

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: FTGF Brandywine Global Income Optimiser Fund
Legal entity identifier: 5493003731Z316KVU890

Environmental and/or social characteristics

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

Yes
 No

<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 1% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with a social objective <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments
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What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes environmental and social characteristics using several interconnected approaches. For sovereign issuers, each country is evaluated using the Investment Manager’s 60+ input methodology to assess environmental, social, and governance conditions. These factors include assessments on physical and transition climate risks, environmental conservation and waste, labour rights, education, individual and institutional freedom, women and children’s rights and protections, crime, corruption and may include other characteristics from time to time reflecting the unconstrained strategy pursued by the Fund. The Investment Manager’s 60+ input ESG scoring methodology is used to create portfolio and investable universe scores and rankings, with the lowest scoring 10% excluded from consideration; these scores also drive material engagement topics to address with issuers in the second lowest decile (80th- 90th percentile scores) which also include GHG emissions, a mandatory sovereign PAI.

For corporate issuers, the Investment Manager converts third-party qualitative factors into a quantitative score, and ESG pillars are weighted based on a GICS sector. These factors are based on considerations including emissions, waste, renewable energy production and usage, labour rights and protections, diversity and inclusion, and the overall effectiveness and transparency of the senior management team.

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

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicators used to measure the attainment of the environmental or social characteristics promoted by the Fund are:

- *relevant PAI indicators, such as PAI #15 (GHG intensity);*
- *specific inputs into the ESG scoring methodology employed by the Investment Manager which align with the environmental or social characteristics promoted by the Fund; and*
- *the use of bond proceeds by issuers, specifically the use of proceeds of green, social, sustainable and transition bonds that meet the Fund's sustainable investments as a percentage of net assets commitment.*

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund invests at least 1% of its net assets in green, sustainable, and/or social bonds which are sustainable investments. The Fund makes such investments only where the use of the proceeds of such bonds are specified by the issuer (and verified by a third party or the Investment Manager) and benefit underlying environmental or social projects such as, but not limited to:

- *the transition to or use of renewable energy;*
- *the development of the circular economy;*
- *the reduction of water and greenhouse gas emissions and the impact on biodiversity;*
- *global development projects, especially in under-served countries and communities; and*
- *the reduction of poverty and food insecurity.*

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The Investment Manager will only consider bond issuances for potential sustainable investments that are labelled green, sustainable, social and/or transition bonds.

In step one of the do no significant harm testing (DNSH), the Investment Manager will eliminate from consideration any security whose issuer is in the bottom decile according to its internal ESG score, fails the UNGC (PAI 10), or falls into an excluded sector as set out below. For securities that progress through this initial DNSH screen, step two requires the Investment Manager to consider third-party DNSH tests to determine the eligibility as a sustainable investment. If a security has progressed through the first two steps, the third and final step of DNSH testing is conducted as follows:

- *Review of offering documents and labelled bond frameworks (e.g. in order to assess use of proceeds, reporting requirements, etc. at time of purchase).*
- *Review of corresponding mandatory and/or optional PAI indicators (e.g. in order to ensure alignment to use of proceeds from labelled bond issuance).*

For sustainable investments in securities issued by government-related entities, such as supranational organisations (and such entity does not have a specific mission statement that indicates that all the activities/projects being financed are sustainable), the Investment Manager evaluates the DNSH principle at use-of-proceeds level.

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

With respect to sustainable investments only, mandatory PAI indicators for corporates and sovereigns will be tracked, measured, and reported. The Investment Manager will assess DNSH thresholds on a fundamental, sector/industry, country, and portfolio levels to make sustainable investment decisions. The Investment Manager's policy is to engage with issuers and then divest

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

as a last resort. The Investment Manager may divest immediately if a material short-term risk is uncovered.

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

The investment manager will track OECD/UNGC violations (sourced from a third party on an automated basis) and failures; companies that fail will be excluded from the portfolio/investment universe.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

Yes ___

No

Mandatory and optional PAI indicators for issuers will be tracked, measured, and reported as part of the second lowest decile (ninth decile) process which requires the Investment Manager to engage on topics related to a composite E/S score. Additional details on the second lowest decile are included in the section on binding commitments. The PAI indicators will be used in conjunction with the Investment Manager’s scores and related KPIs in order to assess opportunity, realize improvement, and guide engagement discussions for issuers in the second lowest decile, and will help inform related investment exposures and position sizes.

