PruFund Cautious

Low to Medium Risk

VERY LOW 1 2 3 4 5 6 7 VERY HIGH

SFDR Classification: Article 8 Fund

Bank of Ireland Life

You are about to invest in a fund that is not simple and may be difficult to understand. Please discuss your investment with your Advisor and ensure that you are happy that you fully understand this investment before you proceed. Before you invest in PruFunds you will need to complete a PruFunds Declaration Form. This form is available from your Advisor.

Fund Facts

Aim	Bank of Ireland Life's **PruFund Cautious** invests in the M&G (Lux) Future+ Cautious (Euro) Fund S2* (Feeder Fund). This Feeder Fund aims for steady and consistent growth over the medium to long-term (5-7 years) through a cautious approach to investing. By using a *smoothing process*, the Feeder Fund tries to avoid peaks and troughs in investment performance. The *smoothing process* helps achieve more stable returns than investing directly in stock markets. The fund also incorporates environmental, social and governance (ESG) characteristics.
Investment Style	The Feeder Fund is an actively managed fund with some exposure to passively managed investments.
Multi-Asset Investment Approach**	**PruFund Cautious** has exposure to a range of assets including: • Equities; • Property; • Bonds; • Alternative investments (which can include private equity, hedge funds and infrastructure); • Cash.
Sustainable Finance Disclosure Regulation Classification	**PruFund Cautious** is classified as an Article 8 Fund. Article 8 Funds are funds which promote environmental or social characteristics (although not exclusively) and which invest in companies that follow good governance practices ("Light Green or Article 8 funds"). Please read the separately available document 'How M&G Investments assesses the environmental, social and governance ("ESG") profile of issuers'. This is available **here** or from your Advisor.
Investment Manager of the Underlying Fund	M&G Investments — M&G Investment Management Limited (part of M&G plc)***.
Environmental Social & Governance (ESG) Approach	As **PruFund Cautious** is an Article 8 Fund, environmental, social and governance (ESG) factors are integrated into investment decisions. M&G Investments believe adopting this approach can help better manage risks and generate sustainable, long-term returns for customers. ESG considerations have been embedded in many of the investment processes of the investment manager for a number of years. To find out more about how ESG is incorporated into **PruFund Cautious**, see the **PruFunds** brochure.
Signatory to UN Principles of Responsible Investing Since†	11 January 2013 — PRI Principles for Responsible Investment

*Each Feeder Fund mentioned is a sub-fund of a Luxembourg umbrella fund which is managed by M&G Investment Management Limited and invests 100% into a Capital Redemption Policy (CRP) issued by Prudential International Assurance plc (PIA). This is the mechanism by which PIA can provide the Feeder Funds with a smoothed return which is, in turn, ultimately provided by The Prudential Assurance Company (PAC). PAC provides this return through investment in its With-Profits Fund. In order to gain exposure to well diversified pool of underlying investments, PAC invests into underlying investment funds which are managed by M&G Investment Management Limited.

** The investment manager may use the equities or bonds in this fund for the purpose of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within the fund it provides an opportunity to increase the investment return.

***M&G Investments is a trading name of M&G Investment Management Limited.

† In 2005, the United Nations established a body that developed the Principles for Responsible Investing ("PRI"). It provides an independent assessment of, and rating of fund managers against Environmental Social and Governance benchmarks.

