

# **The Buccleuch Estates Limited 1974 Retirement Fund - IS0008678**

**ESG REPORT – 30-Apr-2024**



**Scheme: The Buccleuch Estates Limited 1974 Retirement Fund - IS0008678**

**Statement Date: 30-April-2024**

<b>Fund</b>	<b>Value (£)</b>	<b>% Holding</b>
L&G Life AF Over 15 Years Gilt Index Fund	20,657,876.86	55.38%
L&G Life HC Over 15 year Index-linked Gilts Index Fund	5,866,650.52	15.73%
Payden Absolute Return Bond Fund	5,371,721.05	14.40%
M&G Total Return Credit Investment Fund	5,403,927.90	14.49%

Fund	Fund Manager ESG Credentials	Fund ESG Credentials	
	Data Provided by FM as at	% Qs answered	Data Provided by FM as at
L&G Life HC Over 15 year Index-linked Gilts Index Fund	31/03/2024	97	31/03/2024
M&G Total Return Credit Investment Fund	31/03/2024	95	31/03/2024
L&G Life AF Over 15 Years Gilt Index Fund	31/03/2024	97	31/03/2024
Payden Absolute Return Bond Fund	31/03/2024	99	31/03/2024

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Questions	Legal and General (LGIM)		
<p>Do you have an ESG policy that is integrated into the investment process?</p>	<p>Yes</p> <p>Our policies are implemented consistently at a firm-wide level. LGIM's purpose is to create a better future through responsible investing. Aligned to this purpose, ESG is a central underpinning to all of LGIM's activities and especially within strategic initiatives. LGIM has developed and publicly disclosed its policies for stewardship activities. Our policies are reviewed annually and updated where necessary to ensure they remain aligned with the various evolving regulations, best practice and client feedback.</p>	<p>Are Senior Management accountable for ESG or Climate Change risks?</p>	<p>Yes</p> <p>We have many people across the business contributing to our ESG insights and research. They sit across various teams with different levels of responsibility relating to ESG but all feed into our responsible investing capabilities. As at the end of June 2022, there are a total of 47 LGIM employees with roles dedicated to ESG, some of which are outlined in more detail below. • There are 20 people in our global Investment Stewardship team, led by Kurt Morriesen. The team is responsible for developing and carrying out LGIM's investment stewardship and responsible investment activities as well as the oversight, implementation and integration of ESG across the firm. • Nick Stansbury, Head of Climate Solutions, leads our energy transition approach and is one of our most prominent spokespeople on this topic. He leads our Climate Solutions team which has a total of four team members. • As Global Head of Responsible Investment Integration, Michael Marks' role spans all functions within LGIM from investment stewardship, distribution and investment teams to operational functions such as data and technology; embedding ESG across the firm in all areas and ensuring that focus is maintained on delivering the capabilities required by all stakeholders. • Amelia Tan has recently joined LGIM as the Head of Responsible Investing Strategy for Investments (January 2022). This role ensures that LGIM stays at the cutting edge of innovation within responsible investing and creates a coordinated approach across asset classes, which is embedded throughout our funds and portfolios. • Caroline Ramscar, Head of Sustainable Solutions, is responsible for engaging with clients on sustainability and the development of responsible investment solutions. This is a role which was created to develop LGIM's sustainable strategy. Two further colleagues are dedicated to supporting clients' journeys to adopt more responsible investing strategies. • LGIM's Real Assets team has a team of seven dedicated ESG experts working across the range of private credit and real estate strategies that we manage. As at the end of June 2022, we also have a further 62 colleagues across Investments whose roles have very substantial contribution to our responsible investing capabilities and whose objectives reflect this although their responsibilities are broader than solely ESG. Our Global Research and Engagement Groups (GREGs) bring together colleagues from across LGIM to identify the challenges and opportunities that will determine the resiliency of sectors and the companies within them. The output from the group strengthens and streamlines the firm's engagement activities across investments and stewardship, to enable us to collectively set goals and targets at a company level with one voice, whilst supporting and guiding our investment decisions across the capital structure. As at the end of June 2022, there are over 70 participants which includes members of our investment teams primarily along with representation from Investment Stewardship, who overlap on these groups.</p>
<p>Do you have a firm ESG rating?</p>	<p>Yes</p> <p>LGIM has an award-winning Investment Stewardship team, with a track record of over 20 years. External validation and oversight keep us on our toes and propels us forward to keep improving. We participate in industry-wide assessments of our engagement and stewardship processes and are proud to have been nominated by industry bodies like the ICGN, ICSA and UN PRI for our: • Engagement activities disclosure • Market-wide involvement in lobbying activities • Strong implementation of ESG and corporate governance matters into our stewardship activities.</p>	<p>Do you have a dedicated team that considers ESG and Climate Change related factors?</p>	<p>Yes</p> <p>There are a total of 37 LGIM employees with roles dedicated to ESG. In addition, we have a further 58 colleagues whose roles have very substantial contribution to our responsible investing capabilities and whose objectives reflect this although their responsibilities are broader than solely ESG.</p>
<p>Please provide your UNPRI survey scores</p>		<p>Do you rely on any third parties to provide ESG and Climate Change related analysis/research?</p>	<p>Bloomberg, CDP, Diligent, HSBC, InfluenceMap, ISS, IVIS, Maplecroft, Refinitiv, RepRisk, Sustainalytics We obtain a large ESG raw data set from a wide range of data and analysis providers which can be used for voting, engagement, research, index/portfolio construction and management. We typically licence raw data from</p>

