

# PORTFOLIO ASSESSMENT SUMMARY REPORT (TCFD ALIGNED)

LF Prudential Risk  
Managed Active  
Fund 2

as of : 30/12/2022  
Market value : 282,114,592

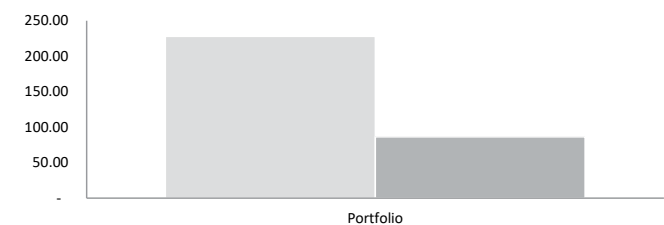
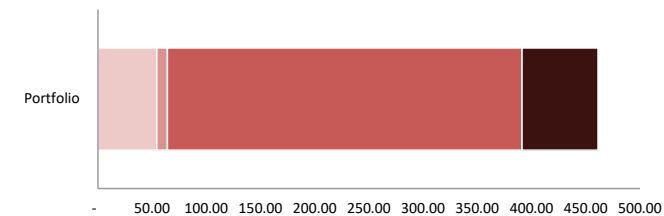
# CARBON PERFORMANCE

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		54.19
Scope 2		9.80
Scope 3 Downstream		327.24
Scope 3 Upstream		70.03

Carbon Intensity		Portfolio
Direct		227.95
First Tier Indirect		86.34



Market Value Covered in %	
ECPI	83.83
S&P Trucost	79.81

Intensity Top 10 Securities	Total Intensity (tCO <sub>2</sub> e/\$M)
M&g Emerg Mkts Bond-gbp P	510.90
Eastspring Asia L B-eusda	312.25
M&g (Lux) Eurp Ex Uk Eqty	311.59
Eastspring Inv Asian Bd-e	293.18
Eastspring Us Cor Bd-eg H	215.54
M&g Sterling Inv Grade Co	175.14
M&g Gbl Hi Yld Bond Gbp-a	172.38
Esif-m&g Eu Cred Inv-eagb	121.75
M&g Blk Uk 200 Equity Z4a	102.84
Legal&gen Uk Prpty Fd-c A	31.80

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)
Eastspring Inv Asian Bd-e	2.82	144.62	126.97	17.66	N/A	74.89	12,807,607	4,682,589	258.95	87.74
M&g Emerg Mkts Bond-gbp P	4.04	119.48	102.58	16.90	N/A	39.35	7,335,890	2,406,748	455.41	127.38
Eastspring Asia L B-eusda	8.49	115.52	110.67	4.85	N/A	58.43	5,086,939	1,652,938	280.00	101.28
M&g Blk Uk 200 Equity Z4a	3.36	90.53	70.23	20.31	944.76	129.96	2,385,404	2,710,377	105.54	84.94
M&g (Lux) Eurp Ex Uk Eqty	2.40	81.80	70.70	11.10	454.87	119.47	7,707,599	6,723,793	310.84	142.76
M&g Gbl Hi Yld Bond Gbp-a	4.17	64.57	51.30	13.27	N/A	135.83	2,650,913	3,942,421	148.93	97.84
M&g Sterling Inv Grade Co	20.39	58.08	46.77	11.30	388.15	78.48	5,706,144	4,834,368	161.14	69.27
Esif-m&g Eu Cred Inv-eagb	3.10	44.17	37.79	6.38	N/A	73.98	6,041,842	5,661,955	104.95	72.91
Eastspring Us Cor Bd-eg H	10.68	31.06	25.32	5.74	143.20	42.75	5,385,152	4,818,155	525.40	88.75
Legal&gen Uk Prpty Fd-c A	2.74	1.15	0.33	0.82	13.94	1.69	3,790	17,213	8.42	36.62

# 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.

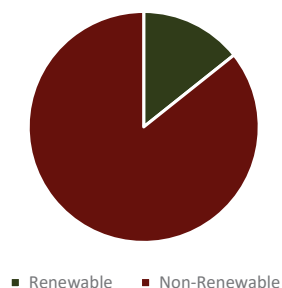
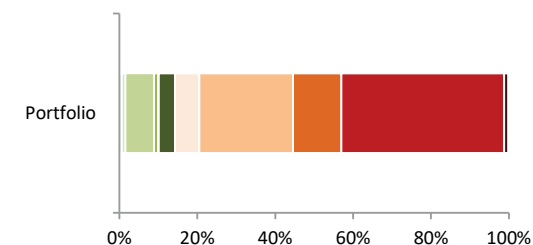
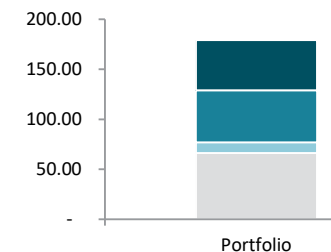
Below the exposure to carbon-related assets as well as holdings in companies that have disclosed proven and probable fossil fuel reserves.