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PruFund Cautious

Smoothing Process	A built-in *smoothing process* is used within **PruFund Cautious** to reduce the impact of short-term highs and lows that are often experienced when you invest in stock markets. The *smoothing process* helps achieve more stable returns than investing directly in stock markets. The *smoothing process* uses **Expected Growth Rates** and where required, **Unit Price Adjustments** and **Unit Price Resets** to deliver a smoothed investment journey. **Click here** for more detail in this flyer.
Expected Growth Rates (EGR)	As part of the *smoothing process*, Prudential Assurance Company (PAC) sets the Expected Growth Rate (EGR). The EGR is an annualised rate of return which reflects PAC's view of how they expect the assets that the Feeder Fund is exposed to will perform (gross of tax and charges) over the long-term (up to 15 years). The likelihood of receiving returns in line with these expectations will be greater, the longer customers remain invested. **Click here** for more detail. **PruFund Cautious** has its own EGR and investments will normally grow daily in line with this annualised EGR. Charges are deducted separately in line with policy conditions. EGRs are reviewed every three months, and may be higher, the same, or lower than they were at the start of your investment. Up to date EGRs are available on the **PruFund Cautious** factsheet on **Fund Centre**.
Unit Price Adjustments (UPAs) & Unit Price Resets (UPRs)	Although PAC use a long-term view of performance to set EGRs, they also take into account shorter-term performance. On a daily and monthly basis, if the shorter-term performance differs too much from the current EGR, they will automatically adjust the value of the Feeder Fund up or down to ensure it is not returning too much or too little. These are called **Unit Price Adjustments (UPAs)**. On certain days and if certain rules apply, PAC will also reset the smoothed price to ensure a fair return for investors. This is known as a **Unit Price Reset (UPR)**. After a UPA or UPR, the adjusted smoothed price will move in line with the EGR again. Price adjustments and resets can be upwards or downwards. **Click here** for further information about this in this flyer.
PruFunds Holding Account	When you invest, your funds go into an equivalent **PruFunds Holding Account**. They remain there until the next investment date. **Click here** for more detail on the **PruFunds Holding Account** and important information about cut-off dates in this flyer (**click here**).
Switches	• It is important to understand that you need to give **28 days' notice** before **switching out** of **PruFund Cautious**. The unit price you will receive will be as of the date the switch actually takes place. • You can only request one switch either in or out per quarter. This means that if you want to switch into or out of both **PruFunds**, both funds need to be included in the one switch request. **Quarter end dates are 25 February, 25 May, 25 August and 25 November**. A switch request received in one quarter but, due to the 28 day notice period, taking place in the next quarter will count towards the next quarter. • Bank of Ireland Life may refuse or delay a switch where it reasonably considers the switch is intended to avoid smoothing adjustments while still benefitting from the EGR. • Switches and/or withdrawals can be delayed or suspended by Bank of Ireland Life in exceptional circumstances e.g. where there are restrictions on selling underlying investments. **Click here** for more information available in this flyer. • **Any request to switch funds on a policy invested in either of the PruFunds must be completed on the specific PruFunds Switch Out Form. This is available from your Advisor.**

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PruFund Cautious

Maximum Investment Amount

The maximum amount any one investor can invest in **PruFunds** is €5,000,000.

Key Fund Risks

Some of the key risks of investing that investors should be aware of include:

- **Market risk** (value can fluctuate with market movements.)
- **Counterparty risk** (parties to a contract cannot meet their obligations, for example PAC can no longer provide smoothed returns or if Prudential International Assurance plc (PIA) defaults on its obligations under the Capital Redemption Policy (CRP). If PIA or PAC are unable to meet their obligations, the underlying assets of the CRP will be sold and proceeds paid to the Feeder Fund. Any return to investors will be based on these proceeds and it is important to understand that Bank of Ireland Life would not use its own funds to make up any EGR shortfall. Please see the **PruFunds** brochure for more information about this.)
- **Liquidity risk** (the degree to which an investment can be quickly bought or sold on a market can affect its price.)
- **Currency risk** (value can fluctuate because of changes in the currency exchange rates.)
- **Fund withdrawal risk** (the risk that a Unit Price Reset takes place to protect investors if there are large outflows from the fund.)
- **Risk that the Feeder Fund closes to entry** (in extreme conditions, such as in a scenario where financial markets are closed or market valuations are not possible, there is a risk that the Feeder Fund may be closed on the date your investment is due to be swept from the **Holding Account**. In this situation, your investment will remain in the **PruFunds Holding Account** until such time as it can be swept into **PruFund Cautious**. During this additional time in the **Holding Account**, your investment would not increase in line with the EGR. However, it will also not be subject to UPAs or UPRs.)

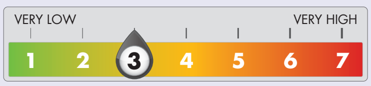
For more information, please see our “Investing & Risk” document available from your Advisor.

Recommended Investment Time Frame

There is no minimum investment period. However, Bank of Ireland Life recommends a minimum investment period of at least 5-7 years.

Risk Rating

Low to medium risk.



