TwentyFour
a boutique of Vontobel

TwentyFour Asset Management LLP

# UK TCFD Report

## Year ending 31 December 2025

# Strategy for Climate-Related Risks and Opportunities

**We are pleased to present the third Task Force on Climate-related Financial Disclosures ("TCFD") Report for TwentyFour Asset Management LLP (together with its subsidiaries, "TwentyFour" or the "firm"), providing an update on our approach to managing climate-related risks and opportunities across the Firm.**

Over the past year, our core approach has remained broadly consistent, reflecting our continued focus on supporting clients in navigating climate-related risks and opportunities in line with their individual objectives and risk appetite. We do not set climate targets on behalf of our clients; rather, we seek to support their transition ambitions by providing a range of investment solutions designed to meet differing requirements. Within this framework, climate considerations continue to be integrated into our investment process alongside other financially material factors.

During the reporting period, we have observed a continued increase in the availability and quality of sustainability-related data disclosures from corporate issuers. This has further supported our ability to assess climate-related risks and opportunities as part of our investment analysis, while also enhancing transparency more broadly across markets.

The reporting period has been characterised by a more complex and uncertain operating environment, shaped by geopolitical and macroeconomic developments and a changing landscape for industry-led climate initiatives, including developments affecting certain net-zero alliances. Against this backdrop, we have maintained a measured and pragmatic approach.

We have also continued to assess climate-related risks and opportunities at a corporate level, recognising that the Firm is both impacted by, and contributes to, these factors in its own operations.

We view the implementation of the TCFD recommendations as an evolving process and remain committed to refining our approach over time, with a focus on delivering transparent and decision-useful information for our investors.

**Ben Hayward**
Partner,
Chief Executive Officer

**Sujan Nadarajah**
Partner,
Chief Compliance Officer

TwentyFour
a boutique of Vontobel

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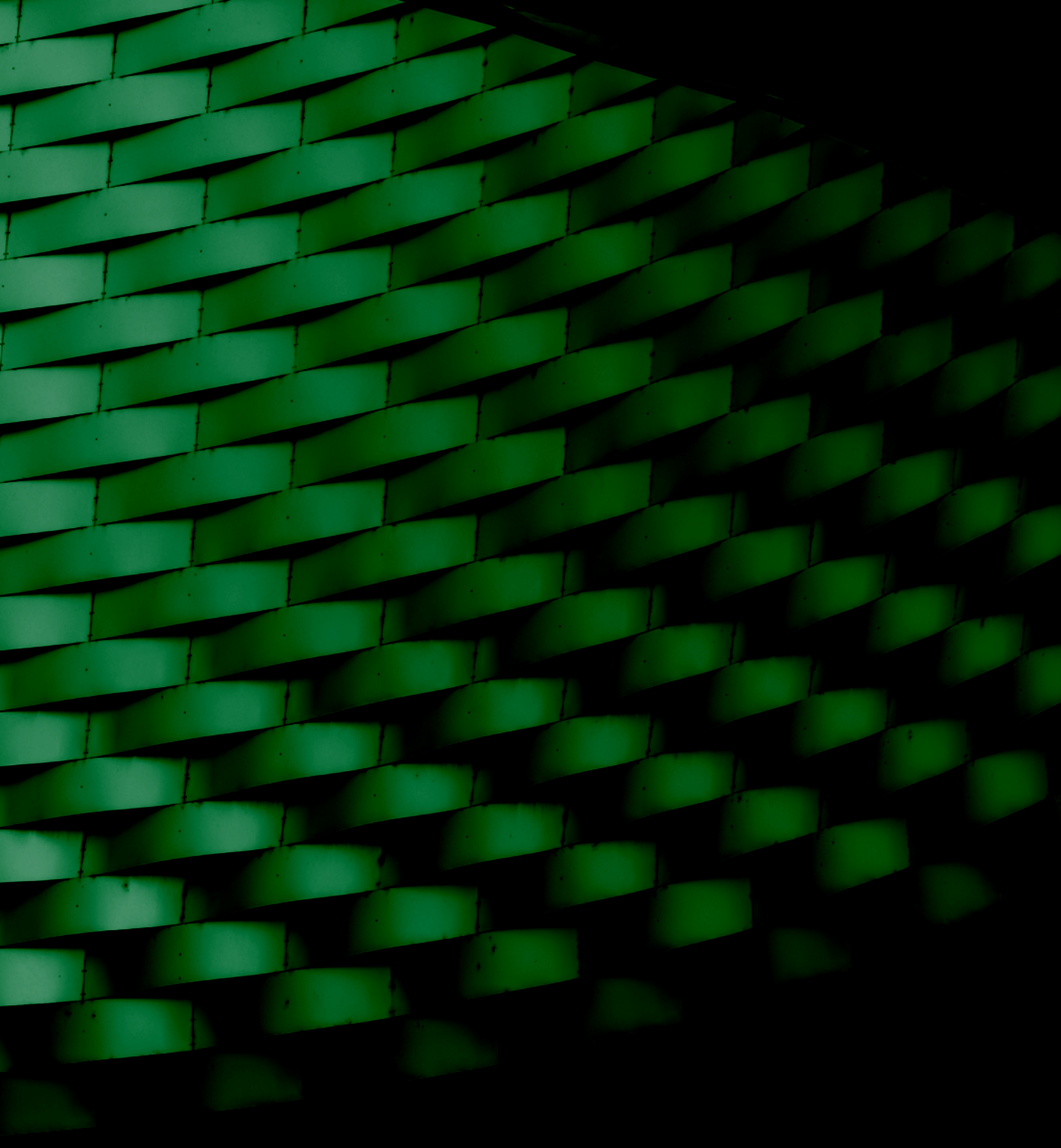


# Introduction

# Introduction

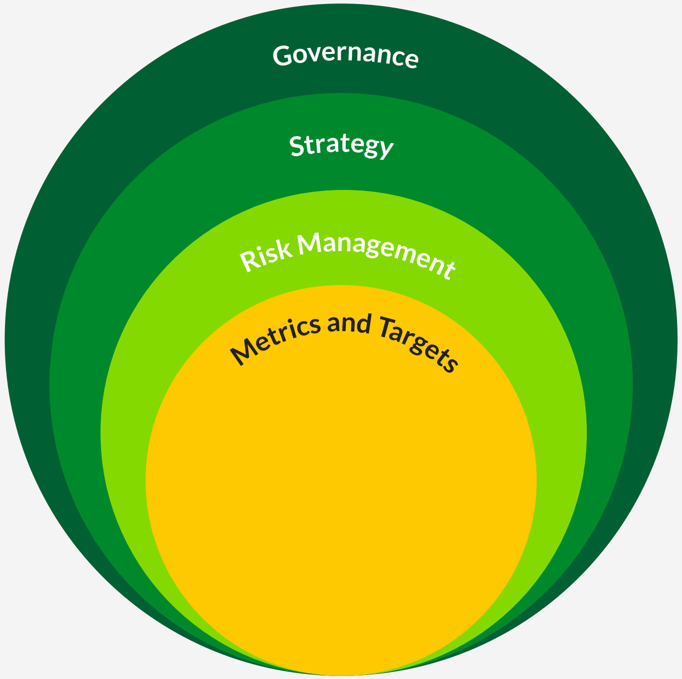
**The purpose of this report is to disclose TwentyFour's approach and procedures against the TCFD's four core pillars and in line with the rules developed by the Financial Conduct Authority ("FCA") for asset managers.**

At TwentyFour, environmental, social and governance ("ESG") analysis is integrated into our investment process across all strategies and is seen as a financial risk to our investments, like any other. Climate-related risks and opportunities are considerations factored in the environmental analysis that forms part of our investment process for all assets managed by TwentyFour.

As an asset manager we have a fiduciary duty to our clients to seek to achieve the investment objectives of the funds they have invested in, or as agreed with them for segregated accounts.

We acknowledge that our clients' climate change preferences and ambitions may differ and accordingly we have not set transition targets or imposed climate-related exclusion policies unless agreed with our clients; instead we offer different solutions to support our clients' varying goals.

**Pillars of recommended climate-related financial disclosures**




**Governance**
- Board oversight
- Management's role

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- Resilience of the organisation's strategy

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- Scope 1, 2, 3 GHG metrics and the related risks
- Climate-related targets and performance against targets

## Governance

| Recommendation to Asset Managers | Summary |
|---|---|
| Describe the board's oversight of climate-related risks and opportunities. | The Board has oversight of climate-related risks and opportunities via the ESG Committee and the Risk and Compliance Committee established by the Executive Committee. The ESG Committee oversees investment stewardship, policy and corporate sustainability, and the Risk and Compliance Committee oversees the firm's levels of risk, risk assessment and management, and compliance with regulation, together with sustainability risks including climate. |
| Describe the management's role in assessing and managing climate-related risks and opportunities. | TwentyFour's Executive Committee is responsible for the firm's ESG strategy including climate-related risks and opportunities. The relevant committees and teams are responsible for implementation of the firm's ESG strategy and report back to the Executive Committee. |

## Strategy

| Recommendation to Asset Managers | Summary |
|---|---|
| Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term. | Risks: regulation, market, government policy, product, regulatory, reputational and physical risks.<br>Opportunities: strong latent demand for sustainability products/strategies. |
| Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning. | Climate-related risks and opportunities are considered in the business strategy, investment process, and systems and controls. |
| Describe how climate-related risks and opportunities are factored into relevant products or investment strategies, and describe how climate-related risks and opportunities are factored into relevant products or investment strategies and how each product or investment strategy may be affected by the transition to a lower-carbon economy. | Climate-related risks and opportunities form part of ESG integration in the investment process, in a manner that is consistent with the stated investment guidelines. |

## Strategy *cont'd*

| Recommendation to Asset Managers | Summary |
|---|---|
| Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | TwentyFour considers climate-related scenario analysis using data from a third-party vendor, in understanding the potential impact of climate-related transition and physical risks to the firm's business strategy over different time horizons. |

## Risk Management

| Recommendation to Asset Managers | Summary |
|---|---|
| Describe the organisation's processes for identifying and assessing climate-related risk. | ESG, including climate related risks and opportunities, is integrated into the firm's investment process with the portfolio management teams, as primary risk owners, considering climate-related risks appropriate to client portfolios. TwentyFour's Risk and Compliance functions oversee the firm's ESG-related investment and operational risks.<br>The Risk function evaluates investment risk including ESG/sustainability risks on an ongoing basis to ensure risks are well understood and monitored appropriately to complement the first line of defence. With ESG being integrated into the investment process and systems and controls, it is considered within the firm's standard product development and incident management processes. |
| Describe the organisation's processes for managing climate-related risks. | |
| Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. | |
| Describe how material climate-related risks are managed for each product or investment strategy. | |

## Risk Management *cont'd*

| Recommendation to Asset Managers | Summary |
|---|---|
| Describe engagement activity with investee companies to encourage better disclosure and practices related to climate-related risks, in order to improve data availability and asset managers' ability to assess climate-related risks. | TwentyFour has engaged with companies for a number of years on ESG factors and during 2025 TwentyFour held 96 such engagements, of which 59 were engagements on environmental issues. These engagements helped TwentyFour better understand the companies' approach and commitment to improving their positioning and oversight of ESG factors, including climate-related risks and opportunities.<br><br>TwentyFour continues to observe improved engagement with companies over the years as well as improved reporting. |

