

# PORTFOLIO ASSESSMENT SUMMARY REPORT (TCFD ALIGNED)

LF Prudential Risk  
Managed Passive  
Fund 3

as of : 30/12/2022  
Market value : 530,473,281

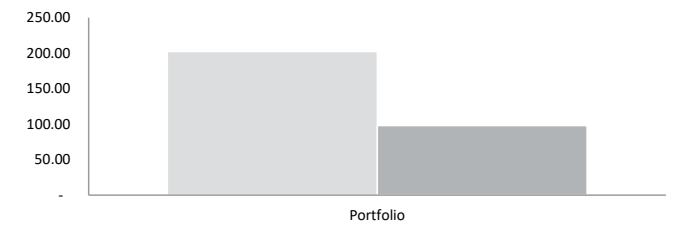
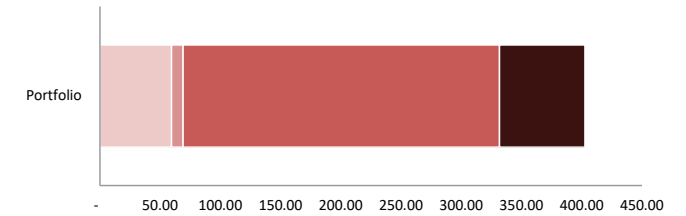
# CARBON PERFORMANCE

The analysis of carbon footprint allows investors to quantify the GHG emissions apportioned to their portfolio and/or benchmark, presented as the amount of tCO<sub>2</sub>e apportioned to the investor. The lower, the better.

Additionally, carbon intensity allows comparison between different companies or portfolios, irrespective of size and geography.

Carbon Footprint		Portfolio
Scope 1		59.37
Scope 2		9.65
Scope 3 Downstream		262.62
Scope 3 Upstream		70.95

Carbon Intensity		Portfolio
Direct		202.52
First Tier Indirect		98.09



**Market Value Covered in %**

ECPI	73.61
S&P Trucost	86.65

**Intensity Top 10 Securities** Total Intensity (tCO<sub>2</sub>e/\$M)

M&g Emerg Mkts Bond-gbp P	510.90
Legal & General Euro Ind-	122.66

Top 10 by Carbon Footprint	Weight	Carbon Footprint Total (tCO <sub>2</sub> e/\$M)	Carbon Footprint Scope 1 (tCO <sub>2</sub> e/\$M)	Carbon Footprint Scope 2 (tCO <sub>2</sub> e/\$M)	Carbon Footprint Scope 3 Downstream (tCO <sub>2</sub> e/\$M)	Carbon Footprint Scope 3 Upstream (tCO <sub>2</sub> e/\$M)	Absolute: GHG Direct (tCO <sub>2</sub> e)	Absolute: GHG First Tier Indirect (tCO <sub>2</sub> e)	Intensity: GHG Direct (tCO <sub>2</sub> e/\$M)	Intensity: GHG First Tier Indirect (tCO <sub>2</sub> e/\$M)
M&g Emerg Mkts Bond-gbp P	2.99	119.48	102.58	16.90	N/A	39.35	7,335,890	2,406,748	455.41	127.38
Legal & General Euro Ind-	5.69	35.33	29.49	5.85	223.06	71.93	4,057,366	4,824,235	107.16	98.50

# FOSSIL FUELS & STRANDED ASSETS

Future emissions from fossil fuel reserves tend to exceed the allowed carbon budget supposed to limit global warming to 2° Celsius above pre-industrial levels.