The above risk category has been determined by Bank of Ireland Life. Separately European Union (EU) law requires that a risk indicator be applied to the fund if certain products are held (excludes pensions), and it may differ from the Bank of Ireland Life risk category. The EU indicator is stated in the Fund Information Sheet and can be found on our website at https://fundcentre.bankofireland.com/#kids. Please see the Smart Funds brochure for further details.

Charges

For **PruFund Cautious** an additional fund management charge of 0.25% per annum applies to the standard charge. Please note: charges quoted are subject to change.

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PruFund Cautious

Key Features

Multi-asset investment approach

Bank of Ireland Life's **PruFund Cautious** invests in the Feeder Fund which aims for steady and consistent growth over the medium to long-term through a cautious approach to investing. The fund aims to smooth the peaks and troughs of investment performance over the investment term.

- **Asset mix** – **PruFund Cautious** is a multi-asset fund which means you get access to a wide range of assets, across different asset types and countries. The main asset classes are:
  - Equities;
  - Property;
  - Bonds;
  - Alternative investments (which can include private equity, hedge funds and infrastructure) and;
  - Cash.

  The wide range of asset classes allows you to spread the risk of your investment (diversification). This diversification aims to balance the performance of the different assets, so "your eggs aren't all in one basket". In essence this aims to offset poor performance in one asset type with good performance in another.
- **Blended approach** – The exposure to some assets may be achieved through passive investments. These track the performance of an underlying index or fund rather than the investment manager actively selecting assets.

PruFund Cautious - Sample Asset Split

SFDR Classification: Article 8 Fund

Below is an indication of exposures Bank of Ireland Life's **PruFund Cautious** can have to different asset classes:

Asset class	% Range
Equities	20%-35%
Property	0%-15%
Tactical Asset Allocation	0%-10%
Cash	0%-5%
Bonds	45%-70%
Alternatives	0%-10%

Please visit **Fund Centre** for the latest asset split information.

Source: M&G plc. This is for illustrative purposes only and ranges will change over time. Small differences may arise between the asset split of the Feeder Fund and the Bank of Ireland Life fund due to small cash balances being held by Bank of Ireland Life reflecting the timing of cashflows into and out of the fund.

PruFund Cautious - Low to Medium Risk

Low to medium risk funds have the following characteristics:

- They offer the potential for returns in excess of deposits but do not promise a minimum return at any time.
- They tend to invest in a range of assets, normally focusing on lower risk assets such as government bonds and investment grade corporate bonds.
- However, they also typically invest in higher risk assets such as equities, property and alternatives (e.g. commodities). At times these investments may be a significant proportion of the fund.
- Investors' capital is less exposed to market fluctuations than higher risk investments but investors may get back less than they originally invested.

For the most up to date performance information on PruFund Cautious visit our Fund Centre

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PruFund Cautious

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The Smoothing Process

PruFund Cautious benefits from an in-built *smoothing process*. This process aims to provide some protection from the impact of short-term ups and downs often associated with investment markets. It aims to deliver a smoother investment journey for investors.

The *smoothing process* involves an **Expected Growth Rate (EGR)** being set for **PruFund Cautious**. The **Expected Growth Rate (EGR)** is an annualised rate of return that reflects PAC's view of how they expect the assets that the Feeder Fund is exposed to will perform over the long-term (up to 15 years).

PruFund Cautious has its own annualised EGR and it is expected that your investment in this fund will normally change on a daily basis in line with this annualised EGR. Charges are deducted separately in line with policy conditions.

How PruFund Cautious is expected to perform

Figure 1: EGR

Fund name	EGR (before fees & charges are deducted)
M&G (Lux) Future+ Cautious (Euro) Fund S2	5.70%

Source: PAC, February 2024.

Warning: Past performance is not a reliable guide to future performance.

Latest EGRs are available on the PruFund Cautious factsheets on Fund Centre

Although PAC take a long-term view, they review the EGR every three months to allow for any changes, which may mean a change in EGR (before fees and charges) on a quarterly basis, up, down or remain the same. The quarterly dates for these reviews are:

Figure 2: EGR quarterly review dates

25 February

25 May

25 August

25 November

or the next working day if this is a weekend or UK Public Holiday.

The smoothing process means that you may not benefit fully from any performance increases and equally you may not suffer the full extent of performance losses of the underlying assets.

