-intensive industries as measured by tons of GHG emissions per \$m of revenue. Rather than summing the emissions per unit of revenue by the ownership percentage of an investment, emissions per unit of revenue are added together based on the percentage that each asset makes up of the fund. This gives an indication of the fund's overall carbon efficiency, with a lower WACI indicating less GHG emissions per unit of revenue. This metric allows for the best comparison between portfolios. The downside is that it is sensitive to outliers and will favour fund's holding companies that have pricing power (leading to higher profit margins) such as technology firms. $\sum_{(sum\ of)} \left( \frac{\text{current value of investment}}{\text{current portfolio value}} * \frac{\text{issuer's Scope 1 and Scope 2 GHG emissions}}{\text{issuer's \$M revenue}} \right)$ |
| Weighted Average Carbon Intensity (WACI) (tCO2e/\$m)              | 132                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |



## Fund Summary Carbon Metrics

| Item                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Data type                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Footprint and Intensity</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Carbon footprint (tCO2e per USD million invested)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>What is this?</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| $\frac{\sum_{(sum\ of)} \left( \frac{current\ value\ of\ investment}{issuer's\ market\ capitalisation} * issuer's\ Scope\ (1,2\ or\ 3\ as\ appropriate)\ GHG\ emissions \right)}{current\ portfolio\ value\ (\$M)}$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>This is the total carbon emissions for a fund divided by (normalised by) the market value of the fund to give the GHG emissions per \$ invested. This metric is fairly intuitive and can be used to compare portfolios to one another or to a chosen benchmark comparator. Potential downsides are this metric does not consider the carbon efficiency of investments and changes in the market capitalisation of underlying investments can be misinterpreted.</p> |
| Carbon Footprint Scope 1 (tCO2e/\$M)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Carbon Footprint Scope 2 (tCO2e/\$M)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Carbon Footprint Scope 3 (tCO2e/\$M)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 382                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Carbon intensity (tCO2e per USD million revenue)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>What is this?</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| $\sum_{(sum\ of)} \left( \frac{current\ value\ of\ investment}{current\ portfolio\ value} * \frac{issuer's\ Scope\ (1,2\ or\ 3\ as\ appropriate)\ GHG\ emissions}{issuer's\ \$M\ revenue} \right)$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>This is a measure of the carbon efficiency of a fund. Owned Emissions are scaled by the owned revenues of the underlying investments with this figure expressed in tons CO2e per \$m of revenue. This metric can be used to compare portfolios to one another or to a chosen benchmark and importantly takes into account the carbon efficiency of the underlying investments i.e. how much GHG is emitted per unit of revenue generated.</p>                       |
| Carbon Intensity Scope 1 (tCO2e/\$M)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 106                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Carbon Intensity Scope 2 (tCO2e/\$M)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Carbon Intensity Scope 3 (tCO2e/\$M)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1,425                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Implied Temperature Rise</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Net Temperature Overall                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 2-3°C                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Alignment Gap Well Below 2°C (tCO2e)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 10,755,167                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Alignment Gap 2°C (tCO2e)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | -5,552,847                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Alignment Gap 3°C (tCO2e)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | -25,185,134                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>What is this?</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>An implied temperature rise indicates the expected increase in global temperature (in degrees Celsius) by 2100 that would occur if the projected GHG emissions associated with this fund were representative of the whole economy. The three alignment gaps (the excess amount of GHG emissions produced by the fund over the amount needed to limit temperature rise to the indicated level) are shown which correspond to globally recognised scenarios. Whilst the implied temperature rise provides an easily translatable measurement of a fund's alignment to global warming potential it must be noted that there are various approaches used and as such figures may not be comparable across providers.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

## Portfolio Assessment Summary Report (TCFD aligned)

powered by S&P Trucost and Confluence ECPI

**Portfolio: VT Tatton Blended Defensive Fund**

As of: 31/12/2025  
Market Value: 12,284,001

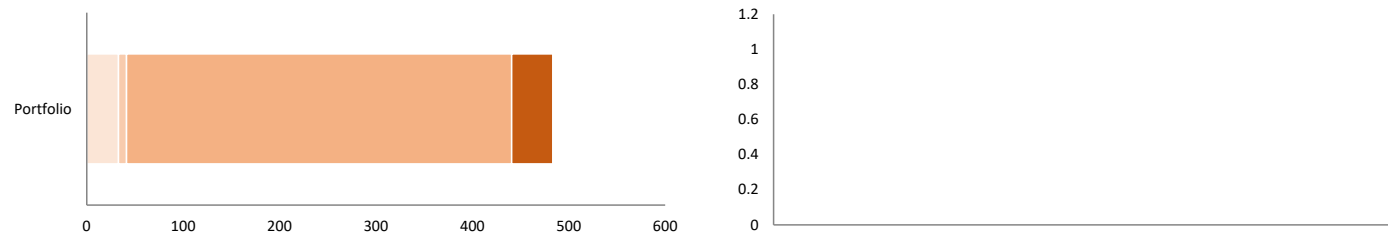
## CARBON PERFORMANCE

| Carbon Footprint (tCO2e/\$M)                                                    |                    | Portfolio |
|---------------------------------------------------------------------------------|--------------------|-----------|
|  | Scope 1            | 32.97     |
|  | Scope 2            | 8.39      |
|  | Scope 3 Downstream | 399.48    |
|  | Scope 3 Upstream   | 42.64     |

| Carbon Intensity (tCO2e/\$M Revenue)                                              |                     | Portfolio |
|-----------------------------------------------------------------------------------|---------------------|-----------|
|  | Direct              | 109.48    |
|  | First Tier Indirect | 54.25     |
|  | WACI                | 131.99    |

|                                  |               |                               |               |
|----------------------------------|---------------|-------------------------------|---------------|
| <b>Market Value Covered in %</b> |               |                               |               |
| <b>ECPI</b>                      | <b>98.79%</b> | <b>S&amp;P Trucost</b>        | <b>98.79%</b> |
|                                  |               | <b>Reported Vs. Estimated</b> | <b>88.45%</b> |