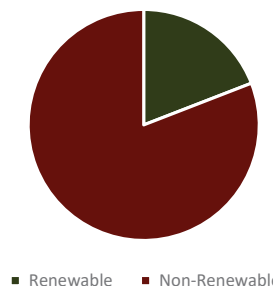
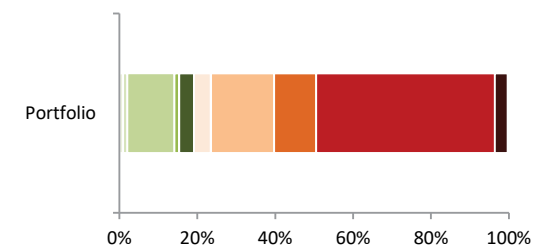
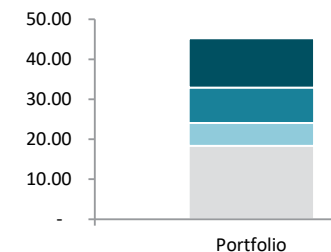
Below the exposure to carbon-related assets as well as holdings in companies that have disclosed proven and probable fossil fuel reserves.

Exposure to Fossil Fuels		Portfolio
% from Fossil Fuels		18.39

Exposure to Coal Activities		Portfolio
% from Metallurgical		5.69
% from Mining		8.83
% from Thermal		12.30

Power Generation in GWh	Portfolio	Percentage
<b>Renewable</b>	<b>43,291.12</b>	<b>19%</b>
Biomass	2,179.00	1%
Geothermal	2,449.12	1%
Hydroelectric	27,345.06	12%
Solar	2,586.23	1%
Wave and Tidal	221.01	0%
Wind	8,510.70	4%

<b>Non-Renewable</b>	<b>183,179.71</b>	<b>81%</b>
Coal	9,875.12	4%
Landfill Gas	60.10	0%
Liquid Natural Gas	36,761.19	16%
Liquid Petroleum Gas	N/A	
Natural Gas	24,360.27	11%
Nuclear	104,016.50	46%
Petroleum Oil	7,459.93	3%
Undefined Sources	646.59	0%



Top 10 by Coal Consumption	Weight	Energy Consumption from Coal (GWh)	Fossil Fuel Exposure	Coal Gasification Exposure	Coal Liquefaction Exposure	Energy Cons Non-Renewable (GWh)	Energy Cons Renewable (GWh)	Energy Prod Non-Renewable (GWh)	Energy Prod Renewable (GWh)
Legal & General Euro Ind-	5.69	11,781	✘	✔	✔	18,111	2,599	3,780	1,914

Top 10 by Coal Mining Revenue	Weight	% Coal Mining Revenue/ Total Revenue	Fossil Fuel Exposure	Coal Gasification Exposure	Coal Liquefaction Exposure	Metallurgical Coal Mining Revenue (\$M)	Coal Mining Revenue (\$M)	Thermal Coal Mining Revenue (\$M)	Undefined Coal Mining Revenue (\$M)
M&g Emerg Mkts Bond-gbp P	2.99	1.00	✘	✔	✔	N/A	131	131	-
Legal & General Euro Ind-	5.69	0.68	✘	✔	✔	115	132	164	-

# GREEN TAXONOMY DISCLOSURES

Sustainable product classification and labelling system includes differentiation between products not promoted as sustainable and products promoted as responsible, which may have some sustainable investments. The sustainable products may be split across:

- Aligned => products with sustainable characteristics, themes or objectives; high allocation to Taxonomy-aligned sustainable activities
- Transitioning => products with sustainable characteristics, themes or objectives; low allocation to Taxonomy-aligned sustainable activities

	% Total Not Eligible	% Total Eligible	% Enabling	% Transitional
Portfolio	66.08	30.91	14.59	16.32

	Agriculture	Construction and Real Estate Activities	Electricity, Gas, Steam and A/C Supply	Forestry	ICT	Manufacturing	Transportation and Storage	Water, Sewerage, Waste and Remediation	Multiple Sources
Portfolio	0.04	7.52	5.21	0.03	6.59	8.65	1.12	0.11	1.62

Top 10 by Enabling Activities	Weight	Agriculture	Construction and Real Estate Activities	Electricity, Gas, Steam and A/C Supply	Forestry	ICT	Manufacturing	Transportation and Storage	Water, Sewerage, Waste and Remediation	Multiple Sources
Legal & General Euro Ind-	5.69	0.00	1.69	4.24	0.05	5.23	10.99	1.10	0.10	1.10
Legal&general Uk Indx-c I	0.39	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cash-eur	0.11	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ishrs Corp Bd Idx-x Acc	17.83	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ishrs Em Mkts Eq Idx-x Acc	3.16	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ishrs Jap Eq Idx-x Acc	3.12	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ishrs Pac Ex Jap Eq Idx-x	7.96	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ishrs Uk Eq Idx-x Acc	15.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ishrs Us Eq Idx-x Acc	4.35	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
M&g (Lux) Pan Eur Smlr Co	0.65	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