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Other fund features that assist the smoothing process include: Unit Price Adjustments (UPAs) and Unit Price Resets (UPRs)

Unit Price Adjustments (UPAs)

- The value of an investment is based on the smoothed unit price in the Feeder Fund. This is the unit price, which grows daily by the annualised EGR. Charges are deducted separately in line with policy conditions.
- PAC compare the smoothed unit price against the unsmoothed unit price (which reflects the value of the underlying assets that the Feeder Fund is exposed to). If these move too far away from one another PAC need to adjust the smoothed unit price to narrow the gap. This could be a price increase or a price decrease.
- PAC use threshold tests to check the smoothed unit price against the unsmoothed unit price on a daily basis and on a monthly basis.

Unit Price Resets (UPRs)

- PAC may reset the smoothed price of a Feeder Fund on a particular day to ensure a fair return for all investors.
- This means the smoothed unit price of the affected fund would be adjusted to be the same value as the unsmoothed unit price on that working day.
- There are two types of UPR, a **Monthly UPR** and a **Fund Withdrawals UPR**.

Monthly UPR: The unit price may be reset, i.e. the smoothed price is set to equal the unsmoothed price, when a number of specified conditions are met after the UPA daily and monthly tests have been conducted. Rules for these are pre-determined and no discretion applies.
Fund Withdrawal UPR: The unit price will be reset to the unsmoothed price whenever withdrawals (based on value) occur at or above set weekly, monthly, quarterly and annual levels. The purpose of this is to protect the Feeder Funds against excessive losses in the event of large outflows when the smoothed price is above the unsmoothed price.

- A reset will only happen if the relevant rules for each UPR apply (there is no discretion). These rules are set by PAC and are monitored closely.
- The adjusted smoothed unit price will then continue to grow in line with the EGR from the working day after this reset of the smoothed unit price.

For more information on the smoothing process, please see our detailed Smoothing Process Guide flyer or talk to your Advisor.

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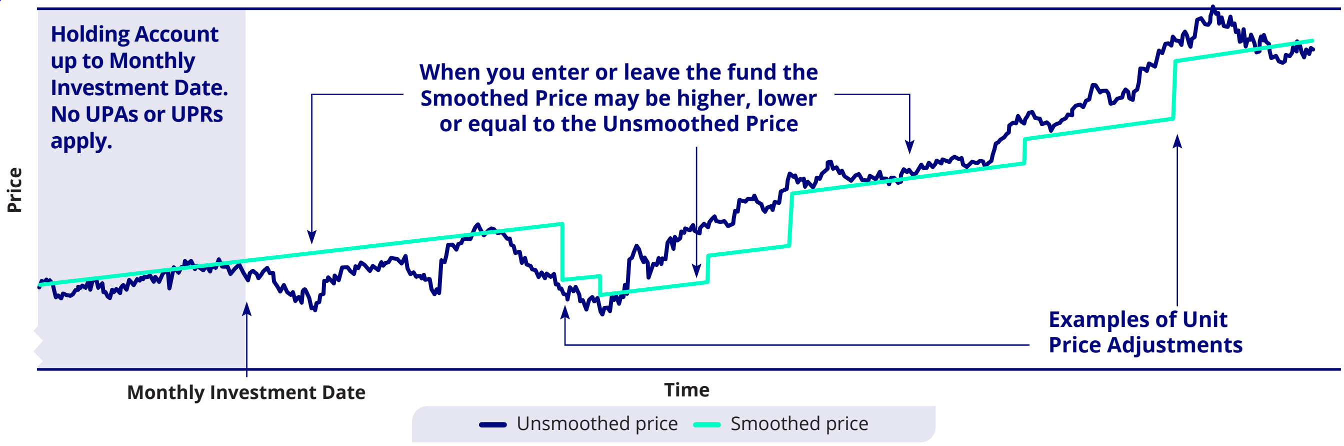
PruFund Cautious

Figure 3: An illustration of how the overall *smoothing process* works over the long-term

The following chart is for illustrative purposes only – it's not representative of any particular time period or investment performance. Its sole aim is to explain how smoothing works including the UPAs.



Please note the time illustration above is to demonstrate the different parts of the smoothing process working together. The chart is not intended to provide an indication of how markets and the funds may perform in the future.

Warning: These figures are estimates only. They are not a reliable guide to the future performance of your investment.

What happens when you invest in PruFund Cautious?