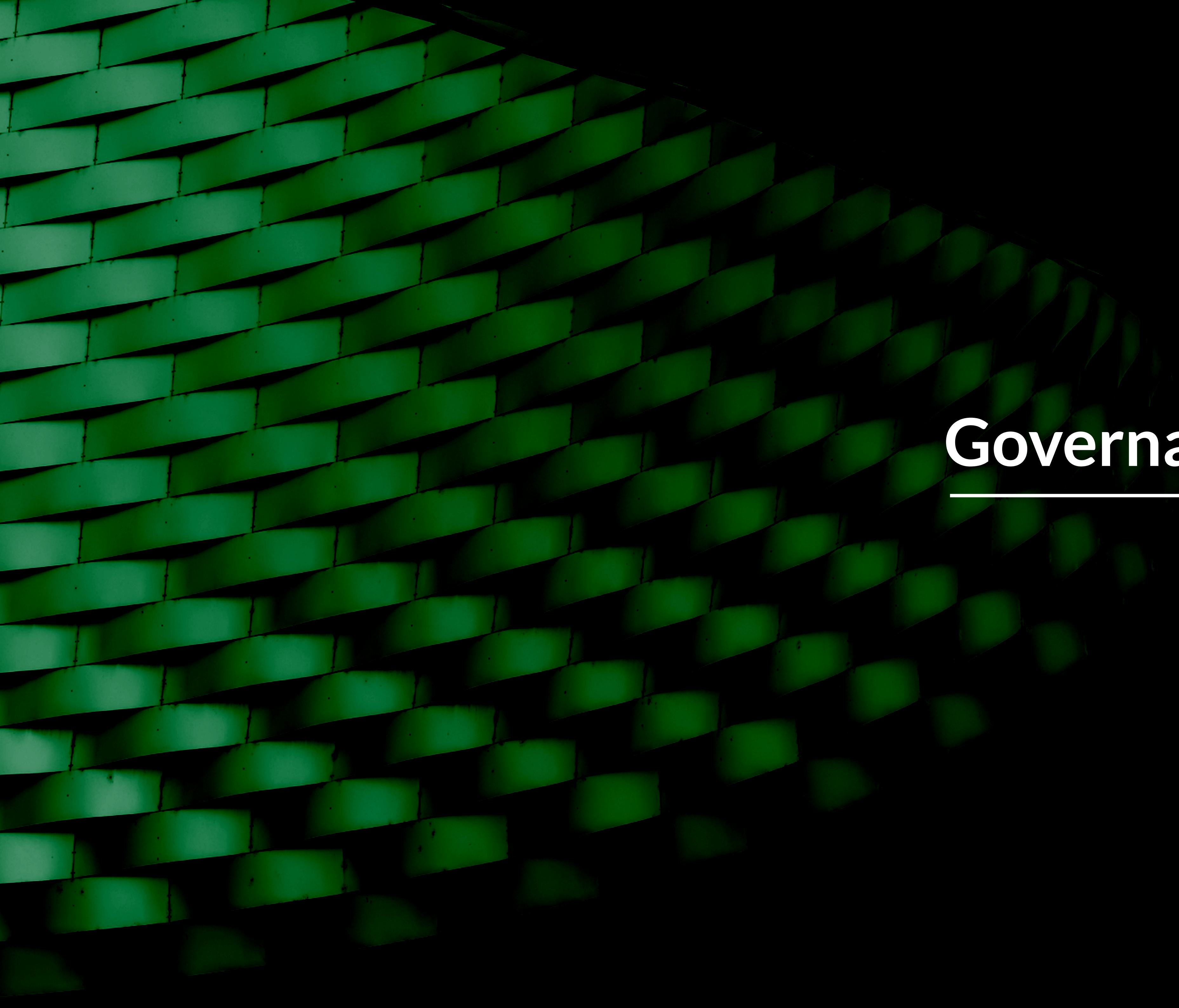
## Metrics and Targets

| Recommendation to Asset Managers | Summary |
|---|---|
| Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. | TwentyFour discloses total Scope 1 and Scope 2 and where appropriate Scope 3 greenhouse gas (GHG) emissions. |

| **Metrics and Targets** *cont'd* | |
|---|---|
| **Recommendation to Asset Managers** | **Summary** |
| Asset managers should describe metrics used to assess climate-related risks and opportunities in each product or investment strategy. Where relevant, asset managers should also describe how these metrics have changed over time.<br>Where appropriate, asset managers should provide metrics considered in investment decisions and monitoring.<br>Asset managers should describe the extent to which their assets under management and products and investment strategies, where relevant, are aligned with a well-below 2°C scenario, using whichever approach or metrics best suit their organisational context or capabilities.<br>Asset managers should also indicate which asset classes are included. | TwentyFour considers backward and forward-looking metrics that have been employed to disclose the product-level climate-related risks where sufficient coverage of data and data models exists:<br>1. Scope 1, Scope 2, and where appropriate Scope 3 GHG emissions<br>2. Weighted Average Carbon Intensity<br>3. Carbon Footprint<br>4. Climate Value-at-Risk (forward-looking)<br>The term 'product-level' refers to segregated accounts and funds managed by TwentyFour. |
| Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks. | TwentyFour reports Scope 1 and 2, and, Scope 3 GHG emissions where source data is available and reliable. |

**Metrics and Targets** *cont'd*

| Recommendation to Asset Managers | Summary |
|---|---|
| Asset managers should disclose GHG emissions for their assets under management and the weighted average carbon intensity (WACI) for each product or investment strategy, where data and methodologies allow. These emissions should be calculated in line with the Global GHG Accounting and Reporting Standard for the Financial Industry developed by the Partnership for Carbon Accounting Financials (PCAF Standard) or a comparable methodology. In addition to WACI, asset managers should consider providing other carbon footprinting metrics they believe are useful for decision-making. | TwentyFour disclosures will include Scope 1 and Scope 2, and, if appropriate, GHG emissions associated with its assets classes within fixed income.<br>The firm discloses carbon footprint and financed carbon emissions for corporates and ABS, and WACI for corporates.<br>The firm has also opted to disclose Climate Value-at-Risk across its products. |
| Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. | In 2025, TwentyFour continued to support its clients' climate change/transition ambitions by providing them with appropriate investment solutions. |



# Governance

# Board's Oversight of Climate-Related Risks and Opportunities

The Board of TwentyFour is responsible for the firm's overarching business strategy and direction, which includes our sustainability strategy. While the Board is ultimately responsible for oversight of the risks and opportunities that the strategy may present, it delegates the day-to-day governance and management of the firm to TwentyFour's Executive Committee ("ExCo"). The firm's ExCo is accordingly responsible for TwentyFour's sustainability strategies, overseeing its implementation and keeping the Board apprised.

The Chair of the Board is responsible for setting the Board agenda with a focus on the strategy, impact on the business, performance and value creation, systems and controls including risk management and firm culture.

The Board is periodically updated on pertinent ESG matters, including sustainability, related regulatory matters and the impact or potential impact on the firm's products and services.

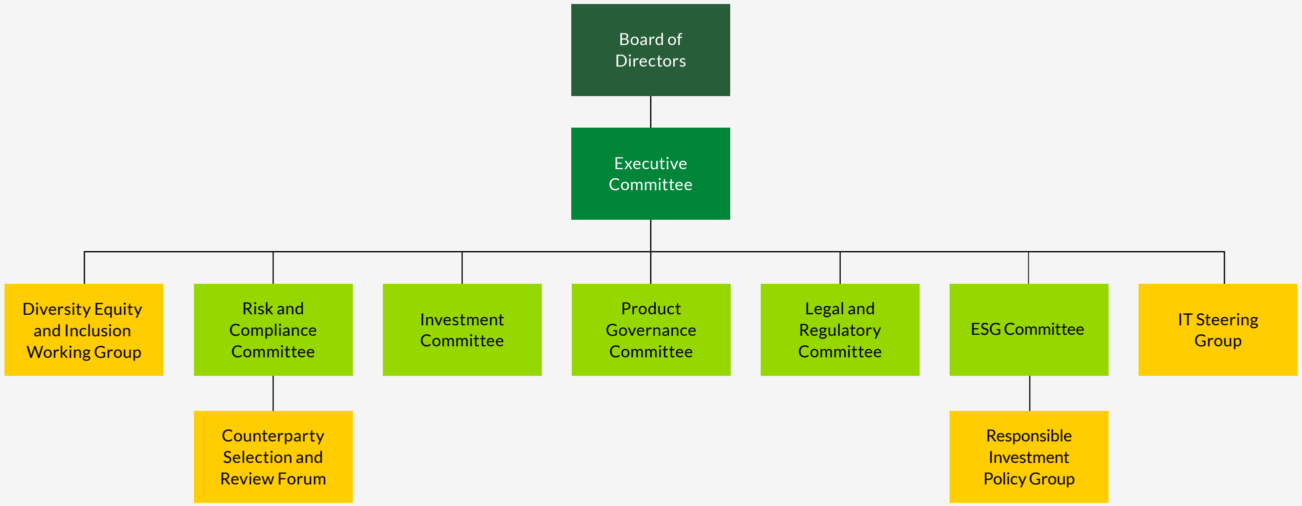
TwentyFour has a robust risk management framework to identify, assess and manage risks and opportunities including those related to sustainability and climate. ExCo receives a monthly report from the Risk function and the Board receives a quarterly report from the Chief Risk Officer ("CRO") on key risks impacting our business.

# Management's Role in Assessing and Managing Climate-Related Risks and Opportunities

TwentyFour's ExCo consists of the firm's senior leadership team. The composition of the leadership team is kept under review and currently consists of representatives of the portfolio management teams, compliance and operations. ExCo is responsible for the firm's ESG strategy, including sustainability and climate-related risks and opportunities for the firm as an asset manager and as a corporate entity.

To help ensure greater oversight of the issues facing the business and the decision-making processes that underpin our business, ExCo has established committees to oversee certain aspects of the business. The committees report monthly to ExCo and in addition hereto, at least one member of ExCo sits on each of these underlying committees that report into it.

**Board and Committee Structure**




Source: As of 31 December 2025.

## ESG Committee and Responsible Investment Policy Group

TwentyFour's ESG Committee has been tasked with continually developing and implementing the firm's ESG strategy and process across the business. The Committee is chaired by Sujan Nadarajah (ExCo member, CCO) with members and invitees from functional areas across the firm. The permanent members of the firm's ESG Committee comprise senior members of portfolio management, marketing, sales, compliance, risk, product and legal.

The Committee has been deliberately made up of senior members of each business division within TwentyFour to ensure fair representation across the business, diversity of opinion and uptake of the initiatives proposed; ultimately this ensures ESG is implemented and embedded across TwentyFour. The ESG Committee meets bi-monthly, alternating with ESG Focus meetings with relevant stakeholders for more focused and technical discussions. Updates from the ESG Focus meetings are provided at each ESG Committee.

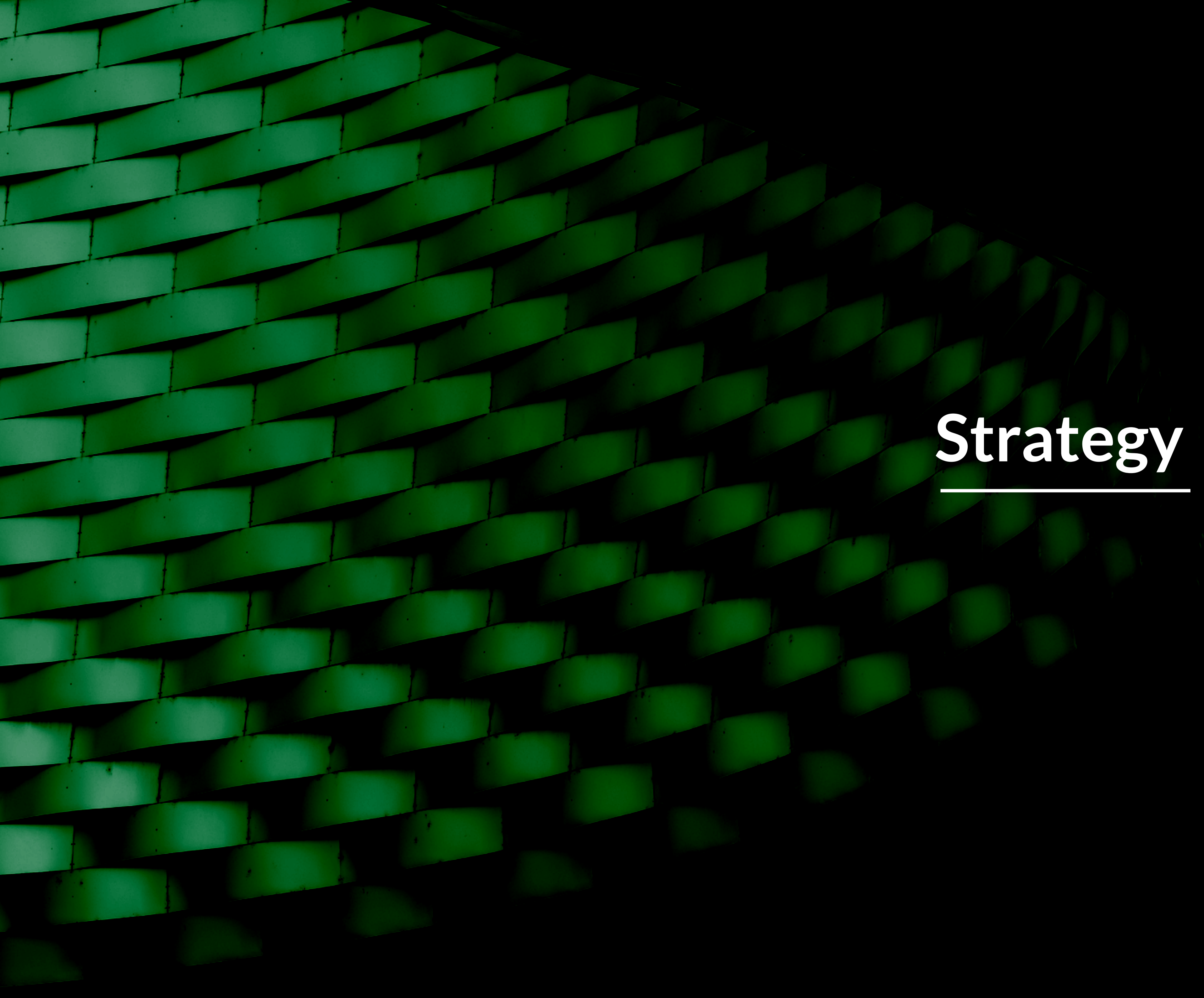
The Responsible Investment Policy Group (a subgroup of the ESG Committee), is responsible for agreeing TwentyFour's responsible investment policies, and comprises partner portfolio managers, the firm's CRO, CCO and Head of Legal.