# Fund Manager Business Response

Questions	Legal and General (LGIM)		
			such providers, as opposed to off-the-shelf ESG scores/rating, as we believe our knowledge and expertise of investing and engaging with companies are best placed to identify material and relevant ESG factors. This quantitative data is supplemented by qualitative research from academic and NGO research as well as sell-side broker reports.
Do you have a Climate Change policy that is integrated into the investment process?	<p>Yes</p> <p>We have developed proprietary ESG tools, used across different asset classes and investment strategies, which incorporate climate change metrics such as carbon emissions, fossil fuel exposure or 'green' revenues. These tools are used to support fund managers, develop new investment solutions, assist the investment stewardship team in its engagements with companies, and help clients understand more about the climate risks and opportunities in their portfolios. LGIM has developed a bespoke climate solutions framework, Destination@Risk, which allows us to quantify the implications of different climate change scenarios across the global economy, key sectors, and individual securities, including a forward-looking assessment of 'temperature alignment'. The outputs of the framework are used to inform our climate-related engagements, to support our investment process, and to develop climate reporting for clients.</p>	Do you create your own ESG or Climate Change related scores	<p>Yes</p> <p>We have developed a rules-based methodology by which to score companies against ESG metrics; this generates the LGIM ESG Score. The LGIM ESG Score aligns with how we engage with, and vote on, the companies in which we invest. To facilitate this process, we publish the scores and explain the metrics on which they are based. In addition, the ESG score is used by our index teams in the creation of ESG aligned index-products. We have identified 30 ESG indicators based on our expertise and experience in corporate reporting, corporate disclosures and transparency. We developed the scores with the aim of improving market standards globally, while monitoring ESG developments across our entire investment universe. The scores help drive our engagement process and are aligned with LGIM's voting policy and principles – we are more likely to vote against companies with poor scores at their annual general meetings (AGMs).</p>
Does your company have a policy on equality and diversity in the workplace?	<p>Yes</p> <p>LGIM is an award winning company, we are committed to delivering the right products and solutions to our clients and we believe the key to our success is our people. Steered by the Executive team, diversity and inclusion is embedded in our culture from the way we recruit, develop and connect with employees, to how we steward responsible investing through ESG. To show our commitment to making diversity and inclusion part of everything we do, the role of Head of Inclusion &amp; Culture was created in 2018. Colette Comerford was appointed to the role with responsibility for driving the evolution and continuous improvement of LGIM's culture, diversity and inclusion objectives, working closely with the executive team, our Senior HR team, LEGIT (Legal &amp; General Inclusion team) and L&amp;G's Group Diversity and Inclusion team.</p>	Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?	<p>Yes</p> <p>Quarterly</p>
Do ESG related factors get considered with respect to performance management of investment companies and funds?	<p>Yes</p> <p>ESG factors are embedded into our evaluation of investment opportunities across many investment strategies to identify unrewarded risk, and protect and enhance the long-term value of all our clients' investments. Our investment framework is designed with several objectives in mind: • Encouraging companies to improve their behaviour, and the quality of their ESG disclosures, we can raise the standards of entire markets, and help generate sustainable, long-term returns for our clients • Assessing a company's ESG risks: we see unmanaged ESG factors, meanwhile, as posing potential risks and opportunities, which can have a material impact on the performance of investments • Identifying the winners of the future, the companies to which investors will allocate ever-larger amounts of capital.</p>	Are you signatories of the FRC UK Stewardship Code or equivalent?	<p>Yes</p> <p>LGIM has been a signatory to the UK Stewardship Code every year since its inception and we provide copies of our responses on our website.</p>