Figure 4: How your money gets invested

Step 1

You decide to invest into **PruFund Cautious.**

Step 2

Your money is invested by Bank of Ireland Life into the equivalent **PruFunds Holding Account** where it will remain until the next monthly dealing date++.

Step 3

Cut Off Date

5 working days before the 25th of each month is the cut off date for money to get automatically swept into **PruFund Cautious** on the 25th of the month.

Step 4

25th

25th of the month money gets invested into **PruFund Cautious++.**

++The cut off date in each month will be close of business 5 working days prior to the sweep date. For further detail on the exact cut off dates and sweep dates for future months, please **click here**.

When you invest, your funds go into a **PruFunds Holding Account**. They remain there until the next investment date. The flow of money begins close of business 5 working days before the 25th of each month++. To enable this transfer, there is an investment cut-off in order for a transaction to be included in that month's sweep. Please **click here** for the exact cut off dates. This will automatically take place on the 25th of the month as previously explained.

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PruFund Cautious

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What happens when you invest in PruFund Cautious? (cont'd)

- While invested in the **PruFunds Holding Account** your investment will still be working for you - the fund will aim to change daily in line with the annualised EGR applicable to **PruFund Cautious**.
- It is important to understand that the return may be lower than the EGR, as a result of the time delay between when your investment is received by Bank of Ireland Life and when it is invested in the Feeder Fund. All efforts will be taken to minimise this time.
- Please be assured that during this time, the investment will not be subject to any UPAs or UPRs as described.
- Product charges will apply from the time of your initial investment. Once you invest your money within **PruFund Cautious** your money will sit in the **PruFunds Holding Account** until the next available monthly investment date.

Access to your money

You can choose to invest in **PruFund Cautious** at any time. However, it is important to be aware of the following when it comes to switching in and out of **PruFund Cautious**:

Switching in or out

- It is important to understand that you need to give **28 days' notice** before **switching out** of **PruFund Cautious**. The unit price you will receive will be as of the date the switch actually takes place.
- A switch request is a single written instruction to switch one or many funds (including **PruFunds**) to one or many other funds available from Bank of Ireland Life, based on the date of the request.
- You can only request one switch either in or out per quarter. This means that if you want to switch into or out of both **PruFunds**, both funds need to be included in the one switch request. A switch request received in one quarter but, due to the 28 day notice period, taking place in the next quarter will count towards the next quarter.

26 November - 25 February	26 February - 25 May	26 May - 25 August	26 August - 25 November

Dates may change if the start or end date is a weekend or UK Public Holiday.

- Bank of Ireland Life may refuse or delay a switch where it reasonably considers the switch is intended to avoid smoothing adjustments while still benefitting from the EGR.
- Switches and/or withdrawals can be delayed or suspended by Bank of Ireland Life in exceptional circumstances e.g. where there are restrictions on selling underlying investments.
- You can also request to switch funds out while you're invested in the **PruFunds Holding Account**. In this situation, the standard 28 day notice period will apply. If your investment has been swept into the **PruFund** during the notice period, we will process your switch out request from there.
- Details of any switching charges are set out in your policy documentation.
- **Any request to switch funds on a policy invested in either of the PruFunds must be completed on the specific PruFunds Switch Out Form. This is available from your Advisor.**

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Other information

Borrowings

From time to time, underlying funds that the **PruFund Cautious** Feeder Fund may invest in may borrow. If the underlying fund is not able to repay its loans, this could in turn affect the investment performance of the **PruFund Cautious** Feeder Fund.

Currency Risk

PruFund Cautious has exposure to non-euro assets and this brings additional risk of how changes in currency exchange rates can impact the value of the fund. The investment manager of the underlying fund may, from time to time, use derivatives to reduce the foreign currency risk of the funds. For more information, please see our "Investing & Risk" document available from your Advisor.

Fund Centre

On **Fund Centre** you will be able to see separately, the performance while in **PruFund Cautious Holding** and then the performance of **PruFund Cautious** from the date of transfer. You can find this by clicking on the fund names that appear on screen.

Product Availability

Bank of Ireland Life's **PruFund Cautious** is available to investors through the following Bank of Ireland Life products:

- Smart Funds
- Navigator Master Trust – Executive (SP Pensions)
- Personal Single Premium Pension
- Personal Retirement Bond
- Approved Retirement Fund (ARF)

Bank of Ireland Life's **PruFund Cautious** is available to investors for lump sum investments only. It is not available to any regular premium products.