Typically, PAI indicators are captured in the Investment Manager’s scoring. For example, the two mandatory PAI indicators (PAI #15 (GHG intensity) and PAI #16 (Investee countries subject to social violations)) are included in the Investment Manager’s proprietary ESG scoring methodology.



What investment strategy does this financial product follow?

The Fund’s investment objective is to maximize income yield in all market conditions while preserving capital.

In order to achieve this, the Investment Manager employs a combination of top-down macro-oriented analysis combined with rigorous bottom-up fundamental analysis. Incorporated in this approach is an assessment of ESG factors across the investible universe. This is done via a multipronged approach that utilizes both proprietary tools and third-party vendor analytics (see below for more details). These tools and metrics may be used in isolation and/or in tandem to complement and validate one another. This is carried out on a regular basis as existing investment are re-evaluated and new investments are considered.

Alongside traditional financial and economic analyses, the Investment Manager integrates an evaluation of the potential impacts of material environmental, social, governance (“ESG”) factors on an issuer, to determine whether, in the Investment Manager’s view, an issuer’s ESG practices present a financial opportunity or risk for an investment. This ESG integration will include qualitative research and may also include data driven risk analysis.

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

In addition to the integration of ESG factors, the Investment Manager utilises a multifaceted approach to assigned environmental and social ratings to at least 90% of the Fund's portfolio. This process is largely quantitative and utilizes data sources provided by third parties. Qualitative research for countries includes but is not limited to information derived from various third-party sources such as sell-side research, non-governmental agency reports, national agencies, supranational agencies, news sources, and country reported data and information. For companies, qualitative research includes but is not limited to third-party and sell-side research, information available on trading platforms, news, company reported data and information such as earnings calls, financial statements, and sustainability/ESG/CSR reports. This data is used for ESG scoring, to identify material risks, candidates for engagement, track progress on issuers, and ultimately make portfolio management decisions. The results of this analysis form the basis for portfolio exclusion where the bottom decile, as defined by the environmental and social factors for issuers, of the investable universe will be screened out. The Fund will not invest in the securities of an issuer with significant direct involvement, as determined by the Investment Manager and set forth below, in the following:

- Controversial weapons: all companies are excluded that are involved in the production, sale and distribution of anti-personnel mines, cluster munitions, chemical, biological weapons, white phosphorus, depleted uranium weapons and nuclear weapons.

- Tobacco: All companies are excluded that are involved in production, sale and distribution generating more than 5% of revenues from any traditional tobacco products as well as related products (e-cigarettes and next-generation tobacco/nicotine products) and supporting services (filters, smoking halls, etc).

- Nuclear Energy: All companies are excluded that are involved in production, sales and distribution generating more than 5% of revenues from uranium extraction, uranium concentration, refining, conversion and enrichment, the production of nuclear fuel structures, construction and use of nuclear reactors, treatment of spent nuclear fuel, nuclear decommissioning and radioactive waste management.

- Adult Entertainment: All companies are excluded that generate more than 5% of revenue from the production, direction, and publishing of adult entertainment materials.

- Fossil Fuels (Thermal Coal): All companies are excluded that generate more than 10% of revenues from coal-based power generation or the mining or distribution of thermal coal generating.

The Fund will not invest in any issuer if the issuer:

- is assessed as 'fail' under the United Nations Global Compact; or*
- is a sovereign issuer identified in the United Nations Security Council Sanctions or as a high-risk jurisdiction by the Financial Action Task Force.*

Additionally:

- Issuers in the lowest scoring 10% (the bottom decile) are excluded from the investable universe as a result of the ratings methodology deployed. The promotion of E and S factors is achieved via this exclusion.*
- The Investment Manager will seek engagement with those issuers of securities in the 10 – 20% worst scoring (second lowest decile) if such securities are selected for inclusion in the Fund.*
- Up to 90% of total portfolio holdings are tracked and monitored for environmental and social factor deterioration or improvements.*

The Investment Manager will perform a screen of the Fund's investable universe via the multifaceted approach to identify securities for exclusion (bottom decile). As mentioned above, the Investment Manager will seek engagement with issuers of securities scoring in the second lowest decile of the investment universe, where such securities are selected for inclusion in the Fund. In addition to this, the Investment Manager will monitor current holdings for deterioration and improvement for Environmental and Social factors (as described in the section of the Prospectus entitled "Sustainability Risk).