| Top 10 Securities by Intensity                               | Total Intensity (tCO2e/\$M) |
|--------------------------------------------------------------|-----------------------------|
| Msim Fund Management (Ireland) - Ms Invf Emerging Mkts Dt    | 294.38                      |
| Vanguard Global Credit Bond Institutional Hedged Acc GBP     | 240.15                      |
| HSBC Global Corporate Bond ETF SZCHGBP                       | 213.00                      |
| HSBC Global Aggregate Bond Index SZCHGBP                     | 163.55                      |
| Dimensional Global UltrShrt FI GBP Acc                       | 146.52                      |
| Ngam S.A. - Loomis Sayles Global Oppc Bd H-f/a Gbp           | 118.93                      |
| HSBC American Index C Acc                                    | 100.08                      |
| Blackrock Fund Managers Limite - Ishares Uk Equity Index (Ul | 96.52                       |
| HSBC Global Government Bond ETFSZCHGBP                       | 3.98                        |
| Man GLG UK Income Professional Inc D GBP                     | N/A                         |



|                                          |          | Carbon Footprint  |                     |                     |                                |                              | Carbon Footprint             |                             | Intensity: GHG                            |                                         |
|------------------------------------------|----------|-------------------|---------------------|---------------------|--------------------------------|------------------------------|------------------------------|-----------------------------|-------------------------------------------|-----------------------------------------|
|                                          |          | Carbon Footprint  | Carbon Footprint    | Carbon Footprint    | Carbon Footprint               | Carbon Footprint             | Absolute: GHG                | Absolute: GHG               | Intensity: GHG                            | First Tier Indirect                     |
| Top 10 by Carbon Footprint               | % Weight | Total (tCO2e/\$M) | Scope 1 (tCO2e/\$M) | Scope 2 (tCO2e/\$M) | Scope 3 Downstream (tCO2e/\$M) | Scope 3 Upstream (tCO2e/\$M) | Absolute: GHG Direct (tCO2e) | First Tier Indirect (tCO2e) | Intensity: GHG Direct (tCO2e/\$M Revenue) | First Tier Indirect (tCO2e/\$M Revenue) |
| HSBC Global Aggregate Bond Index S2CI    | 13.97%   | 29.25             | 23.04               | 6.21                | 239.63                         | 26.41                        | 4,623,431                    | 3,144,140                   | 143.68                                    | 55.58                                   |
| HSBC American Index C Acc                | 7.13%    | 8.30              | 4.76                | 3.54                | 38.19                          | 9.72                         | 4,617,127                    | 6,501,992                   | 77.16                                     | 51.23                                   |
| HSBC Global Corporate Bond ETF S2CHG     | 5.00%    | 36.13             | 28.79               | 7.34                | 335.89                         | 29.34                        | 5,526,254                    | 3,322,862                   | 188.74                                    | 65.23                                   |
| Dimensional Global UltrShrt FI GBP Acc   | 3.99%    | 58.98             | 49.33               | 9.66                | 695.76                         | 58.76                        | 4,864,443                    | 2,785,193                   | 134.23                                    | 50.83                                   |
| Vanguard Global Credit Bond Institutiona | 3.50%    | 52.29             | 43.57               | 8.72                | 388.16                         | 36.41                        | 5,584,643                    | 2,941,792                   | 215.07                                    | 60.73                                   |
| Ngam S.A. - Loomis Sayles Global Oppc    | 3.49%    | 18.51             | 10.73               | 7.78                | 319.39                         | 30.40                        | 1,696,022                    | 2,989,307                   | 79.61                                     | 81.09                                   |
| Blackrock Fund Managers Limite - Ishare  | 3.36%    | 110.46            | 92.64               | 17.82               | 224.94                         | 78.51                        | 8,340,128                    | 4,624,519                   | 75.95                                     | 65.71                                   |
| Msim Fund Management (Ireland) - Ms Ir   | 3.00%    | 45.82             | 33.16               | 12.66               | 393.61                         | 29.74                        | 1,024,691                    | 740,723                     | 263.74                                    | 74.84                                   |

### Definition of metrics

**Absolute GHG (tCO2e)**

Greenhouse Gas (GHG) emissions refer to gases with direct effects on climate change (carbon dioxide the most known, typically expressed in tons), generated from burning fossil fuels and production processes which are owned or controlled by the company.

### Intensity GHG

This is expressed in metric tonnes of CO2e per million \$ revenue and measures the amount of carbon dioxide released into the atmosphere as result of the activities of particular individuals, organizations or communities, as proportion of their revenue.

## Carbon Footprint

It reflects how much GHG is created per million invested as it takes the total GHG emissions divided by the fund's asset under management.

## Data Coverage

Any data gap is likely to be as a result of climate or financial data not being reported for the underlying asset types by the given issuer. Lower data coverage results in reduced reliability for the proposed climate metrics.

### Scope 1 Emissions

These are direct GHG emissions that occur from sources that are controlled or owned by an organization (e.g. emissions associated with fuel combustion in boilers, furnaces, vehicles).

## Scope 2 Emissions

Are indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling. Despite physically occurring at the facility where generated, they are accounted for in a firm's GHG inventory because they result from the firm's energy use.

### Scope 3 Emissions

These encompass emissions not produced by the company itself and not the result of activities from assets owned/controlled, but those indirectly responsible for up/down the value chain (e.g. when buying, using or disposing of products from suppliers).

### Scope 3 Emissions - Upstream

These are from the production of firm's products or services (e.g. purchased goods or services, fuel and energy related activities, transportation and distribution).

### Scope 3 Emissions - Downstream

These relate to the use and disposal (e.g. processing or use of sold products, end-of-life treatment of products, operation of franchises or investments, including project finance) of a firm's products.