Next Steps

To find out more about Bank of Ireland Life's **PruFund Cautious** talk to an Advisor in your local Bank of Ireland branch:

Fund Centre

Our Sustainable Investing Hub

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Appendix

Figure 5: Cut off date for each monthly investment

Close of business 5 working days before the 25th of each month is the cut off date for funds to get automatically swept into **PruFund Cautious** on the 25th of the month. The table below lists these dates.

Bank of Ireland Life cut off date+++	PruFunds investment date
18 March 2024	25 March 2024
18 April 2024	25 April 2024
20 May 2024	28 May 2024
18 June 2024	25 June 2024
18 July 2024	25 July 2024
19 August 2024	27 August 2024
18 September 2024	25 September 2024
18 October 2024	25 October 2024
18 November 2024	25 November 2024
18 December 2024	27 December 2024
20 January 2025	27 January 2025
18 February 2025	25 February 2025
18 March 2025	25 March 2025
18 April 2025	25 April 2025
19 May 2025	27 May 2025
17 June 2025	25 June 2025
18 July 2025	25 July 2025
18 August 2025	26 August 2025
18 September 2025	25 September 2025
20 October 2025	27 October 2025
18 November 2025	25 November 2025
18 December 2025	29 December 2025

+++By close of business on this date (a business day in each of UK, Ireland and Luxembourg).

Precontractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) PruFund Cautious (Euro) Feeder Fund S2
Legal Entity Identifier: 254900MME14W23PDGZ60

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ Yes ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of % of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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

The Sub-Fund promotes the use of Positive ESG Selection (as defined below):

The Sub-Fund invests in a Capital Redemption Policy. The policy provider (PIA) fully invests the proceeds of such policy via a reinsurance agreement into a Master Sub-Fund which itself is a product categorised under article 8 of SFDR. Accordingly the information supplied in this precontractual annex relates to such Master Sub-Fund where indicated.

The Master Sub-Fund invests at least 70% of its assets in

- (i) Undertakings for collective investment which are categorised as an Article 8 or Article 9 fund under the SFDR or are considered equivalent in the opinion of its investment manager ("Funds Promoting ESG Factors"); or
- (ii) Index derivatives with rules designed to produce an ESG outcome ("ESG Derivatives"), in each passing its investment manager's good governance tests.

Accordingly, the Investment Manager is promoting environmental and/or social characteristics through investing in investments that are considered to promote ESG factors.

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

Sustainability indicators measure how the sustainable objective of this financial product are attained.

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

  The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are those provided by the Master Sub-Fund, namely:

  - Positive ESG Selection: Percentage (%) of NAV held in Funds Promoting ESG Factors and/or ESG Derivatives

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**
  Not applicable, the Sub-Fund does not target investment in sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**
  Not applicable, the Sub-Fund does not target investment in sustainable investments.

  - **How have the indicators for adverse impacts on sustainability factors been taken into account?**
    Not applicable, the Sub-Fund does not target investment in sustainable investments.

  - **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**
    Not applicable, the Sub-Fund does not target investment in sustainable investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes
☒ No

What investment strategy does this financial product follow?

As described in the promoted characteristics, this Sub-Fund allocates to the Capital Redemption Policy and therefore does not itself follow a specific sustainability strategy separate from that. For the Master Sub-Fund, consideration of ESG Factors is fully integrated into further analysis and investment decisions.

In order to identify investments for purchase, the Master Sub-Fund's investment manager performs the below processes.

Positive ESG Selection

The Master Fund's investment manager:

- Generates a potential buy list of Funds Promoting ESG Factors and ESG Derivatives by confirming the fund or index rules meet the requirements of Positive ESG Selection. As such, the Master Fund's investment manager will verify through review of the offering materials for Funds Promoting ESG Factors that such funds are either categorised as article 8 or 9 under SFDR, or the Master Fund's investment manager will form a view that they are equivalent. The usual method for assessing whether a fund is equivalent to article 8 or 9 is that such fund is domiciled outside the EU but contains fund rules that, were it in the EU, would be compliant with article 8 or 9, for example, that such fund is itself promoting environmental and/or social characteristics whilst investing in companies with good governance. ESG Derivatives would have index rules designed to achieve a stated environmental and/or social characteristic and are typically marketed as ESG or Sustainability indices.