# Fund Manager Business Response

Questions	M&G Investments		
Do you have an ESG policy that is integrated into the investment process?	<p>Yes</p> <p>Our policy document sets out the Environmental, Social and Governance (ESG) investment policy relating to M&amp;G Group Limited ('MGG') investment and asset management businesses and activities ('M&amp;G Investments') excluding M&amp;G Investments Southern Africa (MGSA) and ResponsAbility. The assets in scope are all the assets directly managed by M&amp;G Investments on behalf of its clients, including the internal asset owner, whether or not they are held within funds with a specific ESG objective or promoting ESG characteristics.</p>	Are Senior Management accountable for ESG or Climate Change risks?	<p>Yes</p> <p>The Board is ultimately responsible for setting M&amp;G's sustainability strategy and ESG values and principles. The Board delegates specific duties to sub-committees as follows: Reporting in the Annual Report and Accounts and any other material public documents in respect of climate change and ESG matters (for compliance with relevant regulations, legislation and standards) is included in the Audit Committee's terms of reference, available on our website. Assessment of ESG risk within the Group Risk Management Framework, including climate-related stress and scenario testing, the reporting of climate-related risk disclosures and provision of advice to the Board in setting M&amp;G's ESG strategy, is included in the Risk Committee's terms of reference, available on our website. Responsibility for sustainability at an individual level is assigned to our Chief Financial Officer, who has previous experience in climate stress testing and sustainable impact investing.</p>
Do you have a firm ESG rating?	MSCI ESG Score: A	Do you have a dedicated team that considers ESG and Climate Change related factors?	<p>Yes</p> <p>The central ESG team at M&amp;G Investments is the Stewardship &amp; Sustainability (S&amp;S) team, which currently comprises of about 28 M&amp;G employees. The team was restructured under new leadership in last year. Additionally, there are numerous ESG specialists across the floor, embedded in investment teams. At M&amp;G we believe that ESG integration should occur in all parts of our investment business and to reflect this everyone has an objective to this end. We look to continuously monitor S&amp;S team resourcing levels to ensure the best quality of service is provided to clients. M&amp;G will also ensure and make it the responsibility of all team members to keep up to date with the rapidly changing landscape of ESG to leverage resources effectively. The S&amp;S team works collaboratively, both directly and via the analysts, to equip managers to make better-informed decisions, knowing the full spectrum of ESG risks that could impact their portfolios, as well as where these risks may be concentrated within certain issuers or holdings. By working in conjunction with the credit and equity analysts on ESG, the S&amp;S team is able to ensure that ESG risks and opportunities are considered throughout the full investment process, as well as in the monitoring of companies.</p>
Please provide your UNPRI survey scores	Please see our summary scorecard for 2023 in above image. The PRI has made reporting in 2024 voluntary for most investor signatories that reported publicly in 2023. After careful consideration, M&G Investments has decided to use this year to streamline our approach and focus on evolving our sustainability programs. Our 2023 scores are publicly available and have been deemed valid by the PRI. We will resume reporting next year.	Do you rely on any third parties to provide ESG and Climate Change related analysis/research?	<p>Yes</p> <p>We have portal and data access with a number of ESG vendors, including MSCI, Bloomberg, ISS, Sustainalytics and other specialist advisers. In addition, we obtain ESG data through authorised aggregators or channels, including Bloomberg, Factset, Refinitiv Eikon, Dasseti and Aladdin.</p>
Do you have a Climate Change policy that is integrated into the investment process?	<p>Yes</p> <p>As a large investor in both public and private assets, our strategy is focused on positive real-world change, using the levers we have to support the climate transition and help our clients manage the risks and opportunities brought by climate change. This means taking action to align our investments so that they contribute to and thrive in a low-carbon world. From an investment perspective, we can influence decarbonisation through three key channels: – Investment strategies: Making changes to our investment portfolios – Stewardship: Engaging issuers to implement ambitious transition plans – Advocacy: Engaging with industry and policy makers Alongside portfolio decarbonisation, we can play an important role in helping to finance and enable climate solutions, to accelerate the transition. At M&amp;G, we consider this a structural growth opportunity we are well placed to support, both in developed and emerging markets. Our stewardship approach is based on our belief that divestment does not have a direct impact on real-world emissions reductions. Our priority as an active,</p>	Do you create your own ESG or Climate Change related scores	<p>Yes</p> <p>M&amp;G Investments Corporate ESG Scorecard acknowledges the qualitative nature of many ESG considerations, and allows analysts to express their views in primarily qualitative terms, within the context of a structured and disciplined framework. The scorecard enables consideration of key ESG factors and comparison of management and performance by companies. The scorecard has been designed so as to provide a ranking of companies either on a total ESG basis or on any of the constituent parts of environmental, social or governance. The output is therefore separate scores for E, S, G, Climate and an overall ESG score.</p>