## Oversight by Risk and Compliance Committee

At firm-level a Risk Management Framework has been implemented that enables TwentyFour to effectively identify, monitor, communicate and manage risks across two key pillars: the business risk associated with the operation of the firm and the investment risk we assume on behalf of clients when investing in financial markets. Under the two pillars, each risk is identified and quantified through a combination of qualitative and/or quantitative measures.

TwentyFour employs the core risk management objectives (RMOs) of independence; analysis; monitoring; and understanding as the principles across the firm when considering the risk of our activity. ESG risks and their associated harms are considered across all areas of the firm's activity.

The TwentyFour Risk and Compliance Committee, co-chaired by the CRO and CCO, meets on a monthly basis and includes representation from across the firm. The committee serves as the focal point for reviewing both portfolio investment risk and compliance; and firm-level risk including operational, technology, and compliance and regulatory risk. The committee reviews the efficacy of the control environment, realised operational risk events and any emerging systemic risks/risk landscape changes that may impact client portfolios and the broader financial system. ESG considerations are integrated into these processes.



# Strategy

# Impact of Climate-Related Risks and Opportunities on TwentyFour's Business, Strategy and Financial Planning

TwentyFour's business is rooted in understanding and navigating fixed income markets, while managing investment risk along with clients' investment needs and goals.

We acknowledge the impact climate change may have on the global economy and financial markets as well as society, and the risk and opportunities both issuers and investors may face. As an asset manager and fiduciary, our investment process is focused on considering relevant investment risks and opportunities that may impact portfolio construction.

TwentyFour deems ESG considerations as a financial risk to our investments like any other and seeks to include climate-related risks and opportunities as part of these ESG risk considerations, where relevant and mandated by the client(s). With ESG being embedded into our investment process, our portfolio management teams are responsible for incorporating ESG considerations in every investment they make.

We believe this ensures accountability and ensures these factors are embedded across all investment strategies and products.

Our strategy reflects our current ambitions for TwentyFour as an organisation, and in our role as asset manager we aim to support our clients to achieve their investment objectives and preferences. Accordingly, while considering ESG as a risk factor we have not, without explicit instruction to do so, imposed any transition targets or climate-related exclusion policies on our client portfolios. Instead we have developed a series of products to offer a range of investment solutions intended to cater to our clients' differing climate change ambitions. TwentyFour has two sustainable funds, each with an investment objective to contribute towards the Paris Agreement's goal to keeping the maximum global temperature rise below 2˚C compared to pre-industrial levels.

TwentyFour's strategy over the 12 months to 31 December 2025 can be summarised as follows:

| Strategy | Key Actions |
|---|---|
| Grow business with reference to sustainable finance, as appropriate for the firm's clients/investors | Integrate, manage and measure sustainable finance considerations in the investment process and across the organisation, ensuring consistency of messaging and execution throughout the business. |
| | Continue to include transition assessment in engagement with issuers for majority of open ended funds (across all strategies). |
| | Mitigate the identified ESG risks and realise the identified opportunities over the short, medium and long term. |
| | Continue to support ESG integration in the investment process through implementation of appropriate policies and access to relevant data sources. |
| Ensure robust governance, risk management and compliance frameworks | Continue to strengthen ESG considerations in the RMP and compliance oversight framework. |
| | Implement and continue to strengthen policies, systems and controls to support regulatory compliance. |
| Contribute to improving ESG standards with stakeholders | Expand and deepen engagement with issuers, in accordance with the Engagement Policy, advocating for sustainable business practices. |
| | Contribute to standard setting via involvement with industry bodies/peers. |
| | Operate responsible supply chains. |

| Strategy | Key Actions |
|---|---|
| Maintain strong social and environmental considerations throughout business operations (CSR) | Monitor ESG integrated into staff objectives. |
| | Operate on a carbon neutral basis (maintain zero Scope 1 emissions and minimal Scope 2 emissions). |
| | Factor environmental considerations into selection of new office premises, including use of renewable energy. |
| | Consider the environmental impact for all travel arrangements and encourage staff to consider more environmentally sustainable travel options when appropriate, in accordance with the firm's set 'travel hierarchy'. |
| | Achieve DE&I commitments for 2025 (as per DE&I Statement). |

Underpinning the firm's strategy is:

1. Executive Committee responsible for ESG/sustainability and CSR
2. Integration across the business
3. Proprietary system that supports the integration of sustainable finance in the investment process.

# Climate-Related Risks and Opportunities Identified for our Clients' Investment Portfolios and our own Operations

## Climate-Related Risks

TCFD recognises two broad categories of risk: physical risks and transitional risks.

### Physical Risks

Physical risks can be event-driven or longer-term shifts in climate patterns. Event-driven physical risks, referred to as acute risks, include the risks associated with extreme weather events like hurricanes, wildfires and flooding. Physical risks that relate to changes in climate patterns, referred to as chronic risks, include the risks associated with increased frequency and intensity of extreme weather events. Physical risks may negatively impact resources available to issuers and value of investments, as well as business property and activities.

### Transitional Risks

Transitional risks result from the move towards a low-carbon economy through changes to regulation, legislation, government policy, technology and investor and consumer behaviour, all of which may, over time, impact issuer's business models, business and corporate operations, financial market pricing, and value expectations.

To understand the physical and transitional risks TwentyFour's business faces, we have again conducted qualitative analysis using two scenarios:

**"< 2°C" scenario**: where global warming is limited to less than 2°C with net zero achieved by 2050; and

**"4°C" scenario**: where the goal of net zero by 2050 is not reached.

The firm again chose these scenarios to reflect the broad range of possibilities that could unfold given the differing levels of global engagement in tackling climate change.

## Climate-Related Risks and Opportunities Identified for TwentyFour's Operations

As set out in the tables below, our analysis suggests a medium impact of climate-related risks and opportunities on the business operations of TwentyFour in the short to medium term. TwentyFour's exposure to climate-related risks is largely through the services we provide to our clients.

We have identified both potential risks and opportunities related to the firm's infrastructure; however, as the firm is a tenant in a building with shared service providers we acknowledge that the firm's ability to affect change is limited.

For purposes hereof we consider:

| Timeframe | Impact rating |
|---|---|
| Short term: 0–3 years | Low |
| Medium term: 4–10 years | Medium |
| Long term: 10+ years | High |

### Operational Risks Identified

| Operational Risk | Risk Description | Timeframe | Business Impact | Impact | Actions to Mitigate Risk |
|---|---|---|---|---|---|
| Physical: Acute & Chronic | Increase in frequency and severity of extreme weather events | Short term | Increase in disruption of business operations, insurance costs | | • Ongoing engagement with the building management on risk assessment of office locations<br>• Working from home provisions in place |
| Transition: Regulation | Increase in regulatory requirements including regulatory reporting | Short term | Increased costs; purchase of third-party data and headcount requirements | | • Appropriate committee structures to assess new impact of regulation<br>• Robust processes across the business to incorporate regulatory changes<br>• Systems and controls to ensure compliance with regulations |
| Transition: Market | Volatility of energy costs | Short term | Increased costs | | • Engagement with building management to ensure procurement of suitable energy provider/costs<br>• Energy costs are minimal to the firm |

**Operational Risks Identified** *cont'd*

| Operational Risk | Risk Description | Timeframe | Business Impact | Impact | Actions to Mitigate Risk |
|---|---|---|---|---|---|
| Transition: Government Policy | Divergence in regulatory requirement and expectations between jurisdictions | Short / Medium term | Increase in product offering to meet differing client and regulatory demands, additional data costs, legal costs and potential reputational risks | | • Appropriate committee structures to assess new impact of regulation<br>• Robust processes across the business to incorporate regulatory changes<br>• Systems and controls to ensure compliance with regulations<br>• Ongoing monitoring of regulation and government policy in jurisdictions that the firm operates in |
| Transition: Reputational | Damage to reputation due to perception that:<br>• the firm has not responded appropriately/sufficiently to climate change<br>• the firm can not manage regulatory divergence | Short term | Reduced revenue, increase costs to comply with regulations | | • Ongoing monitoring of best practice<br>• Ongoing monitoring of regulation and government policy in jurisdictions that the firm operates in |
| Transition: Global Policy | Divergence in global policy relating to climate change risks and mitigation | Short / Medium term | Increase in product offering to meet differing client and regulatory demands, additional data costs, legal costs and potential reputational risks | | • Appropriate committee structures to assess new impact of global policy<br>• Robust processes across the business to address policy changes<br>• Systems and controls to ensure compliance<br>• Ongoing monitoring of government policy in jurisdictions that the firm operates in |

### Operational Opportunities Identified

| Operational Risk | Risk Description | Timeframe | Business Impact | Impact | Actions to Mitigate Risk |
|---|---|---|---|---|---|
| Resource Efficiency | Increased efficiency of office space, transportation options, promoting recycling | Short to medium term | Decreased operational costs | | • Deploy hybrid working to maintain existing office space as number of employees increases<br>• Encourage more energy-efficient modes of transport where available and remove unnecessary air travel |
| Energy Source | Lower emission sources | Short term | Decreased GHG emissions | | • Engagement with building management to ensure procurement of suitable energy provider/costs<br>• The building uses renewable energy<br>• Business model is intrinsically low energy intensity |

## Climate-Related Risks and Opportunities Identified for our Products and Investment Strategies

Since 2019 we have built out our proprietary relative value system, Observatory, to include our ESG scoring system. Observatory is utilised in the integration of ESG considerations including climate change risks in our investment decisions, in line with investment guidelines and business considerations. Observatory is kept under continuous review to incorporate regulatory updates and changes.

We look to reflect potential impacts of short, medium, and long-term climate change risks within our credit views where appropriate, and where this is not currently applicable we consider impact to issuer's bond characteristics over the mid to long-term.

For purposes hereof we consider:

| Timeframe | Impact rating |
|---|---|
| Short term: 0–3 years | Low |
| Medium term: 4–10 years | Medium |
| Long term: 10+ years | High |

| Investment Portfolio Risk | Risk Description | Timeframe | Business Impact | Impact < 2°C | Impact 4°C | Actions to Mitigate Risk |
|---|---|---|---|---|---|---|
| Physical: Acute | Increase in frequency and severity of extreme weather events disrupting issuer business operations | Short term | Reduced revenues | Low | Medium | • Monitoring controversies and momentum of issuers<br>• Ongoing monitoring of allocations to climate-sensitive sectors<br>• Engagement with issuers on climate change mitigation<br>• For chronic risk, under 4°C scenario we believe issuers will have a longer period to adapt and therefore an opportunity to minimise the impact |
| Physical: Chronic | Longer term shifts in climate patterns impacting issuer business operations | Long term | Reduced revenues | Low | Low | |

| Investment Portfolio Risk | Risk Description | Timeframe | Business Impact | Impact < 2°C | Impact 4°C | Actions to Mitigate Risk |
|---|---|---|---|---|---|---|
| Transition: Current Regulation | Changes to regulation and divergence between jurisdictions<br><br>Breach of current regulation and potential costs to the business | Short term | Regulatory fine | | | For issuers:<br>• Monitoring controversies and momentum of issuers<br>• Ongoing monitoring of allocations to climate-sensitive sectors<br>• Engagement with issuers on climate change mitigation<br>For the firm:<br>• Robust systems and controls to ensure compliance with regulation<br>• Appropriate committee structures to assess new impact of regulation<br>• Engagement with industry, trade bodies, regulator and client base |
| Transition: Future Regulation | Changes to current regulation impacting stakeholders' existing positions and responses to regulation, managing divergence between jurisdictions | Medium term | Cost to business operations to ensure compliance; reduced revenues | | | |
| Transition: Market | Changes to client demand for more sustainable products | Short term | Business costs to ensure relevant product offerings; reduced revenues | | | • Target market analysis<br>• Robust product process aligning our products with client ambitions<br>• Thorough annual product review<br>• Under the 4°C scenario the firm will have a longer period to adapt and therefore an opportunity to minimise the impact |

| Investment Portfolio Risk | Risk Description | Timeframe | Business Impact | Impact | | Actions to Mitigate Risk |
|---|---|---|---|---|---|---|
| | | | | < 2°C | 4°C | |
| Transition: Reputational | Damage to reputation due to greenwashing/not fulfilling strategic ambition/ greenhushing | Short to medium term | Reduced revenue | | | • Ongoing dialogue with clients<br>• Product peer group analysis to ensure benchmarking<br>• ESG information publicly available<br>• Robust systems and controls<br>• Appropriate committee structures to assess new impact of regulation |
| Transition: Divergence in global policy | Changes to current policy impacting stakeholders' existing positions and responses to climate change and managing divergence between jurisdictions | Short to medium term | Cost to business operations to ensure compliance; reduced revenues | | | • Target market analysis<br>• Robust product process aligning our products with global policy<br>• Thorough annual product review<br>• Ongoing dialogue with clients<br>• Robust systems and controls<br>• Appropriate committee structures to assess impact of policy changes and divergence |

