

Periodic 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) Future+ Cautious (Euro) Feeder Fund S2
Legal Entity Identifier: 254900MME14W23PDGZ60

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

Yes
 No

It made **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 made **sustainable investments with a social objective:**

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a 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 promoted E/S characteristics, but **did not make any sustainable investments**



To what extent were the environmental and/or social characteristics promoted by this financial product met?

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.

• How did the sustainability indicators perform?

The Sub-Fund's sustainability indicators to test its compliance with its Positive ESG Outcome were met at all times during the reporting period.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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, anti-corruption and anti-bribery matters.

- **...and compared to previous periods?**

The Sub-Fund is not yet able to provide comparison to a previous reporting period as this is the Sub-Fund's first SFDR Level 2 Periodic Report disclosure. The Sub-Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Sub-Fund is not yet able to provide comparison to a previous reporting period as this is the Sub-Fund's first SFDR Level 2 Periodic Report disclosure. The Sub-Fund will provide historic comparison in the next Periodic Report.

- **How did the sustainable investments that the financial product partially made 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 were the indicators for adverse impacts on sustainability factors taken into account?**

Not applicable, the Sub-Fund does not target investment in sustainable investments.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

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.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01 January 2022 to 31 December 2022

Largest investments	Sector	% Assets	Country
ISHARES \$ CORP BOND ESG UCITS ETF	Financial and insurance activities	3.85%	IE
BNP PARIBAS SA EURO	Financial and insurance activities	3.05%	FR
ISHARES EUROPEAN PROPERTY YIELD UC	Financial and insurance activities	2.19%	IE
CREDIT AGRICOLE CORPORATE AND INVE	Financial and insurance activities	1.23%	FR
COOPERATIEVE RABOBANK UA	Financial and insurance activities	1.10%	NL
BNP PARIBAS SA GB	Financial and insurance activities	0.72%	FR
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	0.68%	DE
ISHARES US PROPERTY YIELD UCITS ET	Financial and insurance activities	0.62%	IE
ISHARES ASIA PROPERTY YIELD UCITS	Financial and insurance activities	0.60%	IE
ISHARES UK PROPERTY UCITS ETF GBP	Financial and insurance activities	0.59%	IE
SDCL ENERGY EFFICIENCY INCOME TRUS	Financial and insurance activities	0.57%	GB
ISHARES MSCI JAPAN ESG ENHANCED UC	Financial and insurance activities	0.47%	IE
NEXTENERGY SOLAR FUND LTD	Financial and insurance activities	0.46%	GG
THE RENEWABLES INFRASTRUCTURE GROU	Financial and insurance activities	0.41%	GG
TAIWAN SEMICONDUCTOR MANUFACTURING	Manufacturing	0.38%	TW



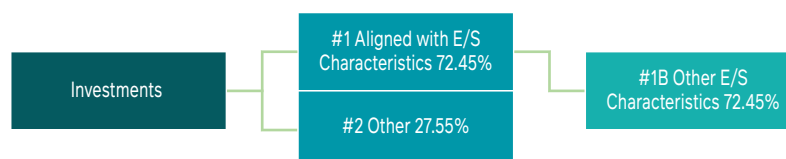
What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Master Fund has committed to a minimum of 70% of the Fund's assets to be aligned to the environmental or social characteristics promoted. The table shows that 72.45% were aligned to E/S Characteristics as of 31st December 2022.

Asset allocation describes the share of investments in specific assets.

● What was the asset allocation?

The graphic below provides an overview of the asset allocation versus the established minimum thresholds.



#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.

- **In which economic sectors were the investments made?**

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Financial and insurance activities	36.12%
Other	27.74%
Manufacturing	12.02%
Public administration and defence; compulsory social security	7.50%
Information and communication	4.02%
Electricity, gas, steam and air conditioning supply	2.55%
Transportation and storage	1.91%
Wholesale and retail trade; repair of motor vehicles and motorcycles	1.77%
Real estate activities	1.71%
Mining and quarrying	1.23%
Administrative and support service activities	0.82%
Construction	0.53%
Accommodation and food service activities	0.50%
Professional, scientific and technical activities	0.48%
Human health and social work activities	0.42%
Activities of extraterritorial organisations and bodies	0.36%
Water supply; sewerage, waste management and remediation activities	0.14%
Arts, entertainment and recreation	0.08%
Education	0.05%
Agriculture, forestry and fishing	0.03%
Other service activities	0.02%

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.