# Fund Manager Business Response

Questions	M&G Investments		
	long-term investor is to encourage change through engagement and voting.		
Does your company have a policy on equality and diversity in the workplace?	<p>Yes</p> <p>Diversity &amp; Inclusion is a strategic objective. At all levels of the business we recognise the benefits of having a diverse team that feels valued and listened to. It helps us think and act differently, adopt new ideas and better relate to the needs of our customers. An inclusive environment makes us more accessible and ensures we attract, engage, promote and retain the best talent. We embrace our differences and remove barriers to inclusivity so everyone can be high performing and deliver results.</p>	Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?	<p>Yes</p> <p>Our ESG related KPIs and non-financial and sustainability information statement can be found our 2023 Annual Report and Accounts (available upon request). Please refer to page 19 for the non-financial KPIS, pages 46 onwards for our position statement and pages 60-68 for details on principal risks including ESG risk in our Annual Report to see further details:  <a href="https://www.mandg.com/~media/Files/M/MandG-Plc/documents/investors/2024/mg-plc-2023-annual-report-and-accounts.pdf">https://www.mandg.com/~media/Files/M/MandG-Plc/documents/investors/2024/mg-plc-2023-annual-report-and-accounts.pdf</a> We also publish our Annual Stewardship Report in our website:  <a href="https://www.mandg.com/~media/Files/M/MandG-Plc/documents/mandg-investments/2024/mg-investments-annual-stewardship-report-2023.pdf">https://www.mandg.com/~media/Files/M/MandG-Plc/documents/mandg-investments/2024/mg-investments-annual-stewardship-report-2023.pdf</a> We also publish fund-related information on our website such as Fund Monthly Reviews, annually updated product information in the prospectus, Annual ESG Criteria report for our SICAV funds classified as SFDR Articles 8 &amp; 9.</p>
Do ESG related factors get considered with respect to performance management of investment companies and funds?	<p>Yes</p> <p>M&amp;G believes that ESG factors can have a material impact on long-term investment outcomes. Our goal is to achieve the best possible risk- adjusted returns for our clients, taking into account all factors that influence investment performance. Consequently, ESG issues are integrated into investment decisions wherever they have a meaningful impact on risk or return. We apply this approach to ESG analysis across all of the asset classes and sectors in which we invest. Research and investment teams have access to internal proprietary ESG thematic research, as well as relevant data from other sources. They evaluate the impact and materiality of these ESG themes within the context of the industries and companies that they cover, with assistance from the Stewardship &amp; Sustainability team. Together, these teams deliver actionable investment research that includes ESG issues, insights and recommendations to fund managers for use within the investment decision-making and portfolio construction processes.</p>	Are you signatories of the FRC UK Stewardship Code or equivalent?	<p>Yes</p> <p>We do publish our Annual Stewardship Report prepared under the FRC UK Stewardship Code 2020, which highlights key activities from the previous year across asset classes such as equities, fixed income, property and infrastructure. We also provide an overview of our stewardship approach, which is reviewed annually, and specifically outlines how we adhere to the code in appendix of this report. <a href="https://www.mandg.com/~media/Files/M/MandG-Plc/documents/mandg-investments/2024/mg-investments-annual-stewardship-report-2023.pdf">https://www.mandg.com/~media/Files/M/MandG-Plc/documents/mandg-investments/2024/mg-investments-annual-stewardship-report-2023.pdf</a></p>

Questions	Payden & Rygel		
Do you have an ESG policy that is integrated into the investment process?	<p>Yes</p> <p><a href="https://www.payden.com/SFDRPolicies.aspx">https://www.payden.com/SFDRPolicies.aspx</a></p>	Are Senior Management accountable for ESG or Climate Change risks?	<p>Yes</p> <p>Please refer to the attached ESG investment policy and TCFD report: <a href="http://www.payden.com/documents/Payden_TCDF_General-Disclosure.pdf">www.payden.com/documents/Payden_TCDF_General-Disclosure.pdf</a></p>
Do you have a firm ESG rating?	<p>No</p> <p>N/A - we do not have an ESG rating.</p>	Do you have a dedicated team that considers ESG and Climate Change related factors?	<p>Yes</p> <p>Payden has appointed Laura Lake, CFA, CAIA, Director and Global Head of ESG to lead the firm's ESG initiatives. Laura leads Payden's dedicated ESG team, which includes, ESG Communications, Data Analyst, and Engagement Analyst. The ESG team is responsible for coordinating ESG efforts across Payden.</p>