### Opportunities Identified for Products and Investment Strategies

For purposes hereof we consider:

**Timeframe**

Short term: 0–3 years
Medium term: 4–10 years
Long term: 10+ years

**Impact rating**

High Opportunity
Medium Opportunity
Low Opportunity

| Investment Portfolio Risk | Opportunity Description | Timeframe | Business Impact | Impact | | Actions to Take Advantage of the Opportunity |
|---|---|---|---|---|---|---|
| | | | | < 2°C | 4°C | |
| Markets | Diversification of products; an increased client demand for more sustainable products due to regulations creates opportunity for new product development | Medium term | Increased revenues | | | • Target market analysis<br>• Ongoing dialogue with clients<br>• Robust product process aligning our product with client ambitions<br>• Robust systems and controls to ensure compliance with regulation<br>• Appropriate committee structures to assess new impact of regulation<br>• Engagement with industry, trade bodies, regulator and client base |
| Product: Climate Mitigation | Revenue generation from investment opportunities focused on climate change mitigation | Short term | Increased revenues | | | • Design and management of climate change focused investment strategies/portfolios<br>• Enhanced focus on investing in sustainable products |
| Product: Climate Adaptation | Revenue generation from investment opportunities focused on climate change adaptation | Short term | Increased revenues | | | |

## TwentyFour's Products

TwentyFour understands that our clients have differing ESG and/or climate change ambitions and to facilitate their requirements offer a range of funds with varying degrees of alignment with sustainability, taking on board the identified risks and opportunities. We endeavour to ensure our clients' needs and expectations are met by creating open dialogues.

The feedback we receive from clients is incorporated into product development and reporting we provide to clients. Following consultant and client feedback we can now report what proportions of bond issuers in our funds have Science Based Targets initiative (SBTi) approved carbon reduction targets. We now also include carbon emissions data in all our pooled fund quarterly reports for institutional clients, as well as numbers and examples of ESG engagements, and for relevant funds, the portion of holdings that have committed to the 'Climate Action UN' SDG.

Our ESG methodology is embedded within our regular investment process, we believe this approach helps us target the maximum risk-adjusted returns for our clients while also being able to promote societal and environmental outcomes. We use Observatory and our internal systems and controls to accommodate regulatory requirements and client preferences.

Our current sustainability classifications are described adjacent and are subject to change as regulation evolves:

### Responsible Investment Waterfall


**Integration entails relative value assessment of Observatory scores (utilising Asset4 data)**

- Environmental
- Social
- Governance
- Controversies
- Momentum

**Combined score**

- Engagement
- Carbon Emissions rule
- Exclusion of any Sovereign on the Restricted list[1]
- Controversial Weapons[2]

**Integration**
PLUS

- No investment for issuers falling below an average Environmental and Social score threshold set per investment strategy

**Promotion**
PLUS

- Minimum proportion of investments aligned to sustainability characteristics/objectives
- Sustainable Country Risk Exclusions
- Positive Screen – Issuer must achieve a combined score greater than the firm's deemed minimum threshold
- Negative Screens – Issuers with revenue greater than 5% in the following sectors:
  - Tobacco, Alcohol, Carbon Intensive
  - Gambling, Adult Entertainment
  - Animal Testing for Cosmetic Purposes
  - Conventional Weapons

**Enhanced Promotion**
PLUS

- Mainly Sustainable Investments with an environmental and/or social objective

ESG – Environmental, Social, and Governance. Investors use these criteria as a set of standards to screen companies on whether they are being pro-social, environmentally friendly, and have good corporate governance. Note: Unless otherwise stated in respective offering documentation or included within the portfolio's investment objective, information above does not imply that the strategy has an ESG-aligned investment objective, but rather describes how ESG criteria and factors are considered as part of the overall investment process.
Source: TwentyFour & Asset4
(1) Sources utilised; HMT, Financial Action Task Force (FATF), Office of Foreign Assets Control ("OFAC"), the Government of Canada.
(2) Cluster Munitions, Anti-Personnel Mines, Chemical Weapons, Biological Weapons, Weapons Utilising Non-Detectable Fragments, White Phosphorous, Blinding Lasers, Nuclear Weapons, Depleted Uranium.

To determine whether in the firm's view a security contributes to the sustainable investment objective of climate change mitigation and climate change adaptation, the portfolio managers will classify an investment as "In transition" or "Positive contribution" if it fulfils at least one of the following conditions:

- The issuer has aligned or committed to align to the Science Based Targets initiative ("SBTi").
- The issuer is achieving Net Zero, or is aligned to a Net Zero Pathway, or is aligning towards a Net Zero Pathway or is committed to aligning.
- The issuer's weighted average carbon intensity must be at least 30% lower than the average issuers' holdings in the representative sector.
- The issuer has demonstrable momentum and transition criteria.
- The proceeds are used to finance green projects, or for asset backed securities, the pool of mortgages/loans are considered to have a positive environmental profile (example: loans for houses with good energy rating, auto loans composed exclusively of hybrid/EV vehicles or fleet CO2 emissions are meeting CO2 emissions targets under applicable EU regulation or other green projects that meet recognised standards for environmental performance).

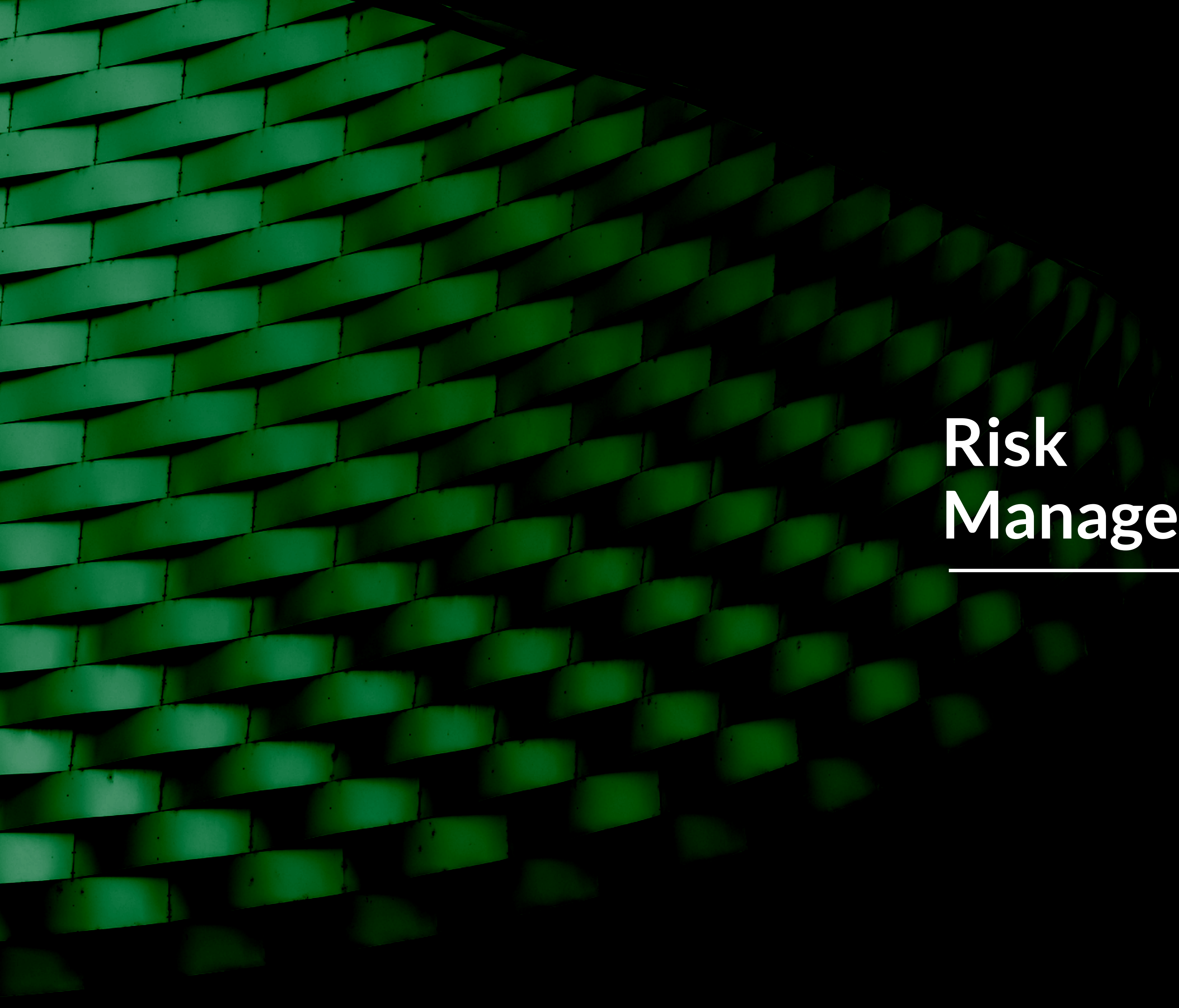
Where the issuer is currently not aligned with net zero but, in the view of the investment manager, will be moving towards a commitment and/or alignment will be assessed on a timetable.

Using the aforementioned approach a decision was made that all the firm's funds classified as Article 8 under Sustainable Finance Disclosure Regulation (SFDR) should invest in sustainable investments; this was implemented during the course of 2025.

**TwentyFour's Strategy Range**

| | Asset-Backed Securities | Multi-Sector Bond | Outcome Driven |
|---|---|---|---|
| Article 9 | | | Vontobel Fund – TwentyFour Sustainable Short Term Bond Fund |
| | | | TwentyFour Sustainable Global Corporate Bond Fund |
| Article 8 | Vontobel Fund – TwentyFour Asset-Backed Securities Fund | Vontobel Fund – Strategic Income Fund | TwentyFour Corporate Bond Fund |
| | TwentyFour Enhanced Income ABS Fund | Vontobel Fund – Sustainable Strategic Income Fund | Vontobel Fund – TwentyFour Absolute Return Credit Fund |
| | | | Vontobel Fund – TwentyFour Euro Short Term Bond Fund |

*Source: As of 31 December 2025.*



# Risk Management

# Identifying, Assessing and Managing Climate-Related Risks

Risk management is a key consideration for TwentyFour across all our activity, from the management of our business to the investments made on behalf of our clients. TwentyFour is confident in delivering high quality asset management services to its clients because integral to our investment process is our overarching Risk Management Framework (RMF) and specialised risk frameworks including the ESG and liquidity risk management frameworks, as well as our Operational Risk Framework.

The RMF and associated risk governance frameworks provide a robust framework for managing the firm's risks and covers roles and responsibilities, principles, policies, processes and tools, risk categorisations, and internal controls. As detailed in the RMF, our approach to managing risk is consistent across the firm, supporting our strong risk culture and reinforcing a shared understanding that investment decisions are made with the appropriate systems and controls in place.

In addition to the RMF the firm operates a three lines of defence model when it comes to integrating ESG risks into the investment process.

The first line of defence are the business functions and line managers themselves who identify potential risks, including sustainability/climate-related risks, in their respective business areas.

The investment management team is responsible for factoring into investment decisions, financially material environmental, social and governance risks and opportunities for a sector and/or company, consistent with portfolio investment guidelines and in addition to other economic considerations relevant to the investments.

The second line of defence are TwentyFour's Risk and Compliance departments, which are responsible for our RMF, ESG RMF and ESG compliance. The risk department monitors and evaluates all investment risks including sustainability-related investment risks on an ongoing basis; this is part of our standard risk monitoring process and also involves engaging with portfolio managers to ensure the risks are fully understood and captured within the RMFs. The compliance department operates a monitoring program that ensures security sustainability assessments comply with the relevant applicable regulations to each portfolio.

The third line of defence is Vontobel's internal audit function that independently and retrospectively assesses the adequacy and effectiveness of TwentyFour's RMFs and control environment.

TwentyFour has also obtained the ISAE3402 certification to validate the efficacy of our control framework with respect to portfolio management.

## Operational Risks

**Identify**

- Operational and investment related risks considered
- Identify relevant key risks
- Line management accountabilty to identify relavant risks that impacttheir business area

**Assess**

- Operational risks across business areas assessed periodically by Risk and Compliance Committee
- Line management accountabilty to assess identifed risks that impact their business area

**Manage**

- Systems and controls are enabled to manage risks appropriately
- Risks reviewed at least annually
- Updates and outcomes communicated with ExCo

TwentyFour's overall risk framework integrates sustainability (including climate) related risk considerations. The firm's Legal and Regulatory Committee and ESG Committee analyse current and emerging regulatory and legislative risk trends, which inform our top down approach. Applicable risks are identified by line managers and are then risk assessed with appropriate controls developed to ensure any residual risk is consistent with the firm's risk appetite. The portfolio management team, as the first line of defence, is responsible for the identification of investment risks, including those related to sustainability.