In terms of sovereign issuers, the ESG analysis framework covers a wide range of ESG factors that include but are not limited to: deforestation and land usage/conservation, climate change vulnerability, overall greenhouse gas emissions, reliance on fossil fuel exports, water usage, civil and political rights, private sector oversight and regulation, particularly with respect to safety.

Regarding corporate issuers, the Investment Manager evaluates environmental and social issues that include but are not limited to: carbon emissions and greenhouse gas emissions, water usage and conservation.

Generally, the Investment Manager may seek to engage with issuers in the Fund's portfolio (including, without limitation, through interaction with corporate management teams, investor relations and sustainability teams, government officials, and policymakers) regarding their environmental and social performance.

Environmental and social performance is measured quantitatively when data is available, and also through qualitative research. After periodic engagement with, and reassessment of the ESG score of an issuer, the Investment Manager may reduce or eliminate the Fund's exposure to that issuer.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The Fund will not invest in the securities of an issuer with significant direct involvement as clarified in the section headed "What investment strategy does this investment product follow?" and, as determined by the Investment Manager, in any of the following:

- tobacco
- thermal coal
- nuclear energy
- controversial weapons including nuclear weapons
- adult entertainment

The Fund will not invest in any issuer if the issuer:

- is assessed as 'fail' under the United Nations Global Compact; or
- is a sovereign issuer identified in the United Nations Security Council Sanctions or as a high-risk jurisdiction by the Financial Action Task Force.

Additionally:

- Issuers in the lowest scoring 10% (the bottom decile) are excluded from the investable universe as a result of the ratings methodology deployed. The promotion of environmental or social factors is achieved via this exclusion.
- Issuers in 10-20% worst scoring (2nd lowest decile) are not excluded, rather the Investment Manager will seek engagement with issuers of securities scoring in the second lowest decile of the investment universe, where such securities are selected for inclusion in the Fund.
- Up to 90% of total portfolio holdings are tracked and monitored for environmental and social factor deterioration or improvements.

The Fund commits to investing at least 1% of its net assets in sustainable investments with an environmental/social objectives, as defined by SFDR.

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

10% (bottom decile) reduction.

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

Good governance will be assessed through fundamental analysis. The Fund will also track and monitor PAI indicators for corporates and sovereigns. The Fund also relies on the MSCI ESG data to identify "UNGC failures" which are companies that have a high risk of violating the UNGC principles. These companies are excluded from the investments.

What is the asset allocation planned for this financial product?

The Investment Manager employs a binding proprietary ESG methodology which is applied to at least 90% of its current holdings. At least 90% of the current holding is aligned with environmental and/or social characteristics promoted by the Fund. The remaining portion (<10%) is not aligned with the promoted characteristics and consists primarily of liquid assets.

Out of the Fund's portfolio segment which is aligned with the promoted environmental and/or social characteristics, the Fund undertakes a further commitment to invest a minimum of 1% of its portfolio into sustainable investments.

