

SFDR pre-contractual disclosures Annex

Premier Umbrella Fund - Malibu VI

ANNEX II

Template pre-contractual 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

Product name: Premier Umbrella Fund - Malibu VI ("Malibu VI")

Legal entity identifier: 254900RON30SPKJNON31

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

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**

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

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.



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

Malibu VI promotes environmental and social characteristics as follows:

(i) Environmental characteristics: The goal of climate change mitigation through the application of carbon metrics

(ii) Social characteristics: Through the application of ESG investment exclusions in respect of activities that could be deemed harmful to society ("**ESG Exclusions**") as well as through a good governance assessment ("**Good Governance**") using MSCI red flags as regularly published by MSCI Inc. in its MSCI Controversies and Global Norms Methodology ("**MSCI Red Flags**"), and

(iii) Environmental and social characteristics together: Through maintaining a weighted average MSCI ESG Rating at portfolio level ("**MSCI ESG Score**") that exceeds that of a broad market index identified as the Bloomberg US Corporate Investment Grade Unhedged USD Bond Index.

Further information in respect of the carbon metrics, the ESG Exclusions, the Good Governance as well as the MSCI ESG Score can be found under "*What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?*" as well as "*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?*")

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

● ***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 are expressed as the degree to which Malibu VI attains the E/S characteristics promoted by Malibu VI:

- (a) Carbon Metrics: Climate change mitigation is measured via tons of CO2 emissions per unit of revenue of portfolio holdings. Malibu VI targets a lower weighted average scope 1 and 2 carbon emissions intensity score at portfolio level than the Bloomberg US Corporate Investment Grade Unhedged USD Bond Index based on MSCI data. This is achieved through portfolio construction (the "Carbon Metrics"). For the avoidance of doubt, the Bloomberg US Corporate Investment Grade Unhedged USD Bond Index is used as a broad market index (as further described in section "Investment Guidelines and Restrictions" of the Specific Part of the Prospectus describing Malibu VI), but has not been designated as a reference benchmark to determine whether Malibu VI is aligned with the environmental and/or social characteristics it promotes.
- (b) ESG Exclusions: Malibu VI has restrictions and exclusions on activities that could be deemed harmful to society. The ESG Exclusions are further described below under "*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?*". Exclusions are achieved by not holding securities that fail exclusions,
- (c) Good Governance: This is based on MSCI data regarding controversies related to company operations and/or products and the related potential social or environmental impact. Good Governance is achieved by not holding securities that fail good governance.
- (a) Malibu VI seeks to maintain a weighted average MSCI ESG Score at portfolio level that exceeds that of the Bloomberg US Corporate Investment Grade Unhedged USD Bond

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

Index. An MSCI ESG Score is a proxy for how well issuers manage their ESG risks.

The binding elements of Malibu VI are the (i) carbon metrics, (ii) ESG Exclusions (iii) Good Governance, and (iv) an MSCI ESG Score (as further described below under "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?").

- **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?**

N.A

- **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?**

N.A

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

N.A

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

N.A

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

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.



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

Yes,

No



What investment strategy does this financial product follow?

Malibu VI's investment objective is to steadily achieve the target annualized yield and to pay out a stable dividend every quarter. The yield is expected to come mainly from income gain by following a buy and watch strategy, where with appropriate liquidity corporate obligations are primarily held to maturity, and incrementally from capital gain.

Malibu VI may invest in all corporate securities contained in the Bloomberg US Corporate Investment Grade Unhedged USD Bond Index, as well as equivalents as determined by the Investment Manager, as further described and subject to the restrictions set forth in section "Investment Guidelines and Restrictions" in the Specific Part of the Prospectus describing Malibu VI.

Malibu VI must invest at least 50% of its total book value into corporate securities.

Malibu VI must invest at least 50% of its total book value into securities of any issuer domiciled in the U.S.

Malibu VI may invest into U.S. Government securities.

Malibu VI may invest up to 20% of its total book value into securities of any issuer domiciled in Member States of the European Union, the United Kingdom, Switzerland and Norway which are, at the time of purchase, at or better than AA- by S&P or Aa3 by Moody's.

Further information in respect of the investment strategy of Malibu VI as well as its investment policy is set out in detail in sections 4. ("Investment Objectives and Policies") and 5. ("Investment Guidelines and Restrictions") of the Specific Part of the Prospectus describing Malibu VI.