Investment risks and ESG (including climate-related) risks are assessed and managed by the investment teams and risk function, utilising systems and controls implemented across the firm. Where applicable, climate risk features in our credit analysis and our proprietary ESG scores for the issuers we evaluate. These ESG scores are a component of our standard risk assessment process across all issuers and is not specific to portfolios with a sustainability focus/objective. TwentyFour's ESG scores have been developed based on a proprietary framework and applied across all strategies.

### Engagement

We believe that engaging directly with issuers is a powerful tool in helping shape their behaviour and foster positive change, extending our objectives beyond mere profit growth. Engaging with companies, especially those within the unlisted sector, (private companies not traded on public markets and often lacking data transparency) presents an opportunity to influence a company's sustainability strategy, its approach to risk management and transparency, and impact mitigation, which in turn allows for more responsible allocation, management and oversight of their capital. This enables us as investors to exert longer-term positive outcomes on the environment and society.

In our experience our engagements with large, well-established corporations, have most impact in conjunction with similar concerns from other investors. In contrast, we find that our engagement with smaller issuers, where we are often a key investor, can yield more significant results, given our greater influence over the company's direction and our more personal relationships with management. During 2025 TwentyFour held 96 such engagements, of which 59 were engagements on environmental issues. These engagements helped TwentyFour better understand the companies' approach and commitment to improving their positioning and oversight of ESG factors, including climate change.

We do not currently see the value in 'mass mailing' issuers as we believe targeted approaches are more effective, though we are cognisant of the fact that some element of this may be necessary in future to comply with some of our reporting obligations.

During 2025 TwentyFour has continued to focus on carbon emissions and fossil fuel financing for engagements as reflected in our Engagement Policy.

## Carbon Emissions and Fossil Fuel Financing Principles

**Carbon Emissions:**

1.1.1 TwentyFour aims to highlight the importance and encourage the establishment of robust carbon intensity data by issuers, if not already in existence.

1.1.2 TwentyFour assesses and monitors the progress of a carbon intensity reduction plan of the identified issuers over time where such an engagement is deemed to be targeted at both reducing carbon emissions and reducing production technologies which contribute to climate change and pollution.

1.1.3 While we recognise that carbon intensity has disadvantages, this data does indicate the focus and efficiency of a company in this regard. It is also likely that a company focusing on reducing carbon intensity will also experience an absolute reduction in carbon emissions over time.

1.1.4 The portfolio managers identify and select issuers to engage with. Criteria considered when selecting issuers, include but are not limited to, which issuers TwentyFour has the most influence over, and what will have the greatest impact across TwentyFour's funds while ensuring that we can maintain the quality of the engagements and monitoring.

1.1.5 Selected issuers will be recorded in a central list located in our company ESG folder and all engagement evidence is recorded in Observatory.

1.1.6 TwentyFour will engage with selected issuers on the following basis:

(a) If a selected issuer does not publish carbon intensity numbers, TwentyFour will through direct engagement encourage senior management to do so as soon as possible;

(b) Where an issuer has a carbon emissions reduction plan TwentyFour will monitor progress of such a plan and engage with issuers to assess the plan's effectiveness in meeting its KPI objectives; and

(c) TwentyFour will through direct engagement with senior management encourage those issuers with relatively high carbon intensity numbers and no commensurate plan to produce a demonstrable plan to reduce this number over time.

1.1.7 TwentyFour's portfolio managers will proactively monitor and follow up with issuers to ensure they are meeting carbon reduction targets and improving on the key environmental points established.

We anticipate that carbon emissions and fossil fuel financing will remain a focus in 2026 and beyond.

TwentyFour, in accordance with regulatory requirements, reports the findings and outcome of its engagement to clients.

We also previously published a white paper on fossil fuel financing: Banking on change when it comes to Fossil Fuel Financing.

## Carbon Emissions and Fossil Fuel Financing Principles

**Fossil Fuel Financing:**

1.1.1 TwentyFour aims to identify the biggest financiers of fossil fuels within its bank holdings. For purposes of this identification, TwentyFour will normalise the holdings by the size of the bank's loan book.

1.1.2 The portfolio managers will prioritise engaging with banks and non-bank lenders held within portfolios managed by TwentyFour that have the largest share of fossil fuel financing as a percentage of their loan book; and have no clear path or trend to suggest this will change or policies in place that point to this trend changing.

1.1.3 TwentyFour will proactively monitor and follow up with issuers to ensure they are addressing policy concerns and are transitioning their lending book away from fossil fuel financing.

## Engagement Examples

### Fossil Fuel Financing: Bank of America (BofA)

| | |
|---|---|
| Issue | We had a call with Bank of American IR and ESG team to understand the rationale behind the weakening of the fossil fuel (FF) financing policies, the increase in FF financing reported by the Banking on Climate Chaos report and their plans for any future policy changes or lending plans. This was a key engagement as we have noted they have weakened their policies more than their peers. |
| Response | Initially BofA were much harder to get in contact with, and we found engaging with the likes of JPM and Citi in the US much easier. While this is not a complete barrier, it is a red flag as to the bank's openness to discuss this subject. Coming back to the key points we wanted address above; BofA maintains their targets set under the Net-Zero Banking Alliance (NZBA) however they weakened their fossil fuel financing policies. In an update to its Environmental and Social Risk Policy Framework in February 2024, the bank removed explicit bans on directly financing new coal-fired power plants, new thermal coal mines, and oil and gas projects in the Arctic. These projects are now subject to a "heightened due diligence" and senior-level review process rather than being completely excluded. They cite the key reason for this being state laws, in Texas and Florida specifically, where these financing rules would prevent their debt capital markets team from being part of municipal deals, which is a market that they do not want to exclude. While this response is reasonable, we are doing a deeper dive to understand if other US banks are expected to follow suit in order to not be excluded from this market, or whether there is more room in the laws than BofA allude to.<br><br>We have reviewed the Texas Comptroller's "list of financial companies that boycott energy companies" and at first glance it appears that only certain funds/entities at JPM are listed but not the investment bank itself, thus we assume that they can still offer debt capital market (DCM) services in that area.<br><br>Interpreting the precise legal requirements for compliance with the Texas and Florida anti-ESG statutes isn't easy. However, the current regulatory status suggests that peers like Citi, Morgan Stanley, and JPM are largely compliant because their policies do not constitute an outright "boycott" of the fossil fuel sector. For instance, their policies often permit new coal financing provided the projects incorporate Carbon Capture and Storage systems, a conditional allowance that has generally kept their main entities off Texas's non-compliant list for energy boycotting in parallel with their exit from the NZBA. In contrast, BofA's updated policy, which subjects all coal financing to "enhanced due diligence" without specific exclusions or carbon capture and sequestration (CCS) requirements, appears to be a pre-emptive overcorrection. This move may have gone further than necessary to remain eligible for business, especially given that its peers have secured re-entry without such broad policy weakening. Notably, while Citi's general entity is not currently banned for fossil fuel boycotting, it was previously excluded by the Texas Comptroller for discriminating against the firearms industry (under SB 19), and Barclays was banned for being designated a "fossil fuel boycotter" under SB 13. These actions highlight the complexity of the laws that Wall Street banks face. |
| Action | To complete our review of our BofA exposure, we have actively engaged with the other major Wall Street banks to understand their near-term intentions regarding their fossil fuel financing policies. Our primary objective is to confirm that they do not anticipate following BofA's lead by rolling back project-level exclusions in response to state-level political pressure. Should these peers confirm they intend to maintain their current, comparatively stronger policies, we would then proceed with the exit of our BofA holding and reallocate our investment into those with stronger financing policies. |

## Fossil Fuel Financing: NZBA

| | |
|---|---|
| **Issue** | Following JP Morgan's departure from the NZBA, we engaged with the bank (and other US banks) to determine whether this marks any change to its net-zero targets and fossil fuel policies set under its membership. The engagement began via email and was followed by a call for further clarification. |
| **Response** | JP Morgan confirmed that its net-zero targets and broader climate strategy remain unchanged following its departure from the NZBA. The bank emphasised that its decision to exit was unrelated to the current US administration, noting that internal discussions were already underway. Management stated that long-term strategic decisions are not influenced by a four-year presidential term. While the NZBA initially played a valuable role in developing sectoral guidance in collaboration with other global banks at a time (back in 2021) when decarbonisation strategies across the sector were still unclear, JP Morgan has since built its own dedicated climate team and now believes it has the internal expertise to independently drive its transition strategy. The bank therefore no longer sees the benefits of the alliance's partnership and guidance.<br><br>On fossil fuels, JP Morgan clarified that they will not finance any new coal-fired power plants, oil & gas clients must meet internal thresholds and demonstrate progress over time (though there is no formal phase-out plan), and future financing decisions will be shaped by market demand and government policy. It reiterated the importance of energy security and the ongoing role of fossil fuels in the overall energy mix. However, we think the absence of a phase-out plan raises questions about the credibility of the bank's net-zero targets. |
| **Action** | We do not believe management's explanation that the NZBA exit was not influenced by the new administration, however we understand this has to be a message from a marketing perspective. Fossil fuel phase-out plans remain weak, but this is reflected across much of the US banking sector. We were encouraged that targets set under the alliance remain in place, however we acknowledge that it is early days, therefore we must monitor published lending data to observe any change in lending patterns to fossil fuel companies, and also any changes to net-zero targets or fossil fuel lending policies. |
| **Follow up** | We reached out to JP Morgan in Q4 again to understand whether they plan to make any changes to their fossil fuel financing policies. |
| **Response** | They stated that, as a matter of practice, JP Morgan regularly reviews policies. If they make any changes they will disclose these in the usual formats, such as the 10-K/10-Q, Proxy Statement, press release or Sustainability Report. Similar to peers, there was no appetite to make future policy commitments, but they suggest they are comfortable with their stance in light of current regulation. |
| **Action** | Continue to hold but monitor any changes to policy, there was no clear commitment to address near term policy changes. |