Exposure to Fossil Fuels		Portfolio
% from Fossil Fuels		66.13

Exposure to Coal Activities		Portfolio
% from Metallurgical		10.82
% from Mining		51.99
% from Thermal		50.23

Power Generation in GWh	Portfolio	Percentage
<b>Renewable</b>	<b>32,488.23</b>	<b>14%</b>
Biomass	1,520.88	1%
Geothermal	1,997.85	1%
Hydroelectric	16,751.68	7%
Solar	2,225.47	1%
Wave and Tidal	451.91	0%
Wind	9,540.43	4%

<b>Non-Renewable</b>	<b>194,790.27</b>	<b>86%</b>
Coal	13,934.87	6%
Landfill Gas	170.05	0%
Liquid Natural Gas	54,786.00	24%
Liquid Petroleum Gas	N/A	
Natural Gas	28,220.28	12%
Nuclear	94,922.52	42%
Petroleum Oil	2,400.67	1%
Undefined Sources	355.88	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)
Eastspring Us Cor Bd-eg H	10.68	47,717	✘	✓	✓	21,741	3,421	7,391	2,098
M&g Sterling Inv Grade Co	20.39	15,179	✘	✓	✓	23,935	5,548	20,645	5,027
M&g (Lux) Eurp Ex Uk Eqty	2.40	7,404	✘	✓	✓	27,771	3,073	5,542	2,711
M&g Blk Uk 200 Equity Z4a	3.36	4,456	✘	✓	✓	3,960	2,234	320	185

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 Sterling Inv Grade Co	20.39	8.78	✘	✓	✓	2,655	3,648	993	-
M&g Blk Uk 200 Equity Z4a	3.36	6.76	✘	✓	✓	2,174	6,415	4,241	-
Eastspring Us Cor Bd-eg H	10.68	6.68	✘	✓	✓	2,155	6,523	4,367	-
Eastspring Inv Asian Bd-e	2.82	4.80	✘	✓	✓	N/A	256	256	-
Esif-m&g Eu Cred Inv-eagb	3.10	4.60	✘	✓	✓	1,659	9,377	7,717	-
M&g Emerg Mkts Bond-gbp P	4.04	1.00	✘	✓	✓	N/A	131	131	-
M&g (Lux) Eurp Ex Uk Eqty	2.40	0.22	✘	✓	✓	115	115	N/A	-

# 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	59.29	38.78	15.36	23.42

	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	0.01	13.76	7.58	0.01	8.19	5.65	1.20	0.18	2.20

Top 10 by Enabling Activities	Weight									
Legal&gen Uk Prpty Fd-c A	2.74	-	88.17	-	-	-	-	-	-	3.12
M&g Japan Eqty Gbpz4a Acc	1.93	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
M&g Blk Uk 200 Equity Z4a	3.36	-	11.64	2.76	-	3.02	3.59	0.60	0.19	2.06
M&g Sterling Inv Grade Co	20.39	-	8.14	11.94	-	11.09	3.93	1.07	0.17	3.97
M&g (Lux) Eurp Ex Uk Eqty	2.40	-	1.26	5.06	-	6.34	13.44	3.50	-	0.15
M&g Global Convertibles-i	1.24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
M&g Ivz Gbl Em Mrkts Eqty	0.14	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Eastspring Us Cor Bd-eg H	10.68	-	2.92	9.97	0.05	10.22	3.92	1.04	0.41	0.51
M&g Granahan Us Small Cap	0.17	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
M&g Gsam Gbl Em Mrkts Eqy	0.47	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	415.41	-1,433,511	-13,936,504	-21,901,051	-7,009,152	-8,242,986

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
M&g Sterling Inv Grade Co	20.39	-20,060,376	-35,617,106	-46,111,153	-11,547,929	-13,026,167	<1.5°C	GEVA	Company target
Eastspring Us Cor Bd-eg H	10.68	6,740,119	-8,302,105	-18,494,919	-12,714,775	-14,251,243	<1.5°C	GEVA	Company target
M&g BIK Uk 200 Equity Z4a	3.36	9,988,008	3,096,380	-1,074,171	-1,036,116	-1,737,323	<1.5°C	GEVA	Sub-Industry trend
Legal&gen Uk Prpty Fd-c A	2.74	-28,441	-115,155	-167,399	-183,141	-192,656	<1.5°C	GEVA	Company target
M&g (Lux) Eurp Ex UK Eqty	2.40	26,848,649	8,155,882	2,502,879	5,397,347	3,736,346	>5°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>23.39</b>	<b>23.16</b>	<b>23.24</b>	<b>23.33</b>	<b>23.19</b>	<b>23.30</b>	<b>23.44</b>	<b>23.01</b>	<b>23.80</b>
Coldwave	38.39	33.56	30.37	38.39	32.87	25.89	38.39	31.46	19.68
Flood	3.19	2.99	3.01	3.19	2.99	3.01	3.19	2.95	2.97
Heatwave	8.81	11.02	12.63	8.14	10.58	10.75	9.46	12.73	21.43
Hurricane	5.97	N/A	N/A	0.01	N/A	N/A	0.01	N/A	N/A
Sea Level Rise	4.40	4.51	5.40	4.40	4.50	6.44	4.40	4.51	8.01
Water Stress	54.39	55.14	56.21	54.39	55.14	56.15	54.39	53.81	52.68
Wildfire	12.28	12.24	11.76	12.28	12.85	13.26	12.28	12.51	13.02

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)
M&g Sterling Inv Grade Co	20.39	20.87	39.44	3.36	9.14	0.01	4.52	50.97	11.24
Eastspring Us Cor Bd-eg H	10.68	23.44	38.64	3.39	10.17	N/A	2.94	55.73	19.30
M&g Blk Uk 200 Equity Z4a	3.36	26.08	38.60	2.74	8.76	N/A	4.36	54.97	8.76
Legal&gen Uk Prpty Fd-c A	2.74	13.43	40.25	1.55	7.88	N/A	5.14	64.15	2.25
M&g (Lux) Eurp Ex Uk Eqty	2.40	26.59	39.38	4.23	8.94	0.02	4.48	44.32	7.59