

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 Fixed Income Fund

Legal entity identifier: 549300TFZOEP7EEQG432

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**

| | |
|--|--|
| <div><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ____%</div> <div><div><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div><div><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div></div> <div><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ____%</div> | <div><input 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 ____% of sustainable investments</div> <div><div><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div><div><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div><div><input type="checkbox"/> with a social objective</div></div> <div><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</div> |
|--|--|



What environmental and/or social characteristics are promoted by this financial product?

Not every environmental and/or social characteristic listed below will be promoted by each investment or by the Fund at any one time.

The environmental characteristics promoted by the Fund are:

- Air Quality
- Biodiversity and Protected Areas (Marine)
- Biodiversity and Protected Areas (Terrestrial)
- Climate Change Adaptive Capacity
- Climate Change Exposure
- Climate Change Sensitivity
- Climate Change Vulnerability
- CO2 Emissions from Energy Use
- CO2 Emissions from Land Use Change and Forestry
- Carbon Policy - Sovereign
- Dependence on Fossil Fuel Exports

- Deforestation
- Drought Hazard
- Energy Security
- Environmental Pressure
- Total Greenhouse Gas (GHG) Emissions
- GHG Emissions Reduction: Progress Towards Targets
- Low Carbon Economy
- Resource Security
- Waste Management
- Water Pollution
- Water Security

The social characteristics promoted by the Fund are:

- Access to Remedy Risk
- Child Labour
- Civil Unrest
- Discrimination in the Workplace
- Decent Wages
- Education
- Freedom of Association and Collective Bargaining
- Food Security
- Healthcare Capacity
- Human Capital
- Indigenous Peoples' Rights
- Informal Workforce
- Migrant Workers
- Minority Rights
- Modern Slavery
- Occupational Health and Safety
- Poverty
- Sexual Minorities
- Working-Age Population Trends
- Women's and Girls' Rights
- Young Workers

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

● ***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); and
 - PAI #16 (Investee countries subject to social violations); and
- specific inputs into the Environmental, Social and Governance (ESG) scoring methodology employed by the Investment Manager which align with the environmental or social characteristics promoted by the Fund. These inputs derive from ESG scoring, engagement process and exclusion process.

● ***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?***

N/A – the Fund does not commit to have sustainable investments.

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

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.

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?

N/A – the Fund does not commit to have sustainable investments.

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

N/A – the Fund does not commit to have sustainable investments.

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

N/A – the Fund does not commit to have sustainable investments.

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, mandatory PAIs for sovereigns will be tracked, measured, and reported; the Investment Manager will also use changes in PAIs and related KPIs to assess opportunity for and realized improvement, which will therefore inform investments and position sizes. The Investment Manager will assess “do not significant harm” thresholds on fundamental, sector/industry, country, and portfolio levels to make investment decisions. The two sovereign PAIs (PAI #15 (GHG intensity) and PAI #16 (Investee countries subject to social violations)) are included in the Investment Manager’s proprietary ESG scoring methodology. Please refer to full list of environmental and social factors considered in the Investment Manager’s scoring in the above question: “What environmental and/or social characteristics are promoted by this financial product?”



What investment strategy does this financial product follow?

The Fund’s goal is to achieve income and growth of the Fund’s value by investing in bonds issued by various governments.

In order to achieve this, the Investment Manager employs a combination of top-down macro-oriented analysis that invests in investment-grade rated countries with high real rates and appreciating currencies.

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, as further detailed below. 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 reevaluated and new investments are considered.

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

Governance factor assessment also plays a critical role in assessing the sovereign investments in the portfolio. The Investment Manager ties in quantitative and qualitative analysis at both the macro level, assessing overall business environment, corruption, and the independence of crucial institutions.

The Investment Manager's investment approach incorporates proprietary analysis of material ESG factors that may impact an investment's performance and is applied to 90% of the Fund's holdings. The Investment Manager defines what are material indicators based on fundamental research and proprietary ESG scoring. When assessing a government or government-owned issuer, the Investment Manager will particularly consider governance issues such as, but not limited to, rule of law, level of corruption, business freedom and protection of property rights in that country, and poor standards regarding any of these factors can reduce the attractiveness of the issuer.

The Investment Manager believes that sovereign governance structures are intrinsically linked to its positions/policies on environmental and social issues. The Investment Manager uses this evaluation to identify legal, regulatory, product and reputational risk.

This process employed by the Investment Manager uses a proprietary system for scoring and ranking issuers along with the use of external vendor raw data, metrics, and analysis. These inputs are used to create proprietary ESG scoring, identify material risks, candidates for engagement, track progress on sovereign and government owned/related interactions, 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 sovereign issues, of the investable universe will be screened out and the second lowest decile will become automatic engagement candidates. The Investment Manager will perform a screen of the Fund's investable universe via the multifaceted approach to identify securities for exclusion (bottom decile) and candidates for engagement (second lowest decile) as mentioned above.