## Portfolio Assessment Summary Report (TCFD aligned)

powered by S&P Trucost and Confluence ECPI

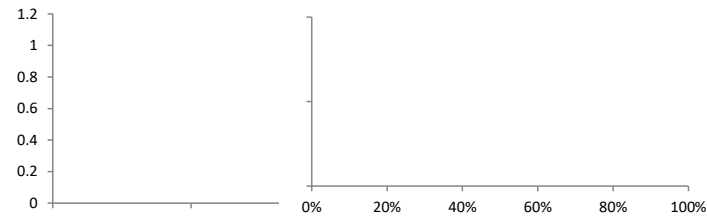
**Portfolio:** VT Tatton Blended Defensive Fund

As of: 31/12/2025  
Market Value: 12,284,001

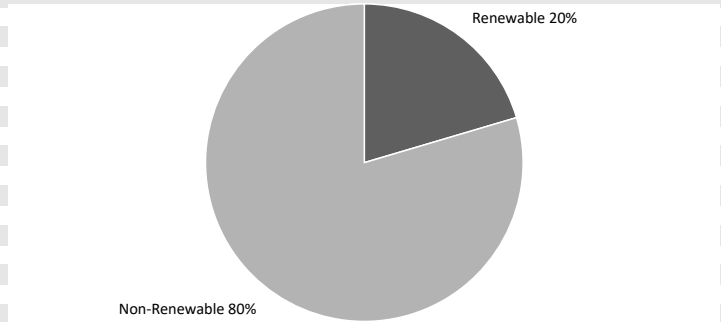
### FOSSIL FUELS & STRANDED ASSETS

Future emissions from fossil fuel reserves tend to exceed the allowed carbon budget supposed to limit global warming to 2°C above pre-industrial levels. Below the exposure to carbon-related assets as well as holdings in companies that have disclosed proven and probable fossil fuel reserves.

| Exposure to Fossil Fuels                      | Portfolio |
|-----------------------------------------------|-----------|
| % from Fossil Fuels                           | 2.46%     |
| Exposure to Coal Activities (powered by ECPI) | Portfolio |
| % from Metallurgical                          | 0.07%     |
| % from Mining                                 | 0.06%     |
| % from Thermal                                | 0.43%     |



| Power Generation in GWh | Portfolio         |               |
|-------------------------|-------------------|---------------|
| <b>Renewable</b>        | <b>29,814.44</b>  | <b>20.42%</b> |
| Biomass                 | 905.42            | 0.62%         |
| Geothermal              | 2,190.41          | 1.50%         |
| Hydroelectric           | 9,558.69          | 6.55%         |
| Solar                   | 3,863.96          | 2.65%         |
| Wave and Tidal          | 313.53            | 0.21%         |
| Wind                    | 12,982.42         | 8.89%         |
| <b>Non-Renewable</b>    | <b>116,170.27</b> | <b>79.58%</b> |
| Coal                    | 13,857.80         | 9.49%         |
| Landfill Gas            | 102.90            | 0.07%         |
| Liquid Natural Gas      | 25,457.87         | 17.44%        |
| Liquid Petroleum Gas    | 102.77            | 0.07%         |
| Natural Gas             | 25,161.81         | 17.24%        |
| Nuclear                 | 48,095.18         | 32.95%        |
| Petroleum Oil           | 1,372.71          | 0.94%         |
| Undefined Sources       | 2,019.22          | 1.38%         |



| Energy Consumption                       |          |                                      | Energy Cons Non-Renewable (GWh)         |                            |                            | Energy Cons Renewable (GWh) |       |        | Energy Prod Non-Renewable (GWh)   |  |  | Energy Prod Renewable (GWh)         |  |  |
|------------------------------------------|----------|--------------------------------------|-----------------------------------------|----------------------------|----------------------------|-----------------------------|-------|--------|-----------------------------------|--|--|-------------------------------------|--|--|
| Top 5 by Coal Consumption                | % Weight | from Coal (GWh)                      | Fossil Fuel Exposure                    | Coal Gasification Exposure | Coal Liquefaction Exposure |                             |       |        |                                   |  |  |                                     |  |  |
| HSBC Global Aggregate Bond Index S2Ct    | 13.97%   | 27,825                               | ✗                                       | ✓                          | ✓                          | 22,619                      | 3,300 | 9,820  | 2,112                             |  |  |                                     |  |  |
| HSBC American Index C Acc                | 7.13%    | 55,954                               | ✗                                       | ✓                          | ✓                          | 11,714                      | 3,201 | 3,300  | 777                               |  |  |                                     |  |  |
| HSBC Global Corporate Bond ETF S2CHG     | 5.00%    | 31,170                               | ✗                                       | ✓                          | ✓                          | 23,556                      | 2,987 | 7,785  | 1,852                             |  |  |                                     |  |  |
| Dimensional Global UltrShrt FI GBP Acc   | 3.99%    | 10,402                               | ✗                                       | ✓                          | ✓                          | 13,301                      | 2,053 | 2,429  | 952                               |  |  |                                     |  |  |
| Vanguard Global Credit Bond Institutiona | 3.50%    | 46,235                               | ✗                                       | ✓                          | ✓                          | 29,615                      | 2,037 | 10,090 | 1,049                             |  |  |                                     |  |  |
| Energy Consumption                       |          |                                      | Metallurgical Coal Mining Revenue (\$M) |                            |                            | Coal Mining Revenue (\$M)   |       |        | Thermal Coal Mining Revenue (\$M) |  |  | Undefined Coal Mining Revenue (\$M) |  |  |
| Top 5 by Coal Mining Revenue             | % Weight | % Coal Mining Revenue/ Total Revenue | Fossil Fuel Exposure                    | Coal Gasification Exposure | Coal Liquefaction Exposure |                             |       |        |                                   |  |  |                                     |  |  |
| HSBC Global Aggregate Bond Index S2Ct    | 13.97%   | 8                                    | ✗                                       | ✓                          | ✓                          | 2,556                       | 5,431 | 3,637  | 611                               |  |  |                                     |  |  |
| HSBC Global Corporate Bond ETF S2CHG     | 5.00%    | 6                                    | ✗                                       | ✓                          | ✓                          | 2,292                       | 2,570 | 1,081  | 994                               |  |  |                                     |  |  |
| Dimensional Global UltrShrt FI GBP Acc   | 3.99%    | 3                                    | ✗                                       | ✓                          | ✓                          | 1,913                       | 6,884 | 9,641  | -                                 |  |  |                                     |  |  |
| Vanguard Global Credit Bond Institutiona | 3.50%    | 4                                    | ✗                                       | ✓                          | ✓                          | 3,603                       | 9,671 | 7,042  | -                                 |  |  |                                     |  |  |
| Ngam S.A. - Loomis Sayles Global Oppc    | 3.49%    | 12                                   | ✗                                       | ✓                          | ✓                          | 2,128                       | 2,226 | 164    | -                                 |  |  |                                     |  |  |