# Fund Manager Business Response

Questions	Payden & Rygel		
			<p>Beyond Payden’s dedicated ESG Team, Payden’s integration of ESG &amp; Stewardship efforts involves collaborative efforts by multiple groups. Payden’s Managing Committee, its most senior governance committee, is responsible for approving and overseeing Payden’s ESG approach and has ultimate decision-making authority for Payden’s relevant ESG-related memberships, affiliations, and exclusion lists. The Managing Committee has delegated the management of the day-to-day ESG processes to the ESG Committee.</p> <p>The ESG Committee comprises members of our ESG, Research, Strategy, and Client Portfolio Management teams, and members of the Compliance Group. This structure enables each team to integrate ESG factors into their process as applicable and in the context of their specific market expertise.</p>
<p>Please provide your UNPRI survey scores</p>	<p>Policy, Governance and Strategy: 4 Stars            Confidence Building Measures: 4 Stars            Direct – Fixed Income - SSA: 3 Stars            Direct – Fixed Income - Corporate: 3 Stars            Direct – Fixed Income - Securitized: 3 Star</p>	<p>Do you rely on any third parties to provide ESG and Climate Change related analysis/research?</p>	<p>Yes</p> <p>We use both thirr party and in-house resources to collect and integrate ESG, climate data and metrics. The following is a sample list of data providers:</p> <p>MSCI ESG Ratings: Environmental, social and governance indicators for sovereign and corporate issuers.</p> <p>MSCI Net Zero Solutions: Temperature alignment, carbon emissions target, climate scenarios (transition and physical) and other climate related industry and security level indicators.</p> <p>MSCI Screening: Business &amp; product involvement screens, global sanctions, controversies and along climate risk indicators</p> <p>MSCI EU Sustainable Finance: EU Taxonomy alignment and adverse impact metrics for SFDR regulation.</p> <p>ICE (previously risQ Analytics and Level 11): Physical risk and Value at Risk (VaR) indicators for local government and public enterprise issuers; Physical risk and Value at Risk (VaR) indicators for securitized structures and issuers.</p> <p>Bloomberg New Energy Finance (BNEF): Full reference of Green, Social &amp; Sustainability labelled bond issuance.</p>
<p>Do you have a Climate Change policy that is integrated into the investment process?</p>	<p>No</p> <p>We do not currently have a written policy regarding climate change. Considerations on climate are included in our approach outlined in our ESG Investment Policy attached. Climate and environmental metrics are included in our ESG research and strategy frameworks to aid integration of ESG into investment processes and complement portfolio positioning where appropriate. The frameworks are driven by third party data and informed by our ESG signatory commitments. The frameworks include factors such as physical and transition risk, scope 1&amp;2/3 emissions per millions of USD sales, GHG per GDP, SBTi approved targets and fossil fuel exposure</p> <p>Specifically, for Payden Absolute Return Bond Fund, the fund promotes climate change mitigation. Climate Change Mitigation is measured via greenhouse gas intensity data for corporate and sovereign holdings and the climate score for the</p>	<p>Do you create your own ESG or Climate Change related scores</p>	<p>No</p> <p>N/A</p>