In addition to this, the Investment Manager will monitor current and prospective holdings for deterioration and improvement for environmental and social factors.

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.

● ***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?***

- Issuers in the lowest scoring 10% (the bottom decile) are excluded from the investable universe as a result of the ratings methodology deployed.;
- Issuers in 10-20% worst scoring (second lowest decile) are not excluded, rather they require mandatory engagement;
- The Fund will maintain a portfolio ESG rating higher than that of the Fund's investment universe
- Up to 90% tracked and monitored for environmental and social factor deterioration or improvements.
- The Fund cannot invest in the bottom decile of environmental and social scoring issuers

● ***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?***

N/A – The Fund will invest only in sovereign bonds and will not have exposure to corporates, therefore, no good governance practices related to investee companies are applicable

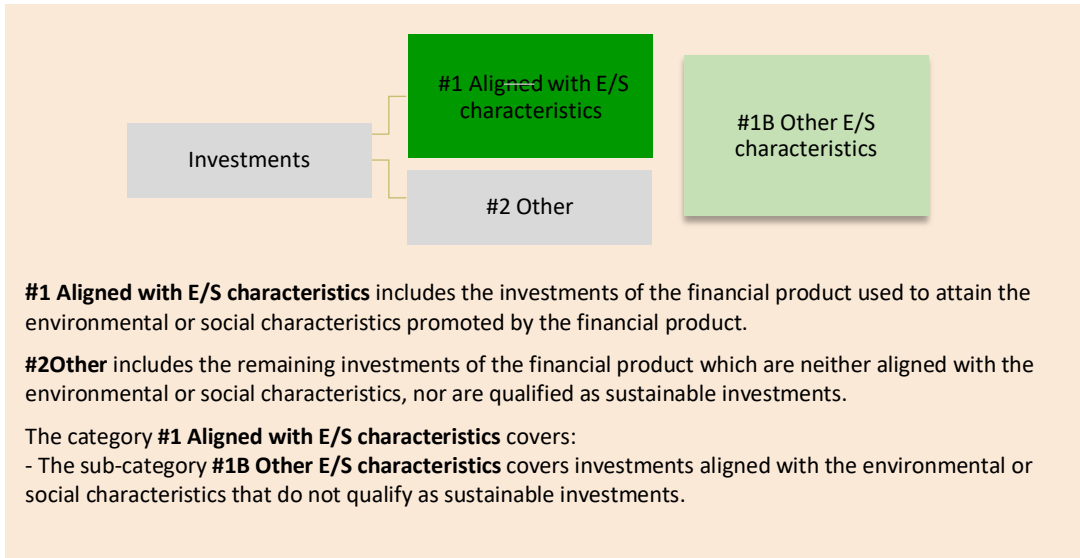
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



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 the Fund's portfolio. The remaining portion (<10%) of the portfolio is not aligned with the promoted characteristics and consists of liquid assets (ancillary liquid assets, bank deposits, money market instruments and money market funds).

The Fund will not make sustainable investments.



How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

N/A – derivatives are not used to attain the environmental or social characteristics promoted by the Fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?


- ☐ Yes:
- ☐ In fossil gas In ☐ nuclear energy
- ☒ No

¹ 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.

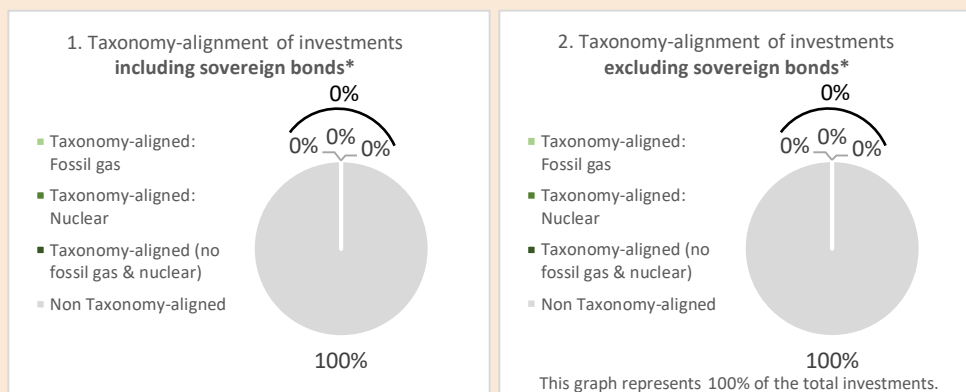
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

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.

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

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?**

0% of the Fund's investments will be 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% of the Fund's investments will be in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



What is the minimum share of socially sustainable investments?

0% of the Fund's investments will be in socially sustainable investments.



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, 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.

- ***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:

<http://www.franklintempleton.ie/90299>