### Definition of metrics

#### Power Generation

This reflects the share of renewable (solar, wind etc) vs non-renewable (coal, nuclear, petroleum etc) powered electricity generation compared to the total amount generated by the issuer and/or the assets invested in the portfolio.

#### Energy Consumption

This reflects the total amount of energy (e.g. electricity and heat) required for a given process and is measured typically in Gigawatt hour (GWh).

#### Fossil Fuel Exposure

These are assets involved in processes related to non-renewable energy sources (e.g. coal, natural gas etc) and non-renewable wastes. Fossil fuels can originate from plants, animals or industrial processes from other fuels (e.g. oil refinery).

#### Undefined Sources

Other or Undefined typically refers to power generation or consumption with unclear roots and/or belonging to other sectors with none specified techniques for extraction or production.

#### Coal Gasification Exposure

This refers to assets involved in processes in which coal is partially oxidised with air, oxygen, steam or carbon dioxide to form a fuel gas.

#### Coal Liquefaction Exposure

This refers to assets involved in processes aimed at converting coal into liquid hydrocarbons: liquid fuels and petrochemicals.



# Portfolio Assessment Summary Report (TCFD aligned)

powered by S&P Trucost and Confluence ECPI

|            |                                  |               |            |
|------------|----------------------------------|---------------|------------|
| Portfolio: | VT Tatton Blended Defensive Fund | As of:        | 31/12/2025 |
|            |                                  | Market Value: | 12,284,001 |

| GREEN TAXONOMY DISCLOSURES                                                                                                                                                                                                                             |  |  |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|
| Sustainable product classification and labelling system includes differentiation between products not promoted as sustainable and products promoted as responsible, which may have some sustainable investments. The sustainable products may be split |  |  |  |
| - Aligned => products with sustainable characteristics, themes or objectives; high allocation to Taxonomy-aligned sustainable activities                                                                                                               |  |  |  |
| - Transitioning => products with sustainable characteristics, themes or objectives; low allocation to Taxonomy-aligned sustainable activities                                                                                                          |  |  |  |

|           | % Total Not Eligible | % Total Eligible | % Enabling | % Transitional |
|-----------|----------------------|------------------|------------|----------------|
| Portfolio | 76.47%               | 22.14%           | 12.44%     | 9.70%          |

|           | % Agriculture | % Construction and Real Estate Activities | % Electricity, Gas, Steam and A/C Supply | % Forestry | % ICT | % Manufacturing | % Transportation and Storage | % Water, Sewerage, Waste and Remediation | % Multiple Sources |
|-----------|---------------|-------------------------------------------|------------------------------------------|------------|-------|-----------------|------------------------------|------------------------------------------|--------------------|
| Portfolio | 0.05%         | 2.77%                                     | 3.81%                                    | 0.01%      | 6.26% | 7.44%           | 1.02%                        | 0.15%                                    | 0.61%              |

| Top 5 by Weight                        |  | % Weight |       |       |       |       |        |        |       |       |
|----------------------------------------|--|----------|-------|-------|-------|-------|--------|--------|-------|-------|
| HSBC Global Government Bond ETFS2CH    |  | 17.26%   | 0.00% | 0.00% | 0.00% | 0.00% | 0.00%  | 0.00%  | 0.00% | 0.00% |
| HSBC Global Aggregate Bond Index S2CI  |  | 13.97%   | 0.00% | 3.69% | 9.13% | 0.00% | 6.78%  | 6.06%  | 1.54% | 0.26% |
| HSBC American Index C Acc              |  | 7.13%    | 0.00% | 1.73% | 1.93% | 0.05% | 14.03% | 10.11% | 0.97% | 0.23% |
| HSBC Global Corporate Bond ETF S2CHG   |  | 5.00%    | 0.03% | 3.94% | 8.10% | 0.01% | 7.43%  | 6.96%  | 1.36% | 0.34% |
| Dimensional Global UltrShrt FI GBP Acc |  | 3.99%    | 0.00% | 3.63% | 5.93% | 0.00% | 6.10%  | 11.30% | 0.69% | 0.00% |

| Definition of metrics                                                                                |                                                                                                                                                                                                                      |  |
|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>Eligible Vs. Non-Eligible</b>                                                                     | <b>Enabling Vs. Transitional</b>                                                                                                                                                                                     |  |
| Total percentage of revenues mapped (or not mapped, respectively) to EU taxonomy aligned activities. | Enabling activities indirectly mitigate the effects of climate change and improve the emissions intensity of other activities. Transitional activities directly mitigate or contribute to climate change mitigation. |  |



# Portfolio Assessment Summary Report (TCFD aligned)

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|            |                                  |               |            |
|------------|----------------------------------|---------------|------------|
| Portfolio: | VT Tatton Blended Defensive Fund | As of:        | 31/12/2025 |
|            |                                  | Market Value: | 12,284,001 |

## TOWARDS NET-ZERO

The international Paris Agreement on climate change mentions 3 long-term goals: the first two focus on climate mitigation and adaptation, while the third is "to make all financial flows consistent with a pathway towards low-emissions, climate-resilient development.". This recognizes the key role that financial institutions play in realizing the Paris Climate Agreement - including the need to achieve net-zero emissions by mid-century and reduce emissions 50% by 2030. An Implied Net Temperature can be also derived as the weighted average net temperature increase across different methodologies.