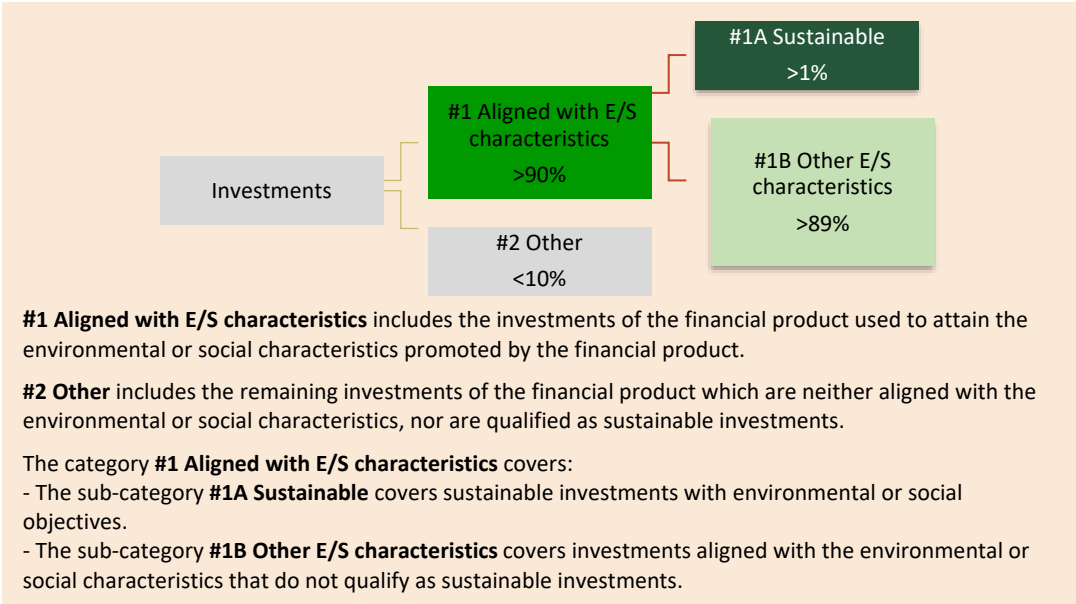
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**
The ESG methodology is applied to the notional value of derivatives used to gain long exposure to bond futures and single-name credit derivatives.
Notional value for long positions is counted towards the ESG scoring.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?
The Fund does not invest in sustainable investments with an environmental objective aligned with the EU Taxonomy.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹⁷?**
 - Yes:
 - In fossil gas
 - In nuclear energy
 - No

¹⁷ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

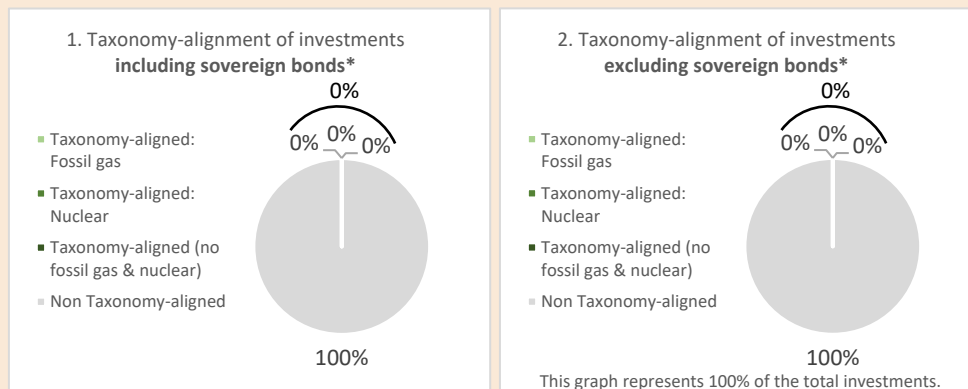
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- **What is the minimum share of investments in transitional and enabling activities?**
The Fund does not invest in transitional and enabling activities.



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

0%. The minimum commitment to sustainable investments is 1% which can be achieved by a range of permutations, for example 1% in sustainable investments with an environmental objective not aligned with the EU Taxonomy and 0% in socially sustainable investments or vice versa.



What is the minimum share of socially sustainable investments?

0%. The minimum commitment to sustainable investments is 1% which can be achieved by a range of permutations, for example 0% in sustainable investments with an environmental objective not aligned with the EU Taxonomy and 1% in socially sustainable investments or vice versa.



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

“#2 Other” comprises cash held on deposit and derivative instruments used for hedging and derivatives for which there are no minimum environmental or social safeguards.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes? *No.*

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

N/A.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
N/A.
- **How does the designated index differ from a relevant broad market index?**
N/A.
- **Where can the methodology used for the calculation of the designated index be found?**
N/A.



Where can I find more product specific information online?

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

www.franklintempleton.ie/91037