In selecting securities for investment by Malibu VI, the Investment Manager considers the E/S characteristics promoted by Malibu VI as described in response to the question "*What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?*" above. The Investment Manager (i) targets a lower carbon emissions intensity for the Malibu VI portfolio when compared to the Bloomberg US Corporate Investment Grade Unhedged USD Bond Index (ii) targets a superior weighted average MSCI ESG Score compared to the Bloomberg US Corporate Investment Grade Unhedged USD Bond Index (iii) excludes certain issuers based on the ESG Exclusions described below

● **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 binding elements of Malibu VI are the (i) carbon metrics (i), (ii) ESG Exclusions (iii) Good Governance, and (iv) an MSCI ESG Score.

ESG Exclusions: Malibu VI has restrictions and exclusions on activities that could be deemed harmful to society.

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

Theme	Description
For Profit Prisons	<ul style="list-style-type: none"> • Full exclusion companies that have derived revenue from activities directly related to for profit prisons.
Civilian Firearms	<ul style="list-style-type: none"> • Full exclusion of companies which generate more than 5% of revenue from the manufacture and retail of civilian firearms and ammunition.
Tobacco	<ul style="list-style-type: none"> • Full exclusions of companies that manufacture tobacco products, such as cigars, blunts, cigarettes, e-cigarettes, inhalers, beedis, kreteks, smokeless tobacco, snuff, snus, dissolvable and chewing tobacco and companies that grow or process raw tobacco leaves. • Any company where the recent-year percent of revenue is >5% derived from tobacco-related business activities.

In addition, Malibu VI may not invest in securities (including bonds) issued by entities manufacturing or selling of arms/weapons including assault/small arms, anti-personnel, biological, chemical or cluster munition weapons. A security (including a bond) will be considered to be in-scope of this restriction if more than 5% of total revenues come from the prior-named sources. For the avoidance of doubt, the Investment Manager will use the MSCI business involvement screen of Controversial Weapons - Any Tie (CWEAP TIE).

Good Governance: The Investment Manager will apply a governance assessment in their evaluation of corporate issuers based on available, quantitative information. Such governance assessment is defined in question *“What is the policy to assess good governance practices of the investee companies?”*

Carbon Metrics: Malibu VI targets a lower weighted average scope 1 and 2 carbon emissions intensity score at portfolio level than the Bloomberg US Corporate Investment Grade Unhedged USD Bond Index based on MSCI data and achieved through portfolio construction.

MSCI ESG Score: Malibu VI targets a weighted average MSCI ESG score at portfolio level that exceeds that of the Bloomberg US Corporate Investment Grade Unhedged USD Bond Index. An MSCI ESG Score is a proxy for how well issuers manage their ESG risks.

Asset Allocation: Malibu VI targets to have at least 75% of the market value of the portfolio invested in securities within the *“#1 Aligned with E/S characteristics”* category. This is further defined in question *“What is the asset allocation planned for this financial product?”*.

The binding elements of ESG Exclusions, Good Governance and MSCI ESG Score apply to investments of Malibu VI promoting its environmental and/or social characteristics (and thus included in the category *“#1 Aligned with E/S characteristics”* as further described below), Investments that do not meet the aforementioned criteria are included in category *“#2 Other.”*

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

There is no committed minimum rate to reduce the scope of investments.

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

The Investment Manager will apply an assessment of Good Governance in their evaluation of corporate issuers based on available, quantitative information. This is based on MSCI data regarding controversies related to company operations and/or products and the related potential social or environmental impact. This screen, using the MSCI red flag, serves as a proxy for corporate issuers to be in compliance with global standards, such as the United Nations Global Compact. This prohibits purchase of securities identified as associated with an MSCI red flag from being purchased. If the data on a security changes and no longer passes the governance assessment, it must be sold in a reasonable timeframe.

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



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

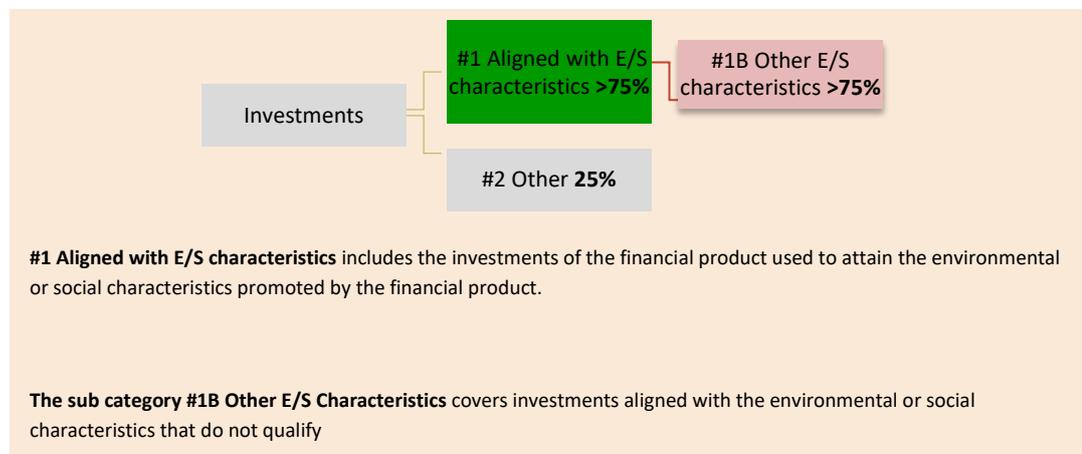
Securities within the “#1 Aligned with E/S characteristics” category represent the portion of assets in Malibu VI that will promote its E/S characteristics through (i) carbon metrics (), (ii) ESG Exclusions, (iii) Good Governance, and (iv) an MSCI ESG Score.

