

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 include 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 Catalyst Capital Fund
Legal Entity Identifier: 2549000IH9QJ5KEZ5K26

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 51% 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 will typically invest in assets that demonstrably contribute to a sustainable economy, aiming to improve environmental and social outcomes as categorised by the themes of climate action, environmental solutions, circular economy, social inclusion, better health, better work and education as core components of a sustainable economy. Each investment is assessed with use of the Impact Management Project's Framework, based on the IMP+ACT Investment Classification System to understand, manage and measure contribution to the targeted themes.

The Sub-fund will not invest in the activities that are considered to be harmful to the society or the environment. To this end, the Sub-fund operates an ESG exclusion list (Catalyst Exclusion List) as part of the Portfolio Manager's investment process, which includes norms-based, sector-based and/or values-based exclusions and applies the Portfolio Manager's Coal Policy.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the 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?

- %GAV in investments providing environmental solutions
- %GAV in investments providing circular economy solutions
- %GAV in investments providing better health
- %GAV in investments providing social inclusion
- Weighted average carbon intensity of investments
- %GAV with committed Science-Based Targets
- Carbon - Aggregate - Absolute CO2eT Emissions Saved / Avoided
- Energy - Aggregate - Renewable energy production
- Number of people reached including people treated, customers served in target services
- %GAV with know-your-customer and anti-bribery and corruption policies
- Weighted Average Proportion of Female Board Members
- %GAV with diversity policy for workforce

- %GAV Split CEO and Chairperson role
- %GAV in investments aligned to SDG3 - Good Health and Wellbeing
- %GAV in investments aligned to SDG7 - Affordable and Clean Energy
- %GAV in investments aligned to SDG9 - Industry, Innovation and Infrastructure
- %GAV in investments aligned to SDG11 - Sustainable Cities and Communities
- %GAV in investments aligned to SDG12 - Responsible Consumption and Production

● **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?**

To invest in economic activities that demonstrably contribute to a sustainable economy, including provision of solutions in the areas of environment, circular economy, better health or social inclusion and/or demonstrating strong ESG characteristics. The Portfolio Manager uses proprietary tests to determine whether an investment makes positive contribution towards environmental or social objectives.

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.

● **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?**

Before investment and at least annually during the holding period, a check is performed to validate that sustainable investments exclude economic activities that are deemed to cause harm to people and/or the environment. Further, fourteen mandatory and four optional Principal Adverse Impact (PAI) indicators from the Annex I of EU Commission Delegated Regulation 2022/1288 are considered to establish materiality of the PAI indicator to the potential investment to ascertain that investment does not cause significant harm. Do No Significant Harm test is embedded in initial due diligence and within periodic monitoring process.

● **How have the indicators for adverse impacts on sustainability factors been taken into account?**

Assessment of PAI indicators is performed before each investment to determine suitability for the Sub-fund and at least annually during the holding period to inform areas for engagement with an investee company and determine appropriateness of investment classification as sustainable. Where data is available, quantitative assessment is performed. For remainder of PAIs, qualitative analysis is used to evaluate the impact.

● **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

Due diligence performed before investment and periodically during the holding period includes consideration of alignment with the UN Guiding Principles on Business and Human Rights. If potential investment is assessed to be in breach of the UN Guiding Principles on Business and Human Rights or OECD Guidelines for Multinational Enterprises, it will not be acquired. For existing investments, the Portfolio Manager will engage with the investee company.

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, At the product level, the Sub-fund considers principal adverse impacts through assessing and monitoring fourteen mandatory and four optional PAI indicators from the Annex I of EU Commission Delegate Regulation 2022/1288 to inform investment decision making. PAI indicators are collected from investee companies for each applicable reference period with use of a systematized process and a best effort basis. Adverse impacts are considered for engagement with investee companies. The information on how principal adverse impacts on sustainability factors were taken into account will be available in the Annual Report of the Sub-fund.

☐ No



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

What investment strategy does this financial product follow?

The Sub-fund intends to achieve its investment objective by investing predominantly in private equity or equity related securities with a main focus on the core member states of the OECD, with a particular focus on investments which exhibit operational and structural complexity. The Sub-fund will operate a flexible strategy and may also invest in mezzanine, junior or other debt opportunities with the potential to generate returns expected to meet or exceed the Sub-fund's target return.

The Sub-fund further intends to achieve an attractive financial return whilst creating a positive impact for people, communities and the planet. The targeted impact will differ across the portfolio from robust ESG risk management to actively seeking intentional, positive impact. The objective will be to establish a pro-active role in many of the Investments to reduce negative and improve positive impacts.

● 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 impact of each investment is assessed with use of the Impact Management Project's Framework based on IMP+ACT Classification System maintained by the IMP+ACT Alliance.

A minimum 30% of the Sub-fund's Gross Asset Value will be classified as 'B' or 'C' pursuant to the IMP+ACT Classification System maintained by the IMP+ACT Alliance.

The Sub-fund will not invest in the activities that are considered to be harmful to the society or the environment. To this end, the Sub-fund operates an ESG Exclusion List as part of the Portfolio Manager's investment process, which includes norms-based, sector-based and/or values-based exclusions. The Catalyst Exclusion List is available upon request. In addition to the Catalyst Exclusion List, the Portfolio Manager's Coal Policy applies to the Sub-fund.