|           | 2°C Aligned<br>Intensity<br>Adjusted Profit<br>(tCO2e/\$M) | Alignment Gap<br>Well Below 2°C<br>(tCO2e) | Alignment Gap<br>2°C (tCO2e) | Alignment Gap<br>3°C (tCO2e) | Alignment Gap<br>4°C (tCO2e) | Alignment Gap<br>5°C (tCO2e) | Net Temperature<br>(Overall)<br>2-3°C | Net Temperature<br>(GEVA)<br>2-3°C | Net Temperature<br>(SDA)<br>N/A |
|-----------|------------------------------------------------------------|--------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---------------------------------------|------------------------------------|---------------------------------|
| Portfolio | 457.18                                                     | 10,755,167                                 | -5,552,847                   | -25,185,134                  | -20,348,039                  | -23,550,948                  |                                       |                                    |                                 |

| Top 5 by Weight                        | % Weight | Alignment Gap<br>Well Below 2°C<br>(tCO2e) | Alignment Gap<br>2°C (tCO2e) | Alignment Gap<br>3°C (tCO2e) | Alignment Gap<br>4°C (tCO2e) | Alignment Gap<br>5°C (tCO2e) | Type   | Methodology | Source of Forward Looking Data |
|----------------------------------------|----------|--------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------|-------------|--------------------------------|
| HSBC Global Government Bond ETFS2CH    | 17.26%   | N/A                                        | N/A                          | N/A                          | N/A                          | N/A                          | >5°C   | GEVA        | Company target                 |
| HSBC Global Aggregate Bond Index S2CI  | 13.97%   | 9,529,317                                  | -16,614,644                  | -40,804,822                  | -25,827,090                  | -29,158,636                  | <1.5°C | GEVA        | Company target                 |
| HSBC American Index C Acc              | 7.13%    | 19,836,195                                 | 2,406,718                    | -21,533,458                  | -22,473,157                  | -25,802,552                  | <1.5°C | GEVA        | Company target                 |
| HSBC Global Corporate Bond ETF S2CHG   | 5.00%    | 12,366,709                                 | -16,956,931                  | -42,453,668                  | -24,167,548                  | -27,154,961                  | <1.5°C | GEVA        | Company target                 |
| Dimensional Global UltrShrt FI GBP Acc | 3.99%    | -7,870,123                                 | -24,698,488                  | -40,388,442                  | -34,222,873                  | -37,544,672                  | <1.5°C | GEVA        | Company target                 |

| Definition of metrics                                                                                                                                                                                          |                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Type                                                                                                                                                                                                           | Alignment Gap                                                                                                                                                                                                               | Methodology and Source of Forward Looking Data                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| It summarizes the scenario alignment of a company based on assessing a variety of available scenario markers using either the SDA or GEVA models. Possible values include <2°C, 2-3°C, 3-4°C, 4-5°C, and >5°C. | It indicates the difference between a company's projected emissions pathway and the required pathway to reach n°C alignment, measured in tCO2e. Negative values indicate a company's transition pathway aligned to outcome. | They dictate whether the GHG Emissions per unit of Value Add approach (GEVA) or Sectoral Decarbonization Approach (SDA) has been used to assess scenario alignment, and the source of forward looking data used in the assessment.<br><br>- GEVA => the greenhouse Gas Emissions per unit of Value Added equates a carbon budget to total GDP and a company's share of emissions is determined by its gross profit<br><br>- SDA => the Sectoral Decarbonization Approach translates greenhouse gas emissions targets into benchmarks against which the performance of individual companies can be compared. |



# Portfolio Assessment Summary Report (TCFD aligned)

powered by S&P Trucost and Confluence ECPI

Portfolio: VT Tatton Blended Defensive Fund

As of: 31/12/2025  
Market Value: 12,284,001

## SCENARIO ANALYSIS

The assessment of physical risks is key as they also (or mostly) result from climate change. Companies are scored 1-100 for each of the key hazard risk types (coldwave, heatwave, hurricane, floods, wildfire, water stress etc). The assessment is made available across different climate change scenarios (low, medium, high) and future reference years (2030, 2050).

| Sensitivity    | Low    |        |        |
|----------------|--------|--------|--------|
|                | 2020   | 2030   | 2050   |
| Composite      | 87.81  | 87.81  | 87.81  |
| Coldwave       | 14.82  | 14.82  | 14.82  |
| Flood          | 14.53  | 14.53  | 14.53  |
| Heatwave       | 95.34  | 95.34  | 95.34  |
| Hurricane      | 12.08  | 12.08  | 12.08  |
| Sea Level Rise | 7.30   | 7.30   | 7.30   |
| Water Stress   | 131.18 | 131.18 | 131.18 |
| Wildfire       | 25.77  | 25.77  | 25.77  |

| Sensitivity    | Medium |        |        |
|----------------|--------|--------|--------|
|                | 2020   | 2030   | 2050   |
| Composite      | 104.28 | 104.28 | 104.28 |
| Colwave        | 10.42  | 10.42  | 10.42  |
| Flood          | 20.10  | 20.10  | 20.10  |
| Heatwave       | 130.85 | 130.85 | 130.85 |
| Hurricane      | 11.95  | 11.95  | 11.95  |
| Sea Level Rise | 8.45   | 8.45   | 8.45   |
| Water Stress   | 131.37 | 131.37 | 131.37 |
| Wildfire       | 28.11  | 28.11  | 28.11  |

| Sensitivity    | High   |        |        |
|----------------|--------|--------|--------|
|                | 2020   | 2030   | 2050   |
| Composite      | 73.18  | 73.18  | 73.18  |
| Colwave        | 59.33  | 59.33  | 59.33  |
| Flood          | 8.99   | 8.99   | 8.99   |
| Heatwave       | 71.75  | 71.75  | 71.75  |
| Hurricane      | N/A    | N/A    | N/A    |
| Sea Level Rise | 20.53  | 20.53  | 20.53  |
| Water Stress   | 166.12 | 166.12 | 166.12 |
| Wildfire       | 49.69  | 49.69  | 49.69  |