# Fund Manager Business Response

Questions	Payden & Rygel		
	<p>US securitized issues in the Fund. The Fund portfolio's greenhouse gas intensity is managed below the relevant comparable ESG universe which is representative of the broad portfolio allocation for the Fund. In addition, for the securitized portion of the fund, U.S. Commercial Mortgage-Backed Securities (CMBS) and Residential Mortgage-Backed Securities (RMBS) are considered to promote Climate Change Mitigation if they have a below average "Climate Score. The fund also includes revenue-based restrictions on oil and gas and thermal coal in accordance with its SFDR ESG Investment Exclusions.</p> <p>Further information is available in the Annex II for the fund, available on our website:  <a href="https://www.payden.com/offshore/5493000ZUNPSNNP34018.pdf">https://www.payden.com/offshore/5493000ZUNPSNNP34018.pdf</a>.</p>		
<p>Does your company have a policy on equality and diversity in the workplace?</p>	<p>Yes</p> <p>Our diversity &amp; Inclusion statement is available on our website:  <a href="https://www.payden.com/img/sliders/about/Payden%20D&amp;I%20Mission.pdf">https://www.payden.com/img/sliders/about/Payden%20D&amp;I%20Mission.pdf</a></p>	<p>Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?</p>	<p>Yes</p> <p>We report publicly on our ESG practices in line with our membership to organisations such as the PRI, Net Zero Asset Managers Initiative and UK Stewardship Code. Our latest UKSC submission for 2023 has been submitted to the FRC for review, in line with their timeline for signatories. A copy will be posted to the website pending the results from the FRC expected later this year.</p> <p>In addition, there is ESG reporting available on the Payden website in line with regulatory requirements:</p> <p>Annual TCFD report: <a href="https://www.payden.com/documents/Payden_TCDF_General-Disclosure.pdf">://www.payden.com/documents/Payden_TCDF_General-Disclosure.pdf</a></p> <p>Annual ESG Engagement Report:  <a href="https://www.payden.com/weekly/EngagementReport_2023.pdf">www.payden.com/weekly/EngagementReport_2023.pdf</a></p> <p>Annex I:  <a href="https://www.payden.com/SFDRPolicies/Annex%201%20Payden%20Absolute%20Return%20Bond%20Fund%2030%20June%202023.pdf">www.payden.com/SFDRPolicies/Annex%201%20Payden%20Absolute%20Return%20Bond%20Fund%2030%20June%202023.pdf</a></p> <p>Annex II: <a href="https://www.payden.com/offshore/5493000ZUNPSNNP34018.pdf">www.payden.com/offshore/5493000ZUNPSNNP34018.pdf</a></p> <p>Annex IV, contained in our financial statement: <a href="https://www.payden.com/offshore/FS.pdf">/www.payden.com/offshore/FS.pdf</a></p> <p>We use MSCI as our primary source for carbon emissions data. For our SFDR Article 8 funds, the corporate investments GHG intensity is measured as the weighted average carbon emissions Green House Gas (GHG) emissions - scope 1, 2 and 3 normalized by sales in euros). Sovereign investments are measured as the greenhouse gas relative to gross domestic product (GHG/GDP). We also monitor securitized investments (CMBS &amp; MBS) and their climate score. In addition, we report on Principal Adverse Impacts in line with regulatory requirements under SFDR.</p>
<p>Do ESG related factors get considered with respect to performance management of investment companies</p>	<p>Yes</p> <p>ESG factors are analysed in accordance with the</p>	<p>Are you signatories of the FRC UK Stewardship Code or equivalent?</p>	<p>Yes</p> <p>Our latest UKSC submission for 2023 has been submitted to the FRC for review, in</p>

# Fund Manager Business Response



Questions	Payden & Rygel		
and funds?	<p>Environmental and/or social characteristics promoted in the fund and ESG considerations are implemented through ESG screening and portfolio construction decisions. The fund promotes:</p> <p>The goal of climate change mitigation is targeted through the application of carbon metrics and climate scores. Climate Change Mitigation is measured via greenhouse gas intensity data and the climate score of the underlying securities of the Fund. The Fund portfolio's greenhouse gas intensity is managed below the relevant comparable ESG Universe which is representative of the broad portfolio allocation for the Fund.</p> <p>Restrictions on activities that could be deemed harmful to society or the environment through the application of the Payden ESG Investment Exclusion Policy.</p> <p>Exclusion of companies that fail to demonstrate good governance through the application of the Payden ESG Good Governance Policy.</p>		<p>line with their timeline for signatories. A copy will be posted to the website pending the results from the FRC expected later this year.</p>

# Fund Manager Product Response

Activity	L&G Life HC Over 15 year Index-linked Gilts Index Fund		
Do you undertake Engagements for this fund?	No, Gilt fund	How many engagements have you had with companies in the past 12 months?	
Do you engage in voting for this fund?	No, Gilt fund	Do you conduct your own votes?	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes - the fund produces approximately 183.6 Weighted Average Carbon Emissions Scope 1 + Scope 2 (Tonnes CO2e per 1 million USD Invested) as of 30 September 2023	What was the actual turnover rate over the last 12 months?	

Activity	M&G Total Return Credit Investment Fund		
Do you undertake Engagements for this fund?	Yes,	How many engagements have you had with companies in the past 12 months?	12
How many engagements were made regarding environmental topics?	8	How many engagements were made regarding governance topics?	2
How many engagements were made regarding social topics?	2	How many engagements were made regarding other issues?	0
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> <li>• Sending standardised letters to companies</li> <li>• Sending bespoke letters to companies</li> <li>• Standard period engagement with companies</li> <li>• Active private engagement on specific issues</li> </ul> Active public engagement on specific issues	Sending bespoke letters to companies, Active private engagement on specific issues	Please discuss some of the key engagements and outcomes from the last 12 months.	<p>Company name 1: AIB GROUP PLC</p> <p>Topic: Environment - Net Zero/Decarbonisation (including Net Zero Commitments and Climate Transition Plans)</p> <p>Objective: We met with Irish Bank AIB to discuss the process it went through to have its near-term decarbonisation targets SBTi approved (as one of the few banks to have done so). The idea was to apply the lessons learned by AIB to other financial holdings that are finding validation difficult. As part of this meeting, we encouraged the bank to also have its net zero targets approved by SBTi, as well as regularly reporting on the outcomes of its scope 3 engagement programme, particularly as relates to its loan book.</p> <p>Action taken: We met with the bank's chief strategy and sustainability officer, as well as a member of the investor relations team.</p> <p>Result: AIB provided a good overview of the steps it had taken, the most important of which was initially getting internal stakeholders on board to allow for a smooth process, and working closely with SBTi on areas of uncertainty or concern. The bank confirmed that its intention was to get its net zero target approved, and was positive on the idea of reporting on its scope 3 engagement. This, it said, could eventually look at other ways of encouraging loan customers to decarbonise - in terms of incentives - while regulation was also helping to drive this, particularly CSRD.</p>