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

The Sub-fund does not set a committed minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

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

Good governance practices of investee companies are assessed prior to making an investment and monitored during the holding period as part of initial due diligence and periodic monitoring. Governance factors considered include, but are not limited to: sound management structures, employee relations, remuneration of staff and tax compliance. The Sub-fund does not invest in companies that do not pass good governance test performed as part of initial due diligence. Material governance issues arising from periodic monitoring are considered for engagement with investee companies.

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



Asset allocation describes the share of investments in specific assets.

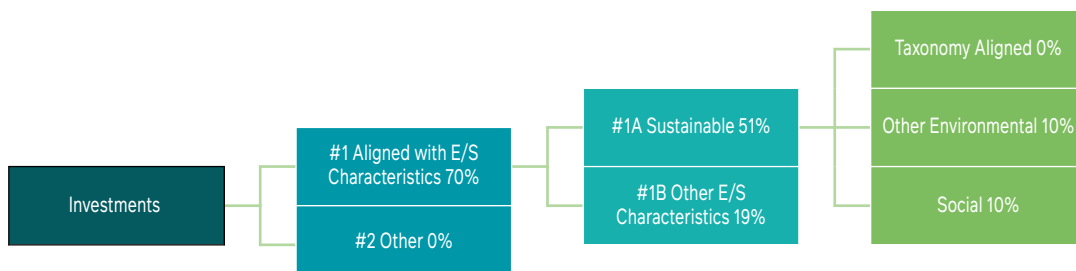
What is the asset allocation planned for this financial product?

A minimum of 70% of the Sub-fund's Gross Asset Value are investments aligned to the environmental or social characteristics promoted. This includes a minimum of 51% of the Sub-fund's Gross Asset Value in sustainable investments. A minimum of 10% of the Sub-fund's Gross Asset Value is aligned to the environmental objective and a minimum of 10% of the Sub-fund's Gross Asset Value is aligned to the social objective. The Sub-fund's strategy assumes flexibility for the portfolio to have varying proportions of investments targeting environmental and social outcomes over time. A minimum of 0% (and a maximum of 30%) of the Sub-fund's Gross Asset Value are other investments not aligned to the environmental or social characteristics.

All asset allocations below are expressed as a % of the Sub-fund's Gross Asset Value. They reflect planned asset allocation resulting from the commitments outlined in the paragraph above.

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, e.g. 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 **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- 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?

The Sub-fund does not use derivatives to attain the environmental or social characteristics.



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

The Sub-fund does not currently assess the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy Regulation. Therefore, the Portfolio Manager expects that 0% of the Sub-fund's investments will be aligned with the EU Taxonomy.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

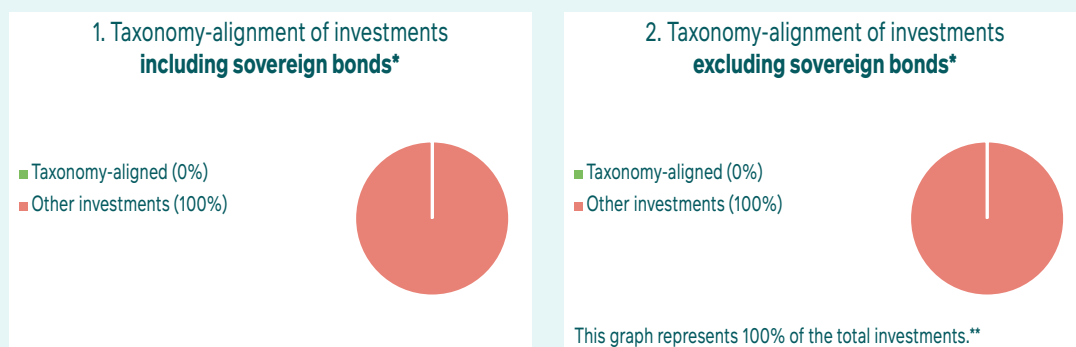
☒ No

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 two graphs below show 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.



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

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

● What is the minimum share of investments in transitional and enabling activities?

The Sub-fund does not set a minimum share of investments in transitional and enabling activities.

are sustainable investments with an environmental objective 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?

The minimum share of sustainable investments with an environmental objective is 10% of the Sub-fund's Gross Asset Value. None of these assets are expected to be aligned to EU Taxonomy because the Sub-fund does not currently assess the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy regulation.



What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investments is 10% of the Sub-fund's Gross Asset Value.



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

Investments included in “#2 Other” consist of cash and cash equivalents, investments held for hedging or liquidity purposes, investments for diversification purposes or investments for which there is insufficient data.

For investments for which there is insufficient data and investments for diversification purposes, minimum safeguards comprise of exclusion of the companies that are assessed to be in breach of the UN Guiding Principles on Business and Human Rights or OECD Guidelines for Multinational Enterprises. For other ancillary assets (i.e. cash, cash equivalents and hedging instruments) no minimum environmental or social safeguards have been put in place.



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 benchmark has been designated to determine whether this Sub-fund is aligned with the environmental and social characteristics that it promotes.

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:

www.mandg.com/investments/institutional/en-global/sustainability-related-disclosures