|                                           |  | Sensitivity Composite Score 2020 (High Scenario) | Sensitivity Composite Score 2030 (High Scenario) | Trend | Coldwave Score 2030 (High Scenario) | Flood Score 2030 (High Scenario) | Heatwave Score 2030 (High Scenario) | Sea Level Rise Score 2030 (High Scenario) | Water Stress Score 2030 (High Scenario) | Wildfire Score 2030 (High Scenario) |
|-------------------------------------------|--|--------------------------------------------------|--------------------------------------------------|-------|-------------------------------------|----------------------------------|-------------------------------------|-------------------------------------------|-----------------------------------------|-------------------------------------|
| Top 10 by Weight                          |  | % Weight                                         |                                                  |       |                                     |                                  |                                     |                                           |                                         |                                     |
| HSBC Global Aggregate Bond Index S2Ct     |  | 13.97%                                           | 65.85                                            | —     | 60.35                               | 9.14                             | 68.73                               | 19.12                                     | 155.19                                  | 48.77                               |
| HSBC American Index C Acc                 |  | 7.13%                                            | 75.70                                            | —     | 61.65                               | 8.13                             | 71.50                               | 17.37                                     | 189.09                                  | 63.93                               |
| HSBC Global Corporate Bond ETF S2CHG      |  | 5.00%                                            | 70.54                                            | —     | 60.76                               | 9.24                             | 70.62                               | 18.69                                     | 159.36                                  | 50.62                               |
| Dimensional Global UltrShrt FI GBP Acc    |  | 3.99%                                            | 54.83                                            | —     | 56.58                               | 9.59                             | 65.54                               | 22.03                                     | 147.76                                  | 41.46                               |
| Vanguard Global Credit Bond Institutional |  | 3.50%                                            | 73.09                                            | —     | 59.84                               | 9.43                             | 72.07                               | 19.25                                     | 157.17                                  | 54.52                               |
| Ngam S.A. - Loomis Sayles Global Oppc     |  | 3.49%                                            | 71.58                                            | —     | 61.19                               | 8.57                             | 65.05                               | 15.46                                     | 161.72                                  | 46.91                               |
| Blackrock Fund Managers Limite - Ishare   |  | 3.36%                                            | 76.40                                            | —     | 61.68                               | 9.63                             | 74.76                               | 24.42                                     | 177.42                                  | 44.25                               |
| Msim Fund Management (Ireland) - Ms Ir    |  | 3.00%                                            | 80.82                                            | —     | 53.82                               | 10.40                            | 86.63                               | 18.06                                     | 137.52                                  | 33.76                               |

| Definition of metrics                                                                                                                                                                                                    |                                                                                                                                                                                                    |                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| <b>Low Climate Change Scenario (RCP 2.6)</b><br>Aggressive mitigation actions to halve emissions by 2050. This scenario is likely to result in warming of less than 2°C by 2100.                                         | <b>Coldwave</b><br>Sensitivity to the occurrence of periods of extreme cold relative to local climatic conditions, measures based on the Excess Cold Factor.                                       | <b>Sea Level Rise</b><br>Sensitivity to coastal risk exposure within a river basin.                                                |
|                                                                                                                                                                                                                          | <b>Flood</b><br>Sensitivity to flood risk exposure within a riven basin.                                                                                                                           | <b>Water Stress</b><br>Sensitivity to projected future ratio of water withdrawals to total renewable water supply in a given area. |
|                                                                                                                                                                                                                          | <b>Heatwave</b><br>Sensitivity to the occurrence of periods of extreme heat relative to local climatic conditions, measures based on the Excess Heat Factor.                                       | <b>Wildfire</b><br>Sensitivity to risk of wildfire occurrence by location based modelled area of burnt vegetation.                 |
| <b>Medium Climate Change Scenario (RCP 4.5)</b><br>Strong mitigation actions to reduce emissions to half of current levels by 2080. This scenario is more likely than not to result in warming in excess of 2°C by 2100. | <b>Hurricane</b><br>Sensitivity representing the historical incidence and severity or strength of hurricane, typhoon or cyclone activity at a given location, weighted in favour of recent events. |                                                                                                                                    |
| <b>High Climate Change Scenario (RCP 8.5)</b><br>Continuation of business as usual with emissions at current rates. This scenario is expected to result in warming in excess of 4°C by 2100.                             |                                                                                                                                                                                                    |                                                                                                                                    |



# Climate VaR and Stress Testing

powered by S&P Trucost and Confluence Risk Engine

Portfolio: VT Tatton Blended Defensive Fund

31/12/2025

## Physical Risks Monitoring

The assessment of physical risks is key as they also (or mostly) result from climate change. Companies are scored 1-100 for each of the key hazard risk types (coldwave, heatwave, floods, wildfire, water stress etc).

The assessment is made available across different climate change scenarios (low, medium, high) and future reference years (2030, 2050).

Generally speaking, a score up to 30 indicates a low physical risk, 30-70 shows a moderate risk exposure, whereas a 70+ score reflects a high exposure to the correspondent physical risk hazard. This applies to both the composite score and the sensitivity weight-adjusted scores and for the underlying individual hazard-level scores.