### Carbon Emissions Engagement: NextEra

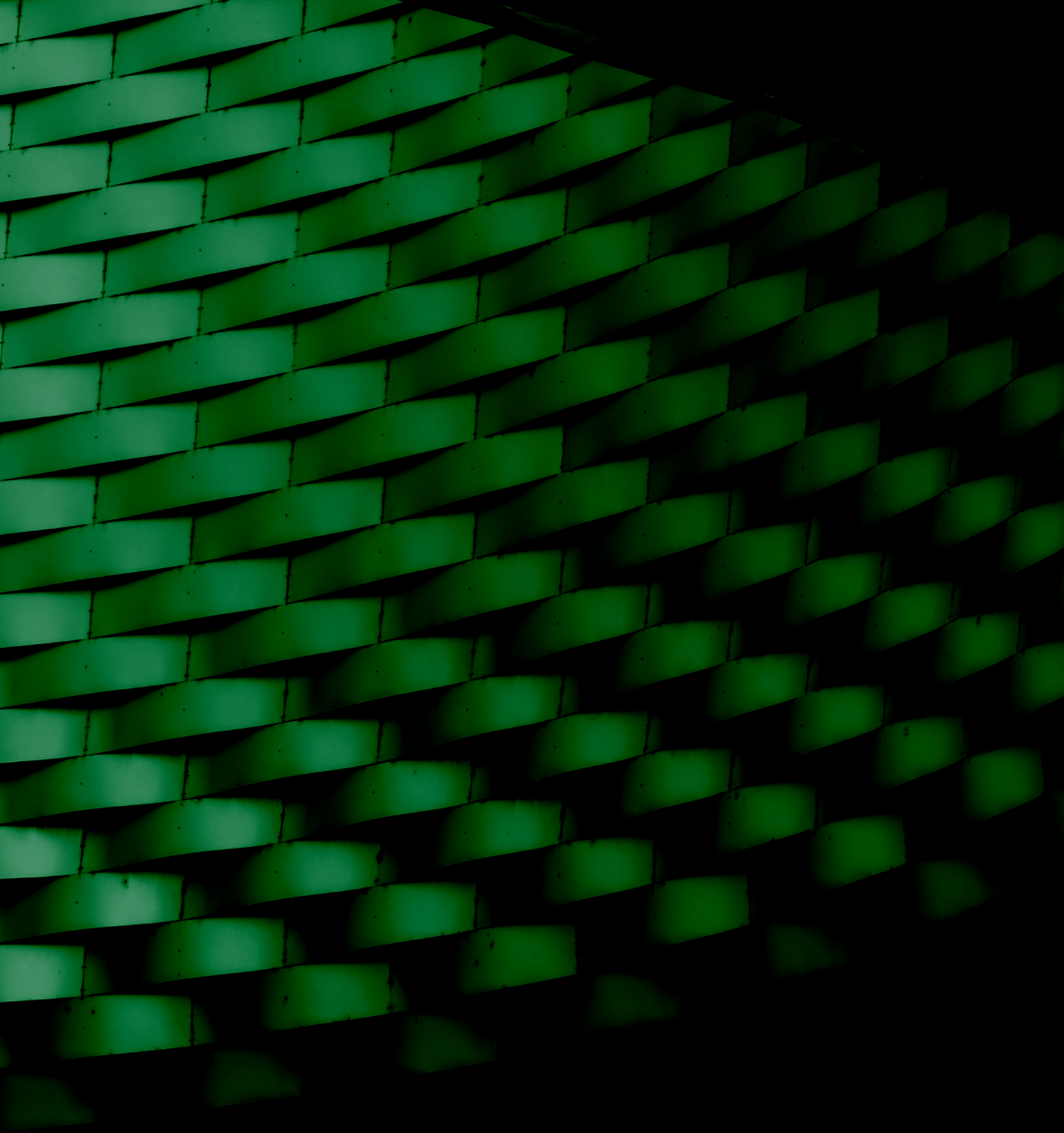
| | |
|---|---|
| **Issue** | We engaged with NextEra, an electric power and energy infrastructure company, to assess their alignment with the Paris-Aligned Benchmarks (PABs), to understand any recent changes in their investment approach toward renewables and fossil fuels in light of the shift in the current US administration, and discuss their remaining coal-fired power generation exposure. |
| **Response** | NextEra reaffirmed its commitment to net-zero carbon emissions across its operations by 2045, despite the policy shift under the new US administration. The company outlined its interim reduction target of 70% by 2025, 82% by 2030, 87% by 2035, and 94% by 2040 (2005 baseline) achieved through solar, wind, storage, and green hydrogen.<br><br>Despite the new administration's pro-fossil stance and scepticism toward renewables, management stressed there has been no change in strategy, highlighting that renewables remain the lowest-cost and most reliable long-term option. However, they have exited offshore wind due to halted federal permitting.<br><br>Management emphasised a disciplined, long-term approach not tied to political cycles. New fossil projects are viewed as uneconomic compared with renewables, with gas further constrained by supply chain bottlenecks, such as a four-year wait for turbines. Coal investment remains firmly off the table, with both economics and viability ruled out. The company is progressing with the decommissioning of its small remaining coal fleet, underscoring its strategic shift toward a cleaner generation mix.<br><br>Regarding PAB alignment, management stated that compliance information is explicitly disclosed. We also asked whether the company intends to commit to Science-Based Targets initiative (SBTi) validation, and we plan to follow up on this in future engagements. Given the current US political backdrop, management suggested that such commitments may face external headwinds. |
| **Action** | This was considered a constructive engagement. We were encouraged by the company's sustained commitment to renewables, its clear stance against coal and new fossil investments, and its transparency regarding the impact of federal policy, particularly the halt to offshore wind. We will continue to monitor progress toward its net-zero targets. |

## Barclays

| | |
|---|---|
| **Issue** | We reached out to Barclays for a call to understand in more detail their decision to exit the NZBA. Importantly we want to understand whether this marks a departure from their NZ targets set under the alliance. |
| **Response** | Management reiterated that their targets set under the alliance remain unchanged. They believe that, following the withdrawal of several Wall Street and European banks, the alliance has lost much of its relevance and influence. While they were not directly subjected to political pressure, it did play a role in their decision, as they sought to mitigate the risk of becoming a potential target by remaining in the group.<br><br>They emphasised that their US business is meaningful, and that their decision aligns with what we have heard from peers. The alliance was originally established primarily for knowledge sharing; however, since banks have since built their own internal teams, that purpose has largely run its course. They never viewed the alliance as a permanent structure.<br><br>Management stressed that membership in the alliance had not constrained their activities, and therefore they do not expect any change in their lending approach. |
| **Action** | Overall, we see that their message is consistent with peers, and they should not be considered an outlier. We remain comfortable with their commitment to stated targets and will continue to monitor for any changes. |

## Citi

| | |
|---|---|
| **Issue** | Engaged with Citi following its departure from the NZBA, primarily to understand whether this signals a shift away from its net-zero commitments. We also raised concerns about Citi's fossil fuel financing policies, which we thought remained relatively weak despite some encouraging improvements in recent financing data. |
| **Response** | Citi provided an update following its decision to exit the NZBA. The bank explained that this move aligns with the evolving focus of the Glasgow Financial Alliance for Net Zero (GFANZ), which is now concentrating on capital mobilisation for emerging markets.<br><br>Despite leaving NZBA, Citi reaffirmed its public net-zero commitments established under the alliance and continues to participate in GFANZ, with CEO Jane Fraser actively involved in its Principals Group. Citi expressed disagreement with the methodology used in the Banking on Climate Chaos report, arguing it diverges from credible industry data and takes a less rigorous approach than Citi's own.<br><br>Citi highlighted its structured process for assessing environmental and social risks, particularly within the oil and gas sector. This includes enhanced due diligence as outlined in its Environmental and Social Policy Framework. Citi's 2023 Climate Report notes ongoing progress, such as a significant reduction in thermal coal mining exposure since 2020. |
| **Action** | Overall, the response was considered reasonable and broadly consistent with peers across Wall Street – reiterating a commitment to net-zero targets while showing no significant change in its approach to fossil fuel lending. |



# Metrics and Targets

# Metrics Used by the Organisation to Assess Climate-Related Risks and Opportunities in Line with its Strategy and Risk Management Process

TwentyFour is exposed to climate-related risks and opportunities at an entity-level and through the products and portfolios it manages on behalf of its clients.

As an entity, we understand the need to examine our own operations, resources and supply chains, and their environmental impacts in order to measure and reduce them over time; we continue to evaluate different ways of further reducing our greenhouse gas emission levels such as enhancing corporate policy and consideration of global standards within our frameworks. In this report we disclose entity-level carbon emissions.

For purposes of this report we have also employed backward and forward-looking metrics to disclose the product-level climate-related risks where sufficient coverage of data and data models exists:

1. Scope 1 and Scope 2, and if appropriate Scope 3 GHG emissions
2. Weighted Average Carbon Intensity
3. Carbon Footprint
4. Climate Value-at-Risk (forward-looking)

TwentyFour has developed an active approach to ESG scoring, and ESG scoring is conducted for every security that is invested in by any of the portfolios managed by the firm, combining data from third-party data providers alongside our own analysis.

There are limitations in the available data (which may be estimated) and calculation methodologies, which may differ across asset classes, as more fully set out in the Limitations and Further Disclosures section in the Appendix. Definitions and additional information on how the reported figures have been calculated are included in the Methodologies and Glossary section in the Appendix.

# Entity-Level GHG Emissions

TwentyFour's operational emissions impact at entity-level is set out below. For purposes of this TCFD report we have focused on TwentyFour's Scope 1 and Scope 2 emissions. We have used the GHG emission conversion factors; source of emission factors used is the UK Government Department of Energy Security and net zero's greenhouse gas reporting: conversion factors 2024 report.

We account for 100% of emissions from operations over which we have operational control. TwentyFour's operational GHG emissions includes consideration of Scope 1 and Scope 2 from owned sources and non-owned sources, respectively.

Scope 1 emissions are nominal due to building energy being derived 100% from renewable sources and including minimal fugitive emissions, while Scope 2 emissions include purchased electricity and municipal heating and cooling.

Total Scope 1 and 2 CO2 Emissions of the firm for the year ending 31 December 2025 is 24.58 ton (29.15 ton for year ending 31.12.24), a reduction of 22.5% year-on-year.

**TwentyFour 2025 Scope 1 and Scope 2 Emissions: Energy Usage + Fugitive Emissions** — **2024 Comparison**

| | | | | CO2 Intensity | Energy Use | CO2 Emissions | | 2024 CO2 | YoY %age |
|---|---|---|---|---|---|---|---|---|---|
| **Energy Emissions** | **Firm Use** | **Desciption** | **Scope** | **Kg CO2 per KWh** | **KWh** | **Kg** | **Tons** | **Tons** | **Change** |
| Electricity | 87,055 kWh | Electricity Consumption | Scope 2 | 0.17700 | 87,055.00 | 15,409 | 15.41 | 18.94 | -18.64% |
| District heating and Cooling: (assumed electricity) | 34,020 kWh | Electricity (district heating) | Scope 2 | 0.17700 | 36,420 | 6,446 | 6.45 | 10.12 | -36.30% |
| Electricity Transmission and District Heating Distribution | | Grid Transmission<br>District heating distribution* | Scope 2<br>Scope 2 | 0.01853<br>0.00945 | 123,475<br>36,420 | 2,288<br>344 | 2.29<br>0.34 | 2.57 | -10.97% |
| **Fugitive Emissions** | | | | **Kg CO2 per Kg leakage** | **Refrigerant Use Kg** | **Kg** | **Tons** | | |
| R-401A top up (ie A/C refrigerant leakage) | 5.3 Kg | A/C coolant leakage | Scope 1/2 | 18 | 5 | 90.54 | 0.09 | 0.09 | 0.60% |
| | | | | **TOTAL Scope 1 and 2 CO2 Emissions** | | **24,578** | **24.58** | **31.72** | **-22.52%** |

*Note: CO2 Intensity figures sourced from UK government.*
**2025 Calculation now includes assumption of 5% distribution loss for district heating.The UK Electricity CO2e factor has reduced by approximately 15% since 2024. The decrease is due to less natural gas use in power stations, an increase in renewable energy, and an increase in net imports of relatively low carbon electricity.*

The emissions reduction is primarily driven by 12% reduction in on-site electricity usage, 25% reduction in district heating energy use and 15% lower input electricity CO2 intensity (due to less natural gas use in power stations, an increase in renewable energy, and an increase in net imports of relatively low carbon electricity).

# Product-Level Metrics

In this section the term product-level refers to the sum of all discretionary investment portfolios the firm manages on behalf of its clients as at 31 December 2025; this includes segregated accounts and funds managed by TwentyFour. TwentyFour's investment portfolios had exposure to fixed income securities, fixed income funds and derivatives as at the reporting date.

The asset classes that have been included in our analysis are:

- Corporate bonds/issuers
- Asset-backed securities
- Sovereign issuers of government bonds.

The breakdown of assets under management reported as at 31 December 2025 was as follows:

| Asset Class | FY 2023 value | FY 2024 weight | FY 2025 weight | YoY change |
|---|---|---|---|---|
| Corporate Bonds | 52% | 53% | 53% | +0% |
| Asset-backed Securities | 32% | 35% | 35% | +0% |
| Sovereign Bonds | 14% | 10% | 10% | +0% |
| Cash & Equivalents | 2% | 2% | 2% | +0% |

*Source: TwentyFour, as at 31 December 2025.*

Derivatives not directly linked to single corporate issuers are excluded from our reporting. Derivatives held as at 31 December 2025 included FX forwards used for currency hedging and CDS on the Markit iTraxx Crossover used for efficient portfolio management, and the market values are included within the cash & equivalents figure. In addition fixed income funds are excluded from our reporting.

Where relevant, coverage of each asset class has been included alongside the reporting metrics. Due to fundamental differences between the metrics reported and obtained for corporate bond issuers and asset backed securities versus sovereign issuers of government bonds, sovereign debt securities are reported separately.

# Climate-Related Metrics, and the Related Risks

Subject to available data we have disclosed Scope 1, 2 and 3 emissions associated with TwentyFour's total assets under management, £23.5bn as at 31 December 2025 (£21.2bn as at 31.12.24), by asset class.

**Overall Firm-Level Year-on-Year Summary**

| Metric | FY 2023 Value | FY 2024 Value | FY 2025 Value | YoY Change | FY 2023 Coverage (%) | FY 2024 Coverage (%) | FY 2025 Coverage (%) |
|---|---|---|---|---|---|---|---|
| Weighted Average Carbon Intensity | 85.3 | 91.7 | 88.3 | -3 | 98% | 95% | 97% |
| Carbon Footprint (tCO2e/$1m invested) | 27.9 | 33.3 | 23.8 | -9 | 61% | 71% | 73% |
| Total Financed Emissions (Scope 1 and 2 tCO2e) | 327,145 | 536,587 | 483,241 | -53,346 | 61% | 71% | 73% |
| Total Financed Emissions (Scope 3 tCO2e) | - | 2,868,694 | 4,590,582 | +1,721,887 | - | 92% | 94% |

*The Carbon Footprint figures above are expressed as tons of CO2e (tCO2e) per million dollars of AUM invested.*
*Sources: Asset4, MSCI & TwentyFour, as at 31 December 2025.*

**Carbon Footprint by Asset Class**

| Asset Class | FY 2023 Carbon Footprint | FY 2024 Carbon Footprint | FY 2025 Carbon Footprint | YoY Change | FY 2023 Coverage (%) | FY 2024 Coverage (%) | FY 2025 Coverage (%) |
|---|---|---|---|---|---|---|---|
| Corporate Bonds | 30.8 | 34.9 | 23.6 | -11 | 69% | 92% | 93% |
| ABS | 21.1 | 28.2 | 24.7 | -4 | 47% | 42% | 41% |
| Corporates + ABS | 27.9 | 33.3 | 23.8 | -9 | 61% | 71% | 73% |
| Total Firm AUM (coverage) | | | | | 51% | 61% | 64% |

*The Carbon Footprint figures above are expressed as tons of CO2e (tCO2e) per million dollars of AUM invested.*
*Sources: Asset4, MSCI & TwentyFour, as at 31 December 2025.*

Carbon footprint measures the carbon emissions (Scope 1 and Scope 2), for which an investor is responsible, per USD million invested, based on ownership. Emissions are apportioned differently by asset class (also see Methodologies and Glossary).