Good Governance Test

- The Master Fund's investment manager then performs further analysis to confirm that the product manufacturer and investment manager, or index provider, meet the Investment Manager's good governance tests further described in the respective section below, which combined with Positive ESG Selection creates the buy list.
- The Master Fund's investment manager then performs ongoing analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

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

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding:

- The amount of the Sub-Fund (70%) aligned to the promoted environmental and/or social characteristics as a result of being invested in Funds Promoting ESG Factors and/or ESG Derivatives. Where it is in the best interests of investors, the Sub-Fund may temporarily deviate from one or more of these elements, for example if the Investment Manager considers it prudent to hold high levels of cash in response to market conditions.

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

0%

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

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

  When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

  The provider of the Capital Redemption Policy, PIA, and the provider of the reinsurance policy, PAC, are members of the same group as the Investment Manager and certain common standards of governance apply across the group. The companies involved in the management of the Master Sub-Fund, are also members of the same group and the Investment Manager is also the investment manager of the Master Sub-Fund. The Investment Manager considers all of these companies to exhibit good governance as assessed against the four identified pillars.

  As the Master Sub-Fund itself is managed in accordance with the principles of good governance, the Investment Manager does not further assess the contents of the Master Sub-Fund in its capacity as Investment Manager of this Fund (but does have responsibilities for doing so in its capacity as investment manager of the Master Sub-Fund).

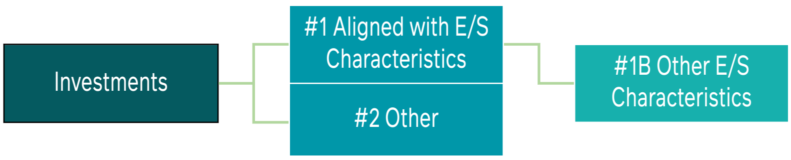
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Master Sub-Fund NAV to be in investments considered to be aligned to the promoted E/S characteristics. The Master Sub-Fund is permitted to hold up to 30% of its NAV in Other investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, eg for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

  Derivatives are not used by this Sub-Fund to attain the promoted environmental and/or social characteristics, but they may be used by the Master Sub-Fund where they are index derivatives with rules designed to produce an ESG outcome.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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

0%

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

Taxonomy-alignment of investments **including sovereign bonds***

Taxonomy-alignment of investments **excluding sovereign bonds***

** For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures*

- **What is the minimum share of investments in transitional and enabling activities?**
  0%

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%

What is the minimum share of socially sustainable investments?

0%

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

This Sub-Fund may hold cash, near cash and money market funds as a result of cash flows through the product but has an investment strategy to seek to be fully allocated to the Capital Redemption Policy. No minimum environmental or social safeguards are applied to such holdings. The Master Sub-Fund may invest up to 30% in:

1. Undertakings for collective investment that are not Funds Promoting ESG Factors;
2. Derivatives that are not ESG Derivatives;
3. Cash (as defined in its prospectus);
4. Transferable securities where received from its investments or as a consequence of subscriptions or redemption's in kind; and
5. From time to time, transferable securities in line with the ESG outcomes of the Master Sub-Fund (ie which would be eligible for inclusion in an article 8 or 9 sub-fund). No minimum environmental or social safeguards are applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Master Sub-Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Master Sub-Fund's investment manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

Transferable securities received as a consequence of subscriptions, and transferable securities the Master Sub-Fund's investment manager chooses to hold, shall be subject to the Master Sub-Fund's investment manager's good governance tests and such other tests as the Master Sub-Fund's investment manager considers appropriate. Where transferable securities are received from an article 8 or article 9 fund, such securities shall be deemed eligible for the fund to hold.

The Master Sub-Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

It is also possible that the Master Sub-Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Master Sub-Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
  Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
  Not Applicable

- **How does the designated index differ from a relevant broad market index?**
  Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**
  Not Applicable

Where can I find more product specific information online?
More product-specific information can be found on the website:
https://savingsandinvestments.sharepoint.com/sites/ba-sustainabilityhub/SitePages/SFDR-Fund-Disclosures.aspx