This includes corporate securities in which Malibu VI invests and in relation to which sufficient ESG data is available.

Securities within the “#2 Other” category may be held for various reasons. This includes securities that are allowed in the Specific Part of the Prospectus describing Malibu VI but which cannot be included “#1 Aligned with E/S characteristics.” Examples of include, but are not limited to, investments in (i) securities that lack ESG data, (ii) securities without a relevant index comparator, such as government bonds, or (iii) cash or cash equivalents (CMS) of Brown Brothers Harriman or other custodian banks.

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.



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

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

Transitional activities are activities for which low-carbon

Further information in respect of the assets in which Malibu VI may invest, including respective investment restrictions can be found in sections 4. ("Investment Objectives and Policies") and 5. ("Investment Guidelines and Restrictions") of the Specific Part of the Prospectus describing Malibu VI.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**
Use of derivatives is not permitted in Malibu VI.

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

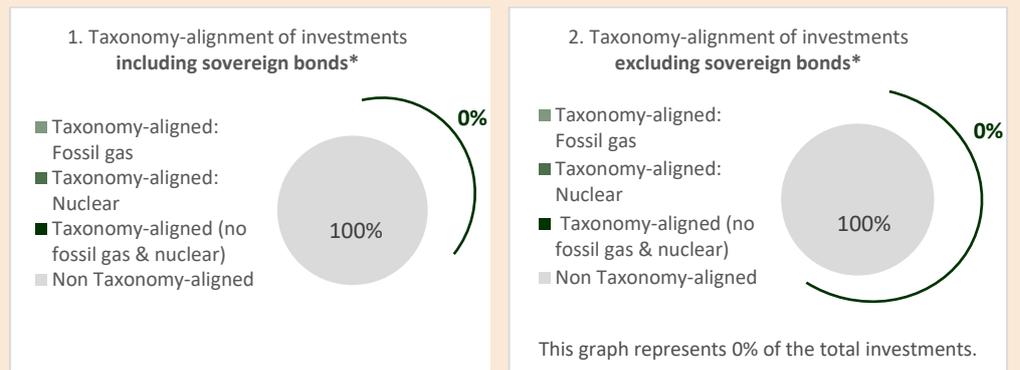
N.A

- **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

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.*



* 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

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 objective - 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.

 are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU

0%



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

N.A



What is the minimum share of sustainable investments with a social objective?

N.A



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

Securities within the “#2 Other” category may be held for various reasons. This includes securities that are allowed in the prospectus but cannot be included “#1 Aligned with E/S characteristics.” Examples include, but are not limited to, investments in (i) securities that lack ESG data availability, (ii) securities without a relevant index comparison, such as government bonds, or (iii) cash and cash management services (CMS) of Brown Brothers Harriman or other custodian banks.

The Investment Manager may use cash in the management of Malibu VI. Cash may be used for liquidity purposes and is not intended to promote environmental or social characteristics. As such, cash not included in the portfolio market value calculation of securities aligned with environmental or social objectives.

It is ensured that these assets comply with Malibu VI’s minimum environmental or social safeguards which are the ESG Exclusions and the Good Governance.



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. The Bloomberg US Corporate Investment Grade Unhedged USD Bond Index is used as a broad market index (as further described in section "Investment Guidelines and Restrictions" of the Specific Part of the Prospectus describing Malibu VI), but has not been designated as a reference benchmark to determine whether Malibu VI is aligned with the environmental and/or social characteristics it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N.A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social

N.A

- *How does the designated index differ from a relevant broad market index?*

N.A

- *Where can the methodology used for the calculation of the designated index be found?*

N.A



Where can I find more product specific information online?

More product-specific information can be found on the website:

More product-specific information can be found on the Investment Manager`s website:
www.payden.com/MalibuSFDR.aspx