### Financed Carbon Emissions

For corporate bond issuers, TwentyFour has used Enterprise Value Including Cash (EVIC) to calculate ownership. As EVIC is not applicable to asset-backed securities, the total outstanding deal balance for each security is used and is deemed a comparable metric, which is also why carbon footprint is reported separately between asset classes.

**Total Financed Emissions (Scope 1 and 2) by Asset Class**

| Asset Class | FY 2023 Financed Emissions | FY 2024 Financed Emissions | FY 2025 Financed Emissions | YoY Change | FY 2023 Coverage (%) | FY 2024 Coverage (%) | FY 2025 Coverage (%) |
|---|---|---|---|---|---|---|---|
| Corporate Bonds | 253,794 | 428,772 | 371,676 | -57,096 | 69% | 92% | 94% |
| ABS | 73,351 | 107,815 | 111,565 | +3,750 | 47% | 42% | 41% |
| Corporates + ABS | 327,145 | 536,587 | 483,241 | -53,346 | 61% | 71% | 73% |
| Total Firm AUM (coverage) | | | | | 51% | 61% | 64% |

*The Carbon Footprint figures above are expressed as tons of CO2e (tCO2e).*
*Sources: Asset4, MSCI & TwentyFour, as at 31 December 2025.*

Looking at the data for corporate bonds over the three year period, it is noted that coverage has significantly increased since 2023, stabilising over the last two years whilst financed emissions data shows a decrease over the last two years. For ABS data coverage is still an evolving landscape and not available for certain areas of the market.

Absolute emissions shown are the sum of Scope 1 and Scope 2 emissions based on ownership. Scope 1 and Scope 2 emissions may be reported or estimated. The absolute emissions only represent those for the covered companies and securities.

### Total Financed Emissions (Scope 3)

| Asset Class | FY 2023 Value | FY 2024 Value | FY 2025 Value | FY 2023 Coverage (%) | FY 2024 Coverage (%) | FY 2025 Coverage (%) |
|---|---|---|---|---|---|---|
| Corporate Bonds | - | 2,868,694 | 4,590,582 | - | 92% | 94% |
| ABS | - | N/A | N/A | - | N/A | N/A |
| Total Firm AUM (coverage) | | | | - | 47% | 50% |

*The Carbon Footprint figures above are expressed as tons of CO2e (tCO2e).*
*Sources: Asset4, MSCI & TwentyFour, as at 31 December 2025.*

### Weighted Average Carbon Intensity (WACI) by Asset Class

| Asset Class | FY 2023 Value | FY 2024 Value | FY 2025 Value | YoY Change | FY 2023 Coverage (%) | FY 2024 Coverage (%) | FY 2025 Coverage (%) |
|---|---|---|---|---|---|---|---|
| Corporate Bonds | 85.3 | 91.7 | 88.3 | -3 | 98% | 95% | 97% |
| ABS | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Total Firm AUM (coverage) | | | | | 51% | 48% | 51% |

*The Carbon Footprint figures above are expressed as tons of CO2e (tCO2e) per million dollars of revenue.*
*Sources: Asset4, MSCI & TwentyFour, as at 31 December 2025.*

The table reports the WACI associated with TwentyFour's assets under management and represents financed carbon emissions that have been normalised by sales revenue making the figures comparable across different companies.

For asset-backed securities, as sales revenue is not applicable for this asset class, and alternative methodologies have not been established for this asset class, TwentyFour does not calculate a value.

### Climate Value-at-Risk (Scenario Stress Testing)

TwentyFour has opted to disclose Climate Value-at-Risk (CVaR) to present a forward-looking and return-based valuation assessment to measure climate-related risks and opportunities across its product level. The quantitative model is provided by MSCI and estimates how climate change could affect valuations under different scenarios.

CVaR is estimated by assessing each company's transition risks and opportunities relating to policy and technology, and each company's physical risks and opportunities to arrive at an Aggregated CVaR (%) number for each company and indication of valuation impact relating to climate risk. The available company level results combine to provide firm-level CVaR values under three scenarios.

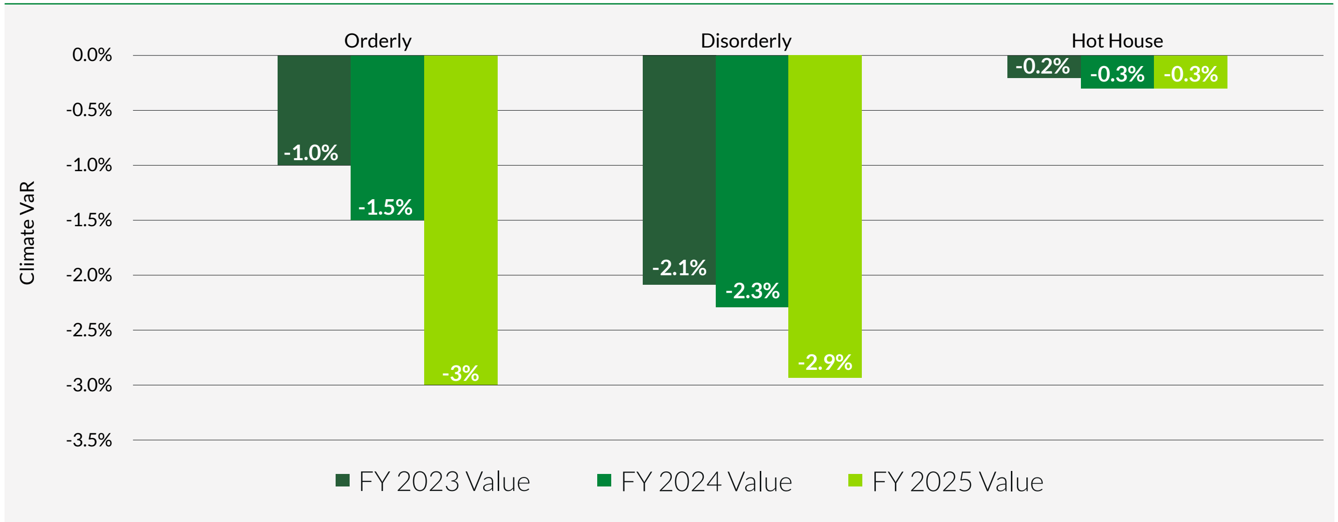
The analysis shown is for illustrative purposes only. MSCI's CVaR data model does not currently support asset-backed securities and as a result this asset class has been excluded from the analysis.

Please refer to Methodologies and Glossary for more detail on the scenarios presented.

| Scenario | FY 2023 Value | FY 2024 Value | FY 2025 Value | YoY Change | FY 2023 Coverage (%) | FY 2024 Coverage (%) | FY 2025 Coverage (%) |
|---|---|---|---|---|---|---|---|
| Orderly | -1.0% | -1.5% | -3.0% | -1.5% | | | |
| Disorderly | -2.1% | -2.3% | -2.9% | -0.6% | | | |
| Hot House | -0.2% | -0.3% | -0.3% | 0.0% | | | |
| Total Firm AUM (coverage) | | | | | 31% | 32% | 37% |

*Sources: MSCI & TwentyFour, as at 31 December 2025.*

*Year-on-year decline was primarily driven by inclusion of additional issuers with significant sensitivity to the MSCI model that had not previously been incorporated in the MSCI model.*



### Sovereign Bond Issuers

We have chosen to report sovereign debt assets separately due to fundamental differences between the metrics reported and obtained for corporate bond issuers and asset-backed securities versus sovereign issuers of government bonds. While it is challenging to normalise sovereign metrics with non-sovereign debt assets, we believe it is important to disclose metrics for our sovereign debt assets.

GHG intensity represents CO2 intensity of an economy (in tons per USD million GDP nominal), meaning the higher the value, the more carbon intensive the economy is.

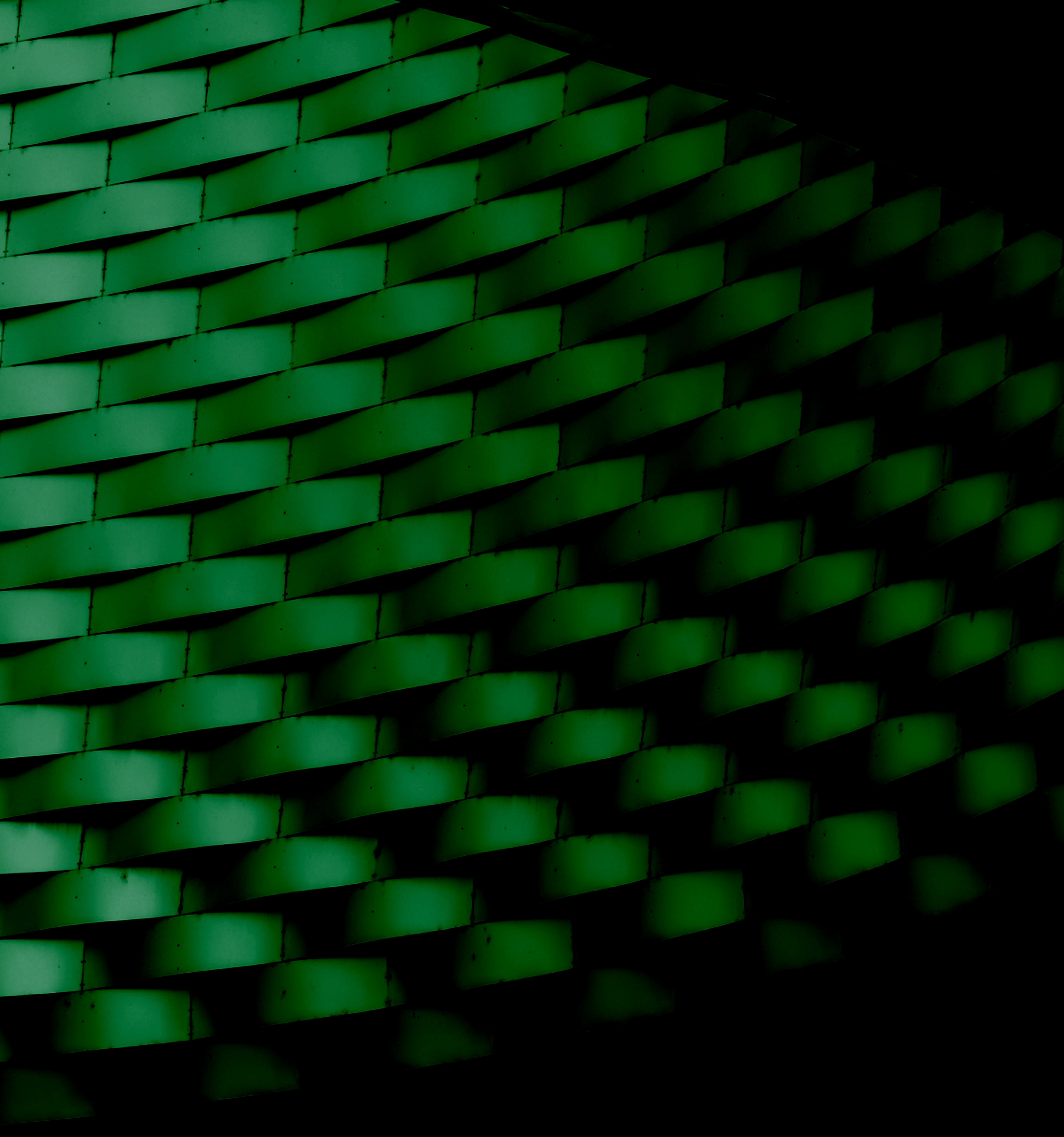
| Sovereign Intensity | FY 2023 Value | FY 2024 Value | FY 2025 Value | YoY Change | FY 2023 Coverage (% of Sovereigns) | FY 2024 Coverage (% of Sovereigns) | FY 2025 Coverage (% of Sovereigns) | FY 2023 Coverage (% of Firm AUM) | FY 2024 Coverage (% of Firm AUM) | FY 2025 Coverage (% of firm AUM) |
|---|---|---|---|---|---|---|---|---|---|---|
| United Kingdom | 131.7 | 123.5 | 106.1 | -17.4 | 16% | 5% | 6% | 2% | 1% | 1% |
| United States | 255.8 | 234.1 | 202.6 | -31.5 | 84% | 57% | 52% | 12% | 7% | 5% |
| Germany | - | 167.4 | 144.7 | -22.7 | - | 38% | 42% | - | 5% | 4% |
| Total | 236.1 | 203.0 | 172.5 | -30.5 | 100% | 100% | 100% | 14% | 13% | 10% |

*GHG intensity represents CO2 intensity of an economy (in tons per USD million GDP nominal).*
*Sources: MSCI & TwentyFour, as at 31 December 2025.*

# Targets Used by the Organisation to Manage Climate-Related Risks and Opportunities and Performance Against Targets

For the period covered by this report TwentyFour has not set transition targets or climate-related exclusions for the assets managed on behalf of its clients; unless specifically agreed with clients.