|                         | Low          |              | Medium        |               | High         |              |
|-------------------------|--------------|--------------|---------------|---------------|--------------|--------------|
| Sensitivity Score       | 2030         | 2050         | 2030          | 2050          | 2030         | 2050         |
| <b>Composite</b>        | <b>87.81</b> | <b>87.81</b> | <b>104.28</b> | <b>104.28</b> | <b>73.18</b> | <b>73.18</b> |
| <b>Coldwave</b>         | 14.82        | 14.82        | 10.42         | 10.42         | 59.33        | 59.33        |
| <b>Flood</b>            | 14.53        | 14.53        | 20.10         | 20.10         | 8.99         | 8.99         |
| <b>Heatwave</b>         | 95.34        | 95.34        | 130.85        | 130.85        | 71.75        | 71.75        |
| <b>Sea Level Rise</b>   | 7.30         | 7.30         | 8.45          | 8.45          | 20.53        | 20.53        |
| <b>Water Stress</b>     | 131.18       | 131.18       | 131.37        | 131.37        | 166.12       | 166.12       |
| <b>Wildfire</b>         | 25.77        | 25.77        | 28.11         | 28.11         | 49.69        | 49.69        |
| Sensitivity Score       | 2030         | 2050         | 2030          | 2050          | 2030         | 2050         |
| <b>Best Scenario</b>    | 7.30         | 7.30         | 8.45          | 8.45          | 8.99         | 8.99         |
| <b>Average Scenario</b> | 48.16        | 48.16        | 54.88         | 54.88         | 62.74        | 62.74        |
| <b>Worst Scenario</b>   | 131.18       | 131.18       | 131.37        | 131.37        | 166.12       | 166.12       |

### Definition of metrics

#### Low Climate Change Scenario (RCP 2.6)

Aggressive mitigation actions to halve emissions by 2050. This scenario is likely to result in warming of less than 2°C by 2100.

#### Medium Climate Change Scenario (RCP 4.5)

Strong mitigation actions to reduce emissions to half of current levels by 2080. This scenario is more likely than not to result in warming in excess of 2°C by 2100.

#### High Climate Change Scenario (RCP 8.5)

Continuation of business as usual with emissions at current rates. This scenario is expected to result in warming in excess of 4°C by 2100.

#### Coldwave

Sensitivity to the occurrence of periods of extreme cold relative to local climatic conditions, measures based on the Excess Cold Factor.

#### Flood

Sensitivity to flood risk exposure within a river basin.

#### Heatwave

Sensitivity to the occurrence of periods of extreme heat relative to local climatic conditions, measures based on the Excess Heat Factor.

#### Sea Level Rise

Sensitivity to coastal risk exposure within a river basin.

#### Water Stress

Sensitivity to projected future ratio of water withdrawals to total renewable water supply in a given area.

#### Wildfire

Sensitivity to risk of wildfire occurrence by location based modelled area of burnt vegetation.

## Transition Risks Monitoring

The assessment of transition risks is strongly connected to carbon earnings at risk. Likewise for physical risks, this is made available across different carbon price change scenarios (low, medium, high) and future reference years (2030, 2050).

Generally speaking, 10% carbon earning risk (either EBIT or EBITDA based) may be considered the significant threshold above which clients may decide how much incremental exposure they would like to take in terms of transition risks.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Low                                                                                                                              |        | Medium                                                                                                                |        | High   |        |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|--------|-----------------------------------------------------------------------------------------------------------------------|--------|--------|--------|--|
| Earnings at Risk                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2030                                                                                                                             | 2050   | 2030                                                                                                                  | 2050   | 2030   | 2050   |  |
| Reduction of EBIT Margin                                                                                                                                                                                                                                                                                                                                                                                                                            | -7.30                                                                                                                            | -7.30  | -12.39                                                                                                                | -12.39 | -16.01 | -16.01 |  |
| Reduction of EBITDA Margin                                                                                                                                                                                                                                                                                                                                                                                                                          | -7.30                                                                                                                            | -7.30  | -12.39                                                                                                                | -12.39 | -16.01 | -16.01 |  |
| Unpriced Carbon Cost adj. EBIT                                                                                                                                                                                                                                                                                                                                                                                                                      | 88.03                                                                                                                            | 88.03  | 82.95                                                                                                                 | 82.95  | 79.31  | 79.31  |  |
| Unpriced Carbon Cost adj. EBITDA                                                                                                                                                                                                                                                                                                                                                                                                                    | 119.87                                                                                                                           | 119.87 | 114.77                                                                                                                | 114.77 | 111.14 | 111.14 |  |
| Unpriced Carbon Cost % EBIT                                                                                                                                                                                                                                                                                                                                                                                                                         | 199.03                                                                                                                           | 199.03 | 343.70                                                                                                                | 343.70 | 436.57 | 436.57 |  |
| Unpriced Carbon Cost % EBITDA                                                                                                                                                                                                                                                                                                                                                                                                                       | 40.67                                                                                                                            | 40.67  | 67.99                                                                                                                 | 67.99  | 84.24  | 84.24  |  |
| Definition of metrics                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                  |        |                                                                                                                       |        |        |        |  |
| Reduction of EBIT/EBITDA margins                                                                                                                                                                                                                                                                                                                                                                                                                    | Unpriced carbon cost adjusted EBIT/EBITDA margin                                                                                 |        | Unpriced carbon cost as % of EBIT/EBITDA                                                                              |        |        |        |  |
| It reflects the implied change in earnings margins due to unpriced carbon cost under the specified carbon price scenario.                                                                                                                                                                                                                                                                                                                           | It reflects the earnings margin adjusted by unpriced carbon cost under the correspondent carbon price scenario and time horizon. |        | It reflects the unpriced carbon cost as % of earnings under the correspondent carbon price scenario and time horizon. |        |        |        |  |
| It is expressed in % point changes to the company's original EBIT or EBITDA margin and it represents the implementation of policies that are considered sufficient to reduce greenhouse gas emissions in line with the Paris Agreement, whose goal is limiting climate change to 2°C by 2100 (high scenario), or sooner than 2100 but with action delayed in the short term (medium scenario), or rather fully implemented in the short term (low). |                                                                                                                                  |        |                                                                                                                       |        |        |        |  |

## Climate Adjusted Market Risk Monitoring

The Climate Adjusted Market Risk provides forecasts of the potential climate-stressed market risk valuation. The assessment takes into consideration the market risk as well as the forward looking downsides associated to physical and transition risks.

Confluence have decided to approach Climate Adjusted VaR = Market Risk +  $\beta$  \* Physical Risk + Transition Risk.

|                                                         | 1 Day | 1 Week | 1 Month | 3 Months | 1 Year | Climate VaR<br>Projection<br>1 Year | Climate VaR<br>Projection<br>1 Month |
|---------------------------------------------------------|-------|--------|---------|----------|--------|-------------------------------------|--------------------------------------|
| <b>Market Risk Only</b>                                 | 0.70  | 1.57   | 3.14    | 5.44     | 11.10  | 11.10                               | 3.14                                 |
| <b>+ Low Physical Risk</b>                              | 1.48  | 3.31   | 6.61    | 11.45    | 23.47  | 13.51                               | 3.82                                 |
| <b>+ Medium Physical Risk</b>                           | 1.76  | 3.93   | 7.85    | 13.60    | 27.87  | 13.96                               | 3.95                                 |
| <b>+ High Physical Risk</b>                             | 1.23  | 2.76   | 5.51    | 9.54     | 19.56  | 13.11                               | 3.71                                 |
| <b>+ Best Scenario</b>                                  | 0.14  | 0.31   | 0.62    | 1.08     | 2.20   | 11.32                               | 3.21                                 |
| <b>+ Average Scenario</b>                               | 0.93  | 2.08   | 4.16    | 7.21     | 14.77  | 12.62                               | 3.57                                 |
| <b>+ Worst Scenario</b>                                 | 2.41  | 5.38   | 10.76   | 18.63    | 38.19  | 15.02                               | 4.25                                 |
| <b>+ Transition Risk (based on EBIT)</b>                | -0.20 | -0.45  | -0.90   | -1.55    | -3.18  | 14.28                               | 4.04                                 |
| <b>+ Transition Risk (based on EBITDA)</b>              | -0.20 | -0.45  | -0.90   | -1.55    | -3.18  | 14.28                               | 4.04                                 |
| <b>+ EIOPA Climate Stress Test 2022</b>                 | -0.89 | -2.00  | -4.00   | -6.92    | -14.19 | 12.56                               | 3.55                                 |
| <b>TOTAL Climate Adjusted Market Risk (A+coeff*B+C)</b> |       | ---    | ---     | ---      | ---    | <b>18.20</b>                        | <b>5.15</b>                          |

### Definition of metrics

#### Market Risk (A)

It represent the Value at Risk typically computed for Risk or Compliance purposes and usually regulated under the Ucits/AIFMD/SEC frameworks, thus based on historical simulation with full repricing.

#### $\beta$ (coeff)

This s the average change (rebased according to the stress test in use) generated when shocking the portfolio to a % variation of an index reflecting specific ESG best-in-class strategy. See next section.

e.g. if the stress test shocks the ESG strategy by 10% and the portfolio reacts with 10%, then  $\beta=1$  as the portfolio reflects a perfect correlation to the shocked ESG index.

By shocking various ESG strategies and averaging the  $\beta$  results, this would allow users to estimate the potential (de)correlation of the portfolio to any ESG strategy and thus recalibrate the impact of the physical risks accordingly.

#### Physical Risk (B)

Physical risks are risks to the company that arise from the physical effects of climate change. They include:

- Acute physical risks => they arise from particular events (especially weather-related such as storms, floods, fires or heatwaves) that may damage production facilities and disrupt value chains;
- Chronic Physical risks => they arise from longer-term changes in the climate, such as temperature changes, rising sea levels, reduced water availability, biodiversity loss and changes in land or soil productivity.

By default considers the most conservative approach and makes use of the average of the worst risks across all the 3 scenarios (low – medium – high) and reference year. Stats different from the worst may also be considered.

#### Transition Risk (C)

Transition risks are instead risks to the company that arise from the transition to a low carbon and climate-resilient economy. They include:

- Policy risks => as a result of energy efficiency requirements, carbon-pricing mechanisms (which increase fossil fuels price), or policies to encourage sustainable land use;
  - Legal risks => the risk of litigation for failing to avoid or minimise adverse impacts on the climate, or failing to adapt to climate change;
  - Technology risks => e.g. if a technology with a less damaging impact on the climate replaces a technology that is more damaging to the climate;
  - Market risks => e.g. if the choices of consumers and business customers shift towards products and services that are less damaging to the climate;
  - Reputational risks => difficulty in attracting or retaining customers, employees, business partners and investors if a company has reputation for damaging the climate.
- By default considers the average of Reduction of EBITDA Margin across all the 3 scenarios (low – medium – high).

## Hybrid Approach - Custom Modelling

The Hybrid Approach allows to additionally take in consideration also the ex-ante (de)correlation of the portfolio investments against a number of specific indices built based on ESG environmental and/or climate driven strategies.

|                                                    | Stress Test Value<br>Change % | Shock % | Ex-Ante Beta | Coeff         | Min Coeff | Max Coeff |
|----------------------------------------------------|-------------------------------|---------|--------------|---------------|-----------|-----------|
| ECPI Global Clean Energy -10%                      | -0.66                         | -10     | 0.0655       | <b>0.1028</b> | 0.0651    | 0.1523    |
| ECPI Global Climate Change -10%                    | -1.16                         | -10     | 0.1157       |               |           |           |
| ECPI Global ESG Blue Economy -10%                  | -1.13                         | -10     | 0.1132       |               |           |           |
| ECPI Circular Economy Leaders -10%                 | -0.91                         | -10     | 0.0913       |               |           |           |
| ECPI Global Blue Gold GD Equity -10%               | -1.52                         | -10     | 0.1523       |               |           |           |
| ECPI Global Carbon Liquid -10%                     | -1.43                         | -10     | 0.1431       |               |           |           |
| ECPI Global Eco Real Estate & Building Liquid -10% | -0.95                         | -10     | 0.0950       |               |           |           |
| ECPI Global ESG Hydrogen Economy -10%              | -0.65                         | -10     | 0.0651       |               |           |           |
| ECPI Global Renewable Energy Liquid -10%           | -1.09                         | -10     | 0.1086       |               |           |           |
| ECPI China Consumption Tradable Equity -10%        | -0.78                         | -10     | 0.0777       |               |           |           |