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

The Sub-Fund did not take into account the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy Regulation. The Sub-Fund did not target investment in taxonomy-aligned assets as part of its investment policy and therefore recorded that 0% of the Sub-Fund's investments were aligned with the environmental objectives under the Taxonomy Regulation during the reference period; that is also partly due to the lack of data on the investee companies in relation to EU Taxonomy Regulation.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules testing.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy1?**

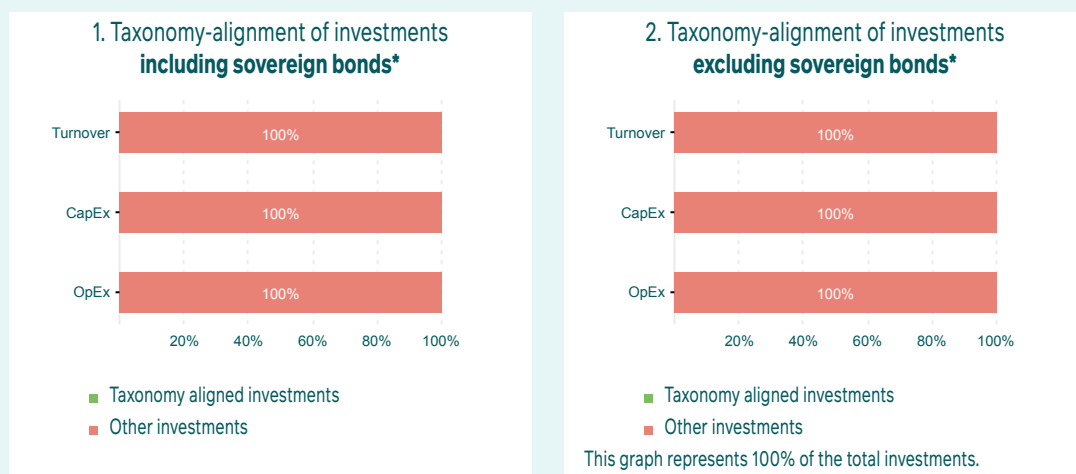
- Yes:
- In fossil gas In nuclear energy
- No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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.

The graphs below show in green the percentage of investments that were 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.



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

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund did not set a minimum share of investments in transitional and enabling activities. Therefore, the percentage of the Sub-Fund's investments in transitional and enabling activities were 0%.

Activity	Percentage Investments
Share of transitional activities	0%
Share of enabling activities	0%

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Sub-Fund is not yet able to provide comparison to a previous reporting period as this is the Sub-Fund's first SFDR Level 2 Periodic Report disclosure. The Sub-Fund will provide historic comparison in the next Periodic Report.

 are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The Sub-Fund did not make sustainable investments with a environmental objective.



What was the share of socially sustainable investments?

The Sub-Fund did not make sustainable investments with a social objective.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Sub-Fund held varying levels of cash and near cash and derivatives, in accordance with the purposes and safeguards explained in the precontractual annex:

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 redemptions 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.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Sub-Fund has committed to a minimum of 70% of the Fund's assets to be aligned to the environmental or social characteristics promoted which was maintained during the period.

Although, the Investment Manager, as a Fund of Funds manager, does not engage directly with investee companies on stewardship and sustainability issues, it expects and instructs its asset managers to engage on its behalf in accordance with its stewardship and sustainability-related policies.

Where the underlying funds are actively managed, we require the investment managers to engage with and influence the investee companies on their behalf, to achieve more sustainable business models and change their behaviour where appropriate. We also expect the investment managers to report on the results of their engagement strategy.



How did this financial product perform compared to the reference benchmark?

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

- **How did the reference benchmark differ from a broad market index?**

No reference benchmark was designated to determine whether this fund is aligned with the environmental and social characteristics that it promotes.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

No reference benchmark was designated to determine whether this fund is aligned with the environmental and social characteristics that it promotes.

- **How did this financial product perform compared with the reference benchmark?**

No reference benchmark was designated to determine whether this fund is aligned with the environmental and social characteristics that it promotes.

- **How did this financial product perform compared with the broad market index?**

No reference benchmark was designated to determine whether this fund is aligned with the environmental and social characteristics that it promotes.