# Fund Manager Product Response

Activity	M&G Total Return Credit Investment Fund		
			<p>Company name 2: DXC TECHNOLOGY CO</p> <p>Topic: Social - Diversity &amp; Inclusion</p> <p>Objective: To encourage DXC to increase board level gender diversity to 33% in line with our voting policy</p> <p>Action taken: M&amp;G sent an letter to the company to make our expectations known</p> <p>Result: We await to hear back from the company and will update in due course</p> <p>Company name 3: BRAMBLES FINANCE PLC</p> <p>Topic: Governance - Executive Remuneration</p> <p>Objective: To ask Australian sustainable logistics business Brambles to more explicitly link remuneration KPIs to sustainability targets, reflecting the company's role as a promoter of, and practitioner in, the circular economy. We also encouraged the company to commit to net zero through SBTi - it has a near term SBTi approved 1.5° target, but has not yet committed to a net zero target through the initiative. In addition, we asked Brambles to consider reporting on specific milestones on the path to achieving the goals of its decarbonisation strategy, with specific ties to remuneration.</p> <p>Action taken: M&amp;G met with members of the company's investor relations team.</p> <p>Result: Brambles was very receptive to our requests, and explained that the relatively long list of reported personal objectives, linked to 30% of short term incentives, were tailored to individual roles - it would look to provide a clearer picture on a role-by-role basis. It also suggested a follow-on call with the head of sustainability to discuss more granular milestones connected to its decarbonisation strategy, which we will follow up on. Once we have the breakdown of objectives by role, depending on that outcome, we will write to the chair of the remuneration committee to outline our expectations. We are also sending the company examples of remuneration best practice to help guide the outcome.</p>
Do you engage in voting for this fund?	No, Not applicable as fixed income product	Do you conduct your own votes?	Voting is not applicable in this fund.
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	<p>Yes, we monitor carbon emissions level in this fund. The following climate metrics have been included in the TCFD report where data is available.</p> <p>Metric Description:</p> <p>* Scope 1 Direct emissions associated with the business operations e.g. a utility company's emissions from</p>	What was the actual turnover rate over the last 12 months?	

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	<p>combusting fuel.</p> <p>* Scope 2 Indirect emissions associated with the business' heating/power requirements e.g., a software company's emissions from buying electricity.</p> <p>* Scope 3 Emissions from: purchased goods and services; business travel; employee commuting; waste disposal; use of sold products; transportation and distribution (up and downstream); investments; leased assets; and franchises.</p> <p>* Carbon Footprint Refers to financed carbon emissions divided by the fund's market value, expressed in tonnes CO2e/£m invested. The larger the number, the more it is contributing to the effects of climate change. CF can be used to compare across different funds.</p> <p>* Weighted Average Carbon Intensity Is the fund's exposure to carbon-intensive issuers, expressed in tCO2e/£m sales. The larger the number, the more carbon intensive the investments currently are. Weighted Average Carbon Intensity (WACI) Investments Is the fund's exposure to carbon-intensive issuers, expressed in tCO2e/£m sales. The larger the number, the more carbon intensive the investments currently are. WACI allows comparison across different funds.</p> <p>* Exposure to high impact sectors: High impact sectors, such as utilities, construction, real estate, and transportation, are industrial sectors that have a significant influence on global carbon emissions.</p> <p>* Climate Adjusted Value This metric is the change in the value of the fund's assets (what it holds) as a result of the climate scenario. A negative number denotes that under the scenario, there will be a devaluation for the fund's investments or underlying assets. Scenario model outputs are expressed as a range of outcomes, reflecting the inherent uncertainty of the underlying assumptions. We have provided the average model output of that range of results:</p> <p>i) Orderly Transition Scenario assumes climate policies are 'orderly', ie, are introduced early and become gradually more stringent, reaching global net zero greenhouse gas (GHG) emissions around 2050 and likely limiting global warming to below 2°C on pre-industrial averages.</p> <p>ii) Disorderly Transition Scenario assumes climate policies are 'disorderly', ie, are delayed or divergent, requiring sharper emissions reductions achieved at a higher cost and with increased physical risks in order to limit temperature rise to below 2°C on pre-industrial averages.</p> <p>iii) Hot House World Scenario Scenario assumes only currently implemented climate policies are preserved, current commitments are not met and emissions continue to rise, with high physical risks and severe social and economic disruption and failure to limit temperature rise.</p> <p>* Implied Temperature Rise: This metric allows a user to quickly gauge if a portfolio and issuer's greenhouse gas (GHG) emissions' trajectory is aligned with the Paris</p>		