TwentyFour's view continues to be that as an asset manager we have a fiduciary duty to our clients to seek to achieve the investment objectives of the funds they have invested in or as agreed with them for segregated accounts. Acknowledging that our clients may have differing climate change preferences and ambitions, we strive to offer different solutions to support these varying goals.



# Appendix

# Methodologies and Glossary

| Terms | Additional Information |
| --- | --- |
| Asset4 | Refinitiv Asset4 |
| Carbon Footprint | Refers to total carbon emissions for a portfolio normalised by the market value of the portfolio, expressed in tons CO2e/$M invested.<br>$$\frac{\sum_{n}^{i}\left(\frac{\textit{Current Value of Investment}}{\textit{Issuer's Market Capitalisation}}\ \textit{X Issuer's Scope 1 and Scope 2 GHG Emissions}\right)}{\textit{Current Portfolio Value (\$M)}}$$ |
| Climate Value-at-Risk (CVaR) | For CVaR three scenarios are shown:<br>• Orderly transition – assumes climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued and based on a NGFS 1.5 °C warming scenario.<br>• Disorderly transition – assumes higher transition risk due to policies being delayed or divergent across countries and sectors. Carbon prices are typically higher for a given temperature outcome and based on a NGFS 2°C warming scenario.<br>• Hothouse world – assumes that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. Critical temperature thresholds are exceeded, leading to severe physical risks and irreversible impacts like sea-level rise and based on a NGFS 3 °C warming scenario.<br><br>Further information on the NGFS and models can be found here: [www.ngfs.net/en](www.ngfs.net/en) |

| Terms | Additional Information |
|---|---|
| Emissions (Non-Sovereign) | Scope 1 emissions are those from sources owned or controlled by the company, typically direct combustion of fuel as in a furnace or vehicle.<br><br>Scope 2 emissions are those caused by the generation of electricity purchased by the company.<br><br>For corporate issuers, when Scope 1 and Scope 2 reported data is not available, Scope 1 and 2 carbon emissions may be estimated using MSCI's Scope 1 and 2 estimation model which is mapped to the data quality score defined by PCAF.<br><br>Scope 3 emissions are excluded from financed carbon emissions, WACI and carbon footprint figures reported. |
| Emissions (Sovereign) | Scope 1 emissions excludes emissions relating to land use, land-use change and forestry (LULUCF) for the country. It also considers CO2 emissions relating to fossil fuel use and industrial processes (e.g. cement production) (data sources MSCI/EDGAR/World Bank/IMF). |
| Fugitive Emissions | Refers to unintentional and undesirable emission, leakage, or discharge of gases or vapors from pressure-containing equipment i.e. leaking of refrigerant. |
| MSCI | MSCI ESG Research LLC |
| NGFS | The Network of Central Banks and Supervisors for Greening the Financial System is a network of central banks and supervisors, the purpose of which is to help strengthen the global response required to meet the goals of the Paris Agreement and to enhance the role of the financial system to manage risks and to mobilise capital for green and low-carbon investments in the broader context of environmentally sustainable development. To this end, the network defines and promotes best practices to be implemented within and outside of the membership of the NGFS and conducts or commissions analytical work on green finance. |

| Terms | Additional Information |
|---|---|
| Ownership (Corporate Issuers) | TwentyFour have used Enterprise Value Including Cash (EVIC) as an alternate measure to Enterprise Value (EV) to estimate the value of a company by adding back cash and cash equivalents to EV. The EVIC calculation can be summarised as follows:<br><br>EVIC = Market capitalisation at fiscal year-end date + preferred stock + minority interest + total debt + cash and cash equivalents.<br><br>The underlying data used for EVIC calculation is sourced from a company's accounting year-end annual filings and is updated and reflected once a year as the data is sourced annually. |
| PCAF | Partnership for Carbon Accounting Financials |
| Scope 1 Emissions | Refers to all direct GHG emissions. |
| Scope 2 Emissions | Refers to indirect GHG emissions from consumption of purchased electricity, heat, or steam. |
| Scope 3 Emissions | Refers to other indirect emissions not covered in Scope 2 that occur in the value chain of the reporting company, including both upstream and downstream emissions. Scope 3 emissions could include the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g., transmission and distribution losses), outsourced activities, and waste disposal.<br><br>For forward-looking metrics, the data models incorporate Scope 3 emissions, however all Scope 3 emissions used are estimated by MSCI's Scope 3 estimation model, due to the current unusability (inconsistency, volatility) of the reported Scope 3. |

| Terms | Additional Information |
|---|---|
| Total Carbon Emissions | Refers to the absolute greenhouse gas emissions associated with a portfolio, expressed in tons CO2e. $$\frac{\sum_{n}^{i}\left(\frac{\text{Current Value of Investment}}{\text{Issuer's Market Capitalisation}} \text{ X Issuer's Scope 1 and Scope 2 GHG Emissions}\right)}{\text{Current Portfolio Value (\$M)}}$$ |
| Weighted Average Carbon Intensity (WACI) | WACI measures the exposure to carbon-intensive companies defined as the weighted average of each companies' carbon intensity (calculated as Scope1 + Scope 2 emissions, divided by companies' sales, in USD). $$\sum_{n}^{i}\left(\frac{\text{Current Value of Investment}}{\text{Issuer's Market Capitalisation}} \text{ X } \frac{\text{Issuer's Scope 1 and Scope 2 GHG Emissions}}{\text{Issuer's \$M Revenue}}\right)$$ |

# Limitations and Further Disclosures

## Limitations

TwentyFour recognises that there are limitations in data sets due to a variety of reasons, and these are outlined below but are not exhaustive:

- All data is based on unaudited figures and may be estimated.
- While many companies disclose the required climate-related risk metrics, others may not do so or are in the early stages of making this available. As a result estimated data may be used which reduces the reliability of the metrics shown.
- Different calculation methodologies are often available for each metric and there can be no guarantee that the methodology chosen is the most appropriate. Any comparison to other external firm's may not be possible or may not be appropriate.
- While the data is shown as at 31 December 2025, the underlying data, including but not limited to Scope 1 and Scope 2 emissions and EVIC, may not be reported as of the same date. Published data also may not be processed and incorporated into third-party data models on a timely basis, leading to a misalignment in underlying metrics for a given date.
- All AUM data and product-level security market values are as at 31 December 2025 and exclude advisory assets which TwentyFour do not have discretion over.
- Low coverage of TwentyFour's asset classes will impact the reported metrics and may lead to the figures overestimating or underestimating the actual figures if all data was available and aligned to the reporting date.
- TwentyFour uses carbon emissions, weighted-average carbon intensity and carbon footprint metrics but these are backward-looking and only consider historical emissions. Forward-looking metrics (such as Climate Value-at-Risk) are based on proprietary models from a third party which TwentyFour do not independently validate.
- As this is TwentyFour's first TCFD report no prior years' data is reported and therefore no comparative analysis has been performed.

TwentyFour uses two third-party data providers to supplement ESG data that is sourced internally by the portfolio management teams, namely MSCI and Asset 4.

## Disclosures

Metrics included in this report or similar instances are based on recommendations from the TCFD and similar voluntary frameworks, recommendations or proposals developed by various initiatives. This inherently involves methodologies and data that are at various degrees of development, quality and acceptance, notably as it relates to greenhouse gas emissions accounting, asset classes beyond corporate credit, and forward-looking assumptions.

There is no representation that data presented in this report will suffice to draw conclusions linked to investment decisions or make a positive or negative environmental impact claim. Past environmental performance and available proxies for the potential future performance is no guarantee of future results.

The information contained herein is as of December 31, 2025 unless otherwise noted.

This report contains examples of the firm's internal ESG engagement capabilities. The data contained within the report may be stale and should not be relied upon as investment advice or a recommendation of any particular security, strategy or investment product. In selecting case studies, TwentyFour considers multiple factors, including, but not limited to, whether the example illustrates the particular investment strategy being featured and processes applied by TwentyFour to making investment decisions. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed.

We use MSCI and other third-party ratings for reference but make our own assessment based on our own, independent analysis of the industry and relevant ESG factors.

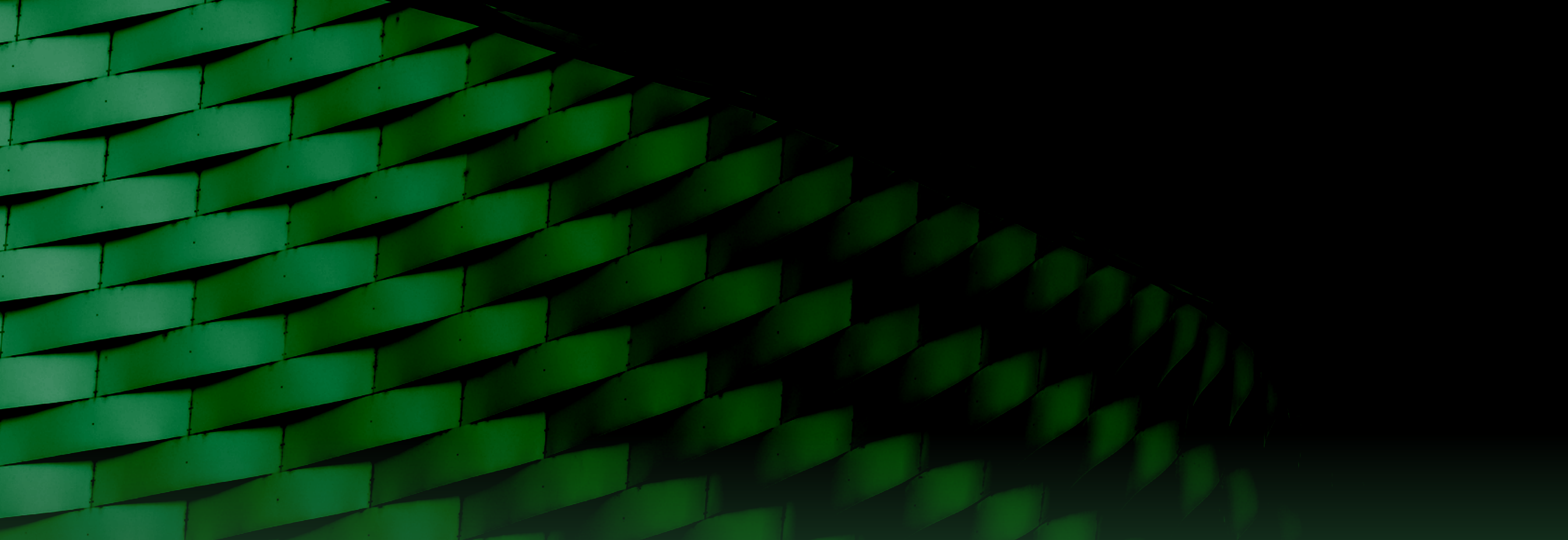
Environmental ("E") factors can include matters such as climate change, pollution, waste, and how an issuer protects and/or conserves natural resources. Social ("S") factors can include how an issuer manages its relationships with individuals, such as its employees, stakeholders, customers and its community. Governance ("G") factors can include how an issuer operates, such as its leadership, pay and incentive structures and internal controls.

ESG investing is qualitative and subjective by nature, and there is no guarantee that the factors utilised by TwentyFour or any judgment exercised by TwentyFour will reflect the opinions of any particular investor, and the factors utilised by TwentyFour may differ from the factors that any particular investor considers relevant in evaluating an issuer's ESG practices.

In evaluating an issuer, TwentyFour is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, or present conflicting information and data with respect to an issuer, which in each case could cause TwentyFour to incorrectly assess an issuer's business practices with respect to its ESG practices. An issuer's ESG practices or TwentyFour's assessment of an issuer's ESG practices may change over time and involves TwentyFour's subjectivity and discretion. There is no assurance that the ESG investing strategy or techniques employed will be successful.

**Past performance is not a guarantee or reliable indicator of future results.**

**Please remember that all investments come with risk. Positive returns, including income, are not guaranteed. Your investment may go down as well as up and you may not get back what you invested.**



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