# TOWARDS NET-ZERO

The international Paris Agreement on climate change mentions 3 long-term goals: The first 2 focus on climate mitigation and adaptation, while the 3<sup>rd</sup> is “to make all financial flows consistent with a pathway towards low-emissions, climate-resilient development”. This recognizes the key role that financial institutions play in realising the Paris Climate Agreement – including the need to achieve net-zero emissions by mid-century and reduce emissions 50% by 2030.

	2°C Aligned Intensity Adjusted Profit (tCO <sub>2</sub> e/\$M)	Alignment Gap Well Below 2°C (tCO <sub>2</sub> e)	Alignment Gap 2°C (tCO <sub>2</sub> e)	Alignment Gap 3°C (tCO <sub>2</sub> e)	Alignment Gap 4°C (tCO <sub>2</sub> e)	Alignment Gap 5°C (tCO <sub>2</sub> e)
Portfolio	461.29	6,309,861	-4,680,437	-11,389,688	-698,523	-1,775,009

Top 10 by Weight	Weight	Alignment Gap Well Below 2°C (tCO <sub>2</sub> e)	Alignment Gap 2°C (tCO <sub>2</sub> e)	Alignment Gap 3°C (tCO <sub>2</sub> e)	Alignment Gap 4°C (tCO <sub>2</sub> e)	Alignment Gap 5°C (tCO <sub>2</sub> e)	Type	Methodology	Source of Forward Looking Data
Legal & General Euro Ind-	5.69	10,085,589	1,604,685	-3,010,470	4,371,665	3,615,603	1.5-2°C	GEVA	Company target

# SCENARIO ANALYSIS

The assessment of physical risks is key as they also (or mostly) result from climate change. Companies are scored 1-100 for each of the key hazard risk types (coldwave, heatwave, hurricane, floods, wildfire, water stress etc).

The assessment is made available across different climate change scenarios (low, medium, high) and future reference years (2030, 2050).

Sensitivity	Low			Medium			High		
	2020	2030	2050	2020	2030	2050	2020	2030	2050
<b>Composite</b>	<b>24.26</b>	<b>23.97</b>	<b>23.85</b>	<b>24.18</b>	<b>23.81</b>	<b>23.61</b>	<b>24.36</b>	<b>23.80</b>	<b>24.35</b>
Coldwave	38.90	34.32	30.39	38.90	32.89	26.23	38.90	31.80	19.86
Flood	3.47	3.06	3.14	3.47	3.06	3.14	3.47	3.18	3.24
Heatwave	8.61	10.83	12.47	8.03	10.46	10.83	9.30	12.56	21.05
Hurricane	5.06	N/A	N/A	0.01	N/A	N/A	0.01	N/A	N/A
Sea Level Rise	5.18	5.30	6.25	5.18	5.30	7.24	5.18	5.30	8.79
Water Stress	53.61	54.93	56.38	53.61	54.93	56.34	53.61	53.67	52.95
Wildfire	10.98	11.12	10.69	10.98	11.42	11.82	10.98	11.20	11.83

Top 10 by Weight	Weight	Sensitivity Composite Score 2020 (High Scenario)	Coldwave Score 2020 (High Scenario)	Flood Score 2020 (High Scenario)	Heatwave Score 2020 (High Scenario)	Hurricane Score 2020 (High Scenario)	Sea Level Rise Score 2020 (High Scenario)	Water Stress Score 2020 (High Scenario)	Wildfire Score 2020 (High Scenario)
Legal & General Euro Ind-	5.69	23.53	39.00	3.76	9.12	0.01	4.05	47.70	9.04