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	<p>Agreement through sub-industry and regional benchmark comparisons.</p> <p>* Paris Agreement target: The Paris Agreement resulted from the Paris Climate Conference (COP 21) in December 2015 and brought together all COP member nations in an agreement to undertake ambitious efforts to tackle climate change and limit the rise of global temperatures (from pre-industrial levels) to below 2°C, and ideally below 1.5°C.</p>		

Activity	L&G Life AF Over 15 Years Gilt Index Fund		
Do you undertake Engagements for this fund?	No, Gilt Fund	How many engagements have you had with companies in the past 12 months?	
Do you engage in voting for this fund?	No, Gilt Fund	Do you conduct your own votes?	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes - the fund produces approximately 183.6 Weighted Average Carbon Emissions Scope 1 + Scope 2 (Tonnes CO2e per 1 million USD Invested) as of 31 December 2023	What was the actual turnover rate over the last 12 months?	

Activity	Payden Absolute Return Bond Fund		
Do you undertake Engagements for this fund?	Yes,	How many engagements have you had with companies in the past 12 months?	160
How many engagements were made regarding environmental topics?	71	How many engagements were made regarding governance topics?	5
How many engagements were made regarding social topics?	31	How many engagements were made regarding other issues?	53
<p>Which form of engagement is most representative of the approach taken for this fund over the last 12 months:</p> <ul style="list-style-type: none"> <li>• Sending standardised letters to companies</li> <li>• Sending bespoke letters to companies</li> <li>• Standard period engagement with companies</li> <li>• Active private engagement on specific issues</li> </ul> <p>Active public engagement on specific issues</p>	<p>Sending standardised letters to companies, Sending bespoke letters to companies, Active private engagement on specific issues</p>	<p>Please discuss some of the key engagements and outcomes from the last 12 months.</p>	<p>Merck &amp; Co. Inc. : Environmental (Sustainable Practices) Payden's ESG Research Frameworks, driven by third-party data make available a variety of issuer-level ESG metrics and we utilize this data to identify opportunities for engagement. One factor we monitor is water emissions. This is often underreported relative to other environmental metrics such as GHG emissions and is a principal adverse indicator we consider in our Article 8 Funds. Merck was identified through the Research Frameworks as a company which discloses its water emissions and further analysis revealed that the company has taken the next step and established water management</p>

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Activity	Payden Absolute Return Bond Fund		
			<p>initiatives in line with its disclosure practices. We contacted the investor relations team to schedule a call to better understand the foundation and targets of its water management practices. The company's Directors of Environmental Sustainability and Corporate Responsibility attended the call. Merck shared that it had established its Environmental, Sustainability, and Excellence Center, which integrates its environmental strategy throughout the company. As a global pharmaceutical company, one of the goals that Merck reported it has set is to reduce overall water consumption. Water is one of the most frequently used raw materials in the production of pharmaceuticals, including prescription medicines and vaccines. Water is also used for cleaning and sterilization purposes, as well as for ingredients for intermediates and final products. Recognizing its business is more water-reliant than other sectors, the company shared it has set a 2025 target to maintain global water use at or below its 2015 levels. At the time of the engagement, the company reported that it was achieving this goal operating at 17% below 2015 levels. The outcome of the engagement was positive. Many companies are still not disclosing on this topic which is the first step to understanding water emissions. Merck has made significant progress in both disclosing and then also setting and maintaining targets in this area. We will monitor as the company releases more information related to the progress of its environmental goals, including water consumption. We may engage in the future.</p>
Do you engage in voting for this fund?	No, Not applicable for this fund.	Do you conduct your own votes?	Not applicable for this fund.
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes, please see upon requested our ESG reports for the Payden Absolute Return Bond Fund.	What was the actual turnover rate over the last 12 months?	177

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