

ANNEX III

Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Lord Abnett Climate Focused Bond Fund

Legal entity identifier:
5493000WHD2SG8Y1SG02

Sustainable investment objective

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]*

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<p><input checked="" type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: 90%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><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</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>



What is the sustainable investment objective of this financial product?

The investment objective of the Lord Abnett Climate Focused Bond Fund (the "Fund") is to seek income and capital appreciation to produce a high total return while pursuing Sustainable Investments.

"Sustainable Investments" are investments (i) in economic activities that Lord Abnett & Co LLC (the "Investment Manager") believes contribute to at least one of the following themes: clean energy, energy efficiency, water (e.g., water quality, water resource management or wastewater treatment), low carbon transportation and other environmental objectives (e.g., waste management and recycling and circular

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

economy), (ii) that do not significantly harm any other environmental and/or social objectives (as provided for in the SFDR), and (iii) where the issuer of each investment follows, in the Investment Manager’s view, good governance practices.

● ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

In order to determine whether, and if so, how the Fund’s investments are Sustainable Investments and/or contribute towards the environmental objectives, the Investment Manager will generally use the following indicators and themes:

Environmental Objective	Investment products and services
Clean Energy	Solar, Wind, Hydro, etc.
Energy Efficiency	Reduction of energy consumption
Water	Water quality, water resource management, wastewater treatment
Low Carbon Transportation	Electric Vehicles, Energy Efficient Mass Transit
Other Environmental	Waste Management & Recycling, Circular Economy

The Fund will invest in the securities of issuers that the Investment Manager has determined are Sustainable Investments. The Investment Manager believes that such investment has or will have a positive impact on the above environmental objectives, in each case through the issuer’s operations or the products and services provided by the issuer and/or the issuer’s proposed use of the proceeds of the issue.

The Investment Manager uses the following sustainability indicators to measure the attainment of the environmental objectives:

- Gigawatts (“GW”) renewable energy;
- Carbon intensity;
- GW renewables used;
- Green bond adaptation use of proceeds;
- Gallons of water treated; and
- number of individuals getting access to clean water.

The Investment Manager will then analyse the Fund’s investments using each of these indicators and determine the aggregate market value as a percentage of the Fund that can be said to contribute to the relevant environmental objective. Taking all of these indicators together, the Investment Manager can ascertain and monitor the extent of the Fund’s investments in Sustainable Investments for the purposes of attaining the environmental objectives and compliance with SFDR.

The Investment Manager will seek to ensure that the investments do not significantly harm any of the environmental objectives above and to achieve this aim the Investment Manager excludes companies engaged principally in fossil fuels, controversial weapons, alcohol, tobacco, military equipment, gambling, pornography. However, the Investment Manager may invest in labelled green bonds issued by companies in the aforementioned sectors.

The Investment Manager conducts on-going monitoring of investee companies for violations of PAIs, UNGC, OECD Guidelines for Multinational, Enterprises and the UN Guiding Principles on Business and Human Rights to ensure that they meet the definition of Sustainable Investments. This monitoring is carried out by the Investment Manager's analysts on an on-going basis. This regular review of both securities and the issuers by the analysts is carried out to ensure there has been no significant deviation from the initial analysis that determined the securities as appropriate constituent parts of the Fund.

● ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

The Sustainable Investments do not significantly harm any environmental or social sustainable investment objective by considering the sustainability indicators of principal adverse impacts and aligning with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The Investment Manager also implements Proprietary Quantitative Risk Reporting whereby it measures and monitors interest rate and credit exposures and uses proprietary ratings and sector adjusted duration metrics. This reporting encompasses a multitude of metrics including aggregate and relative Scope 1 and Scope 2 emissions, aggregate and relative ESG risk ratings, the identification of companies with high or severe risk ratings and controversy scores and the identification of the highest carbon-emitting companies in the Fund's portfolio. Specifically in relation to 'do no significant harm' the Investment Manager uses a further mix of metrics including the PAIs, UNGC, OECD Guidelines for Multinational, Enterprises and the UN Guiding Principles on Business and Human Rights. The Investment Manager uses Sustainability "product involvement" data to screen for operations in excluded sectors like alcohol and oil and gas. PAI data is taken from MSCI and used to screen for outliers before purchasing a new security. Nasdaq Sustainable Bond data allows the Investment Manager to see if labeled sustainable bond issuers have kept their commitments to reporting and allocation of proceeds to green projects. For every issuer, the Investment Manager will calculate the % of revenues derived from both positive and negative industries – this is done by analysts using company reporting and information gathered from the Investment Manager's engagement with issuer.

— *How have the indicators for adverse impacts on sustainability factors been taken into account? [explain how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I are taken into account]*

The Fund must consider the principal adverse impacts of investment decisions on sustainability factors (being environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters) as part of the "do no significant harm" principle within SFDR. In addition, the Investment Manager has

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.

decided to voluntarily comply and will seek to monitor the adverse impacts on sustainability factors in accordance with a principles-based approach.

The Investment Manager takes the principal adverse impacts of its investment decisions on sustainability factors into account as part of its investment analysis procedures, alongside other fundamental investment considerations. For the Fund, the Investment Manager considers the principal adverse indicators by including relevant data, to the extent readily available, in research reports used by portfolio managers. In its evaluation of environmental, social and governance factors, the Investment Manager may utilize its internal research, materials from third party research and data providers, its assessment of an issuer's alignment with international commitments deemed relevant by the Investment Manager, and information made available by the issuer. The Investment Manager will use its own assessments of environmental, social and governance issues and may also reference standards as set forth by recognized global organizations.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? [include an explanation on the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights]

The Fund excludes companies engaged principally in fossil fuels and natural gas, controversial weapons, alcohol, tobacco, military equipment, gambling and pornography. Further, the Investment Manager utilizes recognized and reputable third-party data sources to monitor investee companies for violations of:

- the Fund's principal adverse impact indicators;
- the UN Global Compact Principles (UNGC);
- the OECD Guidelines for Multinational Enterprises; and
- UN Guiding Principles on Business and Human Rights.

If the Investment Manager is considering the purchase of a particular security and discovers that the relevant security is in violation of any of the above, the Investment Manager will not complete the purchase. However, if a violation occurs in respect of an existing investment, the Investment Manager will examine the specific details of the violation and attempt to engage with the issuer in order to get further information. The Investment Manager will determine, as a result of that process, whether the violation was accurate and therefore had the effect of nullifying the initial investment thesis, then it will seek to sell the relevant security in accordance with the best interests of the Shareholders.



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

X Yes *[if the financial product considers principal adverse impacts on sustainability factors, include a clear and reasoned explanation of how it considers principal adverse impacts on*

sustainability factors. Indicate where, in the information to be disclosed pursuant to Article 11(2) of Regulation (EU) 2019/2088, the information on principal adverse impacts on sustainability factors is available]

x No

The Fund considers principal adverse impacts on sustainability factors as part of the "do no significant harm" analysis outlined above and as referred to in Annex 1 of the RTS. The Investment Manager takes the principal adverse impacts of its investment decisions on sustainability factors into account as part of its investment due diligence procedures, alongside all other fundamental investment metrics. Subject to data availability, the Investment Manager monitors the principal adverse indicators and includes the sustainability impact of each investment in research reports and/or ongoing investment reviews that are used by portfolio managers when making investment decisions. On a quarterly basis, the Investment Manager's Investment Committee (consisting of senior investment professionals) reviews each portfolio with the relevant portfolio manager, including a discussion of sustainability factors. In its evaluation of environmental, social and governance factors, the Investment Manager may utilize its internal research, materials from third party research and data providers, its assessment of an issuer's alignment with international commitments deemed relevant by the Investment Manager, and information made available by the issuer. The Investment Manager will use its own assessments of environmental, social and governance issues and may also reference standards as set forth by recognized global organizations.

More information is available via Lord Abbett's Principal Adverse Impacts Statement, published on Lord Abbett's website. The Fund will periodically report how it has considered the principal adverse impacts of its investments in its annual report, which will be made available on an annual basis.



What investment strategy does this financial product follow? *[provide a description of the investment strategy and indicate how the strategy is implemented in the investment process on a continuous basis]*

The Fund will invest in the securities of issuers that Investment Manager has determined are Sustainable Investments and the securities of issuers that the Investment Manager believes have or will have a positive impact on the climate, in each case through the issuer's operations or the products and services provided by the issuer and/or the issuer's proposed use of the proceeds of the issues and where each such investment is a "sustainable investment" within the meaning of the SFDR. The Fund's investments will include labeled and unlabeled "green" bonds. Labeled green bonds are bonds that earmark proceeds for climate and environmental projects.

Labeled green bonds are often verified by a third party, which certifies that the bond will fund projects that include environmental benefits. Unlabeled green bonds (or climate-aligned bonds) are securities whose proceeds are supposed to be used for climate-aligned projects and initiatives but are issued without formal certifications. In addition to relying on the verification of labeled green bonds, the Investment Manager will use carbon

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

emission data from third parties, where available, to determine an issuer's impact on the environment and its contribution towards one or more Sustainable Themes. The Investment Manager intends to use carbon data provided by third parties to continuously monitor emissions of individual issuers and the overall emissions profile of the Fund. This will be combined with the Investment Manager's fundamental analysis to determine an issuer's impact on the environment and its contribution towards the Sustainable Themes. In particular, the Investment Manager intends to use the carbon risk rating data provided by third parties as an input for individual security analysis and to monitor and report on an ongoing basis on the overall carbon emissions profile of the Fund.

In terms of the implementation of this strategy in the investment process on a continuous basis, when selecting a potential investment, the Investment Manager primarily considers such investment's contribution towards one or more of the Sustainable Themes, the issuer's corporate governance practices and whether such investment significantly harms any other environmental and/or social objective. The Investment Manager's assessment as to whether an investment contributes to the Sustainable Themes and/or positively impacts the climate will include the consideration of a number of environmental factors, such as whether an issuer contributes to efforts relating to clean energy, energy efficiency, sustainable transportation, clean water and resource management, or low carbon solutions, or such other environmental factors that the portfolio management team may determine are relevant. In assessing an issuer's contribution to the Sustainable Themes and such other efforts, the Investment Manager may assess matters such as the issuer's exposure to the relevant climate theme(s) as a percentage of revenue and profits, an issuer's carbon emissions, and in the case of green bonds, reported use of proceeds and eligible green projects.

● ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The Fund pursues its investment objective by investing in bonds and other fixed income (or "debt") securities which constitute or qualify as Sustainable Investments. The Fund uses the following binding elements to select investments to attain the environmental objectives.

1. The primary binding element is that investments must contribute to environmental objectives including clean energy, energy efficiency, water (e.g., water quality, water resource management or wastewater treatment), low carbon transportation and other environmental objectives (e.g., waste management and recycling and circular economy).

2. The Fund will not invest in the securities of any issuer determined by the Investment Manager, pursuant to its internal sector and industry identifier compliance systems, to be engaged principally in sectors related to fossil fuel and natural gas, including distribution/retail, equipment and services, extraction and production, petrochemicals, pipelines and transportation and refining, and the production or distribution of coal and coal fired generation. However, the Investment Manager may invest in labeled green bonds from these sectors.

3. The Fund will also not invest in the securities of any issuer determined by the Investment Manager to be engaged principally in the manufacture of alcoholic

beverages, tobacco products or military equipment, the operation of gambling casinos, or in the production or trade of pornographic materials.

In the event that an investment of the Fund is reclassified into one of the prohibited industries or sectors, the Investment Manager will take reasonable measures to sell such investment as soon as reasonably practicable.

4. The Investment Manager will only invest in issuers deemed to have a majority of their revenue and profits coming from environmentally sustainable categories.

The above elements serve as criteria for the selection of issuers that are binding on the Investment Manager's decision-making process.

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

The Investment Manager will always consider governance factors in respect of its consideration of Sustainable Investments but may also consider such factors as part of its investment decisions for the portfolio as a whole. Such governance factors include sound management structures, executive remuneration, employee relations, remuneration of staff and tax compliance, and reputational issues for companies such as weak labor practices. The following points are considered by the Investment Manager from a Governance perspective:

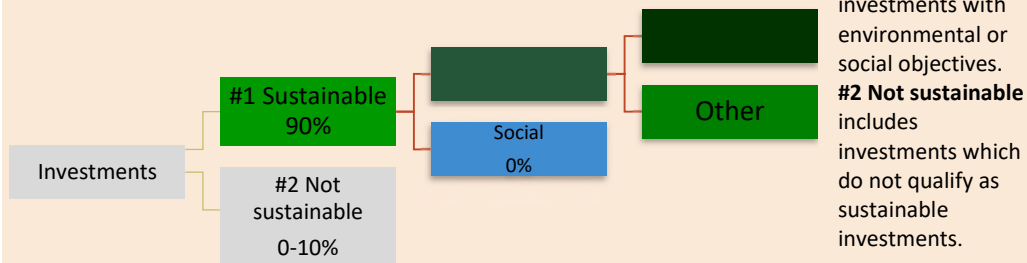
- **Sound Management Structures:** Whether or not the issuer has published unqualified audited financial statements and reports and is compliant with the 10th principle on anti-bribery and corruption of the UN Global Compact and is not on the non-compliance list.
- **Executive Remuneration:** Analysis of issuers that have significant shareholder dissent or do not follow basic expectations on golden parachutes and claw back provisions.
- **Employee Relations and remuneration of staff:** Whether or not the issuer is compliant with the 3rd principle on labor relations on the UN Global Compact or whether or not it is on the non-compliance list.
- **Tax Compliance:** Whether the issuer has any significant issues in relation to Tax and Accounting.
- **Board Diversity and Independence:** The Investment Manager will assess the composition of the Board and ascertain whether or not it is suitably diverse and independent.

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



What is the asset allocation and the minimum share of sustainable investments? *[include a narrative explanation of the investments of the financial product including the minimum proportion of the investments of the financial product used to meet the sustainable investment objective in accordance with the binding elements of the investment strategy]*

[Include only relevant boxes, remove irrelevant ones for the financial product]



Asset allocation describes the share of investments in specific assets.

- **How does the use of derivatives attain the sustainable investment objective?** *[for financial product that use derivatives as defined in Article 2(1), point (29), of Regulation (EU) No 600/2014 to attain their sustainable investment objective, describe how the use of those derivatives attains that sustainable investment objective]*

The Fund does not make use of derivatives to attain the sustainable objective promoted by the financial product. The Fund may make use of derivatives for hedging currency and duration exposures in a cost-effective manner.

[include note only for financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852]

Taxonomy-aligned activities are expressed as a share of:

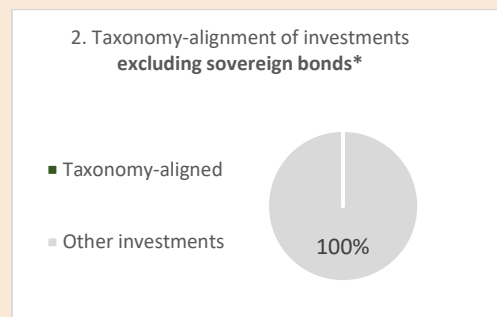
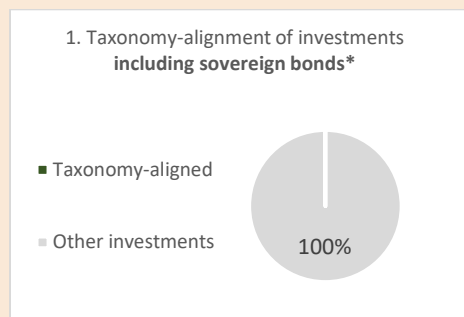
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities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



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy? *[include the section for financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 and include the graphical representation referred to in Article 19(1), point (a), of this Regulation, the description referred to in Article 19(1), point (b), of this Regulation, the clear explanation referred to in Article 19(1), point (c), of this Regulation, the narrative explanation referred to in Article 19(1), point (d), of this Regulation and the information referred to in Article 15(4) of this Regulation]*

[include the section for financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 and include the graphical representation referred to in Article 19(1), point (a), of this Regulation, the description referred to in Article 19(1), point (b), of this Regulation, the clear explanation referred to in Article 19(1), point (c), of this Regulation, the narrative explanation referred to in Article 19(1), point (d), of this Regulation and the information referred to in Article 15(4) of this Regulation]

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**

[include note only for financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852]

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.

[include note for financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]

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

- **What is the minimum share of investments in transitional and enabling activities?** *[include section for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852]*

0%. 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.



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?** *[include section only for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 where the financial product invests in environmental economic activities that are not environmentally sustainable economic activities and explain why the financial product invests in sustainable investments with an environmental objective in economic activities that are not Taxonomy-aligned]*

The Fund makes Sustainable Investments with environmental objectives that may not qualify as Taxonomy-aligned. Therefore, the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 100%.



- **What is the minimum share of sustainable investments with a social objective?** *[include section only where the financial product includes sustainable investments with a social objective]*

The Fund makes Sustainable Investments with social objectives that may not qualify as Taxonomy-aligned. Therefore, the minimum share of sustainable investments with a social objective that are not aligned with the EU Taxonomy is 0%.



- **What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?** *[describe the purpose of the remaining proportion of the investments of the financial product, including a description of any minimum environmental or social safeguards, how their proportion and use does not affect the delivery of the sustainable investment objective on a continuous basis and whether those investments are used for hedging or relate to cash held as ancillary liquidity]*

The type of investments included under “#2 Not sustainable” include cash and cash equivalents and includes the use of derivatives to manage currency and duration exposures in a cost-effective manner. As they are not utilized for investment purposes, the Investment Manager considers these to be neutral investments that do not detract from the delivery of the sustainable investment objective.



- **Is a specific index designated as a reference benchmark to meet the sustainable investment objective?** *[include section only for the financial products referred to in Article 9(1) of Regulation (EU) 2019/2088 and indicate where the methodology used for the calculation of the designated index can be found]*

The Fund pursues Sustainable Investments and has assigned ICE BofA Green Bond Index (GREN) (the “Benchmark”) as a reference benchmark for comparison purposes.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

Given the sustainable investment objective of the Fund of pursuing Sustainable Investments, the Benchmark is aligned with such objective of the Fund as it tracks the performance of securities issued for qualified “green” purposes fitting the aforementioned definition of Sustainable Investments.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Qualifying bonds in the Benchmark must have a clearly designated use of proceeds that is solely applied toward projects or activities that promote climate change mitigation or adaptation or other environmental sustainability purposes as outlined by the ICMA Green Bond Principles. The ICMA Green Bond Principles outline best practices when issuing bonds serving social and/or environmental purposes through global guidelines and recommendations that promote transparency and disclosure, thereby underpinning the integrity of the market. They also raise awareness of the importance of environmental and social impact among financial market participants, which ultimately aims to attract more capital to support sustainable development. This approach ensures continuous alignment.

- ***How does the designated index differ from a relevant broad market index?***

The Fund will also use Bloomberg Barclays Global Aggregate Bond Index as a comparator benchmark and this benchmark differs from the Benchmark as it does not track securities issued for qualified "green" purposes. The Bloomberg Barclays Global Aggregate Bond Index is a broad-based measure of the global investment-grade fixed income markets.

- ***Where can the methodology used for the calculation of the designated index be found?***

The index methodology can be found on the relevant webpages by the index provider:
<https://www.theice.com/>



Where can I find more product specific information online?

More product-specific information can be found on the website: *[include a hyperlink to the website referred to in Article 23 of this Regulation]*

<https://www.lordabbett.com/en-ie/institutional-investor/portfolios.html>