

Citi Investment Management

Periodic Disclosures - Citi Global Fixed Income ESG Focus Portfolio

SFDR: Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, 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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

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

Product name¹: Citi Global Fixed Income ESG Focus Portfolio, or Tailored Discretionary Portfolio utilizing the investment processes from the Citi Global Fixed Income ESG Focus Portfolio

Legal entity identifier: Citibank Europe plc (Luxembourg Branch) NIFBEDJ5J41VKZLO2475 ("CEP")

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

Yes

 No

<p><input type="checkbox"/> It made sustainable investments with an environmental objective: ___%</p> <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 <p><input type="checkbox"/> It made sustainable investments with a social objective: ___%</p>	<p><input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of _____% of sustainable investments</p> <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 type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments</p>
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To what extent were the environmental and/or social characteristics promoted by this financial product met?

In the period running from 1 January 2023 to 31 December 2023 (the "reference period"), the environmental and/or social characteristics promoted by this financial product were met by adhering to an investment process which used a combination of negative screening and exclusion criteria ('Citi's ESG integration') to define an investment universe for the respective portfolio.

Citi's ESG integration followed the four binding elements which determined investment selection based on data sourced from third-party environmental, social and governance ("ESG") data providers, as set out in the pre-contractual disclosure made for the purposes of Article 8(1) of SFDR, and these four binding elements were met as follows:

1. The current index which is used to establish a base universe were screened so that only investments which exhibited favourable ESG ratings were included.
2. From this investable universe, companies which are 'non-compliant' with UN Global Compact ("UNGC") Principles or were regarded as UNGC Violators by our third-party ESG data provider were excluded.

¹ This periodic report has been prepared at the level of the Citi Global Fixed Income ESG Focus Portfolio strategy (the "Strategy"). If you invest in a Tailored Discretionary Portfolio that incorporates the Strategy or have any other special investment instruction or limitation that is applied to the Strategy within your portfolio, certain information in this disclosure may not wholly reflect your actual holdings in such portfolios. If this applies to you, and you would like to receive a periodic disclosure which is specific to your own portfolio composition, contact your Citi private banker.

3. The investment process excluded companies that had greater than 10% revenue in a company's prior fiscal year from either production or distribution of the following product types as assessed by our third-party ESG data provider:
 - A. Alcohol
 - B. Adult Entertainment
 - C. Gambling
 - D. Tobacco (producers and retailers)
 - E. The following Fossil Fuel Categories:
 - i. Thermal Coal Generation
 - ii. Shale Gas Production
 - iii. Shale Oil Production
 - iv. Oil Sands
4. The investment process also excluