

Supplementary information to the TCFD report

ESG 2.3.11R	MI Chelverton UK Equity Growth Fund
(1) Where a TCFD product report relates to a TCFD product that has concentrated exposures or high exposures to carbon intensive sectors, the firm must describe these and disclose:	
(a) a qualitative summary of how climate change is likely to impact the assets underlying the relevant TCFD product under 'orderly transition', 'disorderly transition' and 'hothouse world' scenarios;	<u>Orderly Transition (1.5C NGFS Orderly)- Qualitative Summary</u> Under an orderly transition scenario, exposure is shaped primarily by policy-driven transition risks in Europe, where climate policies are introduced early and progressively. Companies in this region face increasing carbon prices, tightening regulatory frameworks and evolving investor expectations, which place pressure on higher-emitting sectors and firms without credible decarbonisation strategies. For MI Chelverton UK Equity Growth Fund, the main focus in this scenario is on managing exposure to sectors that are vulnerable to these rising costs and capital allocation shifts, while engaging with issuers to assess and encourage transition plans. Physical risks are relatively limited, so the emphasis remains on aligning with transition policies and responding to capital market dynamics. <u>Disorderly scenario (2C NGFS disorderly) - Qualitative Summary</u> Under a disorderly transition, the fund is likely to experience abrupt and concentrated transition shocks. Key transmission channels include reduced access to capital, as insurers, lenders and investors adjust financing conditions, and shifts in market dynamics as consumer and investor behaviour responds to late but strict policy measures. In this scenario, the focus is on stress-testing the portfolio against sudden carbon price increases and policy shocks, monitoring the financial resilience of companies in carbon-intensive sectors, and actively identifying holdings that are well placed to benefit from rapid growth in climate solutions and adaptation technologies. Physical risks, such as flooding and extreme weather, remain relevant but are secondary to the transition-related repricing. This pathway requires close monitoring of regulatory developments and portfolio management to respond to sudden transition shocks. <u>Hot House World scenario (3C NGFS NDC) - Qualitative Summary</u> Under a hot house world scenario, physical climate risks dominate the MI Chelverton UK Equity Growth Fund's risk exposure, especially in Europe,



	where the portfolio faces increasing medium- and long-term impacts from flooding, extreme weather events and water scarcity. Transition risks are limited, reflecting weaker policy action, but this leads to a more severe build-up of chronic and acute physical hazards that drive operational disruptions, rising insurance costs and increased supply chain vulnerability. Unlike transition scenarios, opportunities from low-carbon technologies are more limited, as weaker policy signals reduce incentives for widespread technological deployment. This pathway requires a strong emphasis on long-term physical risk assessment and resilience planning across the portfolio.
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(b) a discussion of the most significant drivers of impact on that TCFD product; and	Please see 1(a).
(c) a quantitative analysis of 'orderly transition', 'disorderly transition' and 'hothouse world' scenarios.	
(2) Where a firm manages TCFD products that do not have concentrated exposures or high exposures to carbon intensive sectors, a firm must still make the disclosures under (1)(a) and 1(b).	
(3) For the purposes of (1)(a) and 1(c):	
(a) 'orderly transition' scenarios assume climate policies are introduced early and become gradually more stringent, reaching global net zero CO2 emissions around 2050 and likely limiting global warming to below 2 degrees Celsius on pre-industrial averages;	
(b) 'disorderly transition' scenarios assume climate policies are delayed or divergent, requiring sharper emissions reductions achieved at a higher cost and with increased physical risks in order to limit temperature rise to below 2 degrees Celsius on pre-industrial averages; and	
(c) 'hothouse world' scenarios assume only currently implemented policies are preserved, current commitments are not met and emissions continue to rise, with high physical risks and severe social and economic disruption and failure to limit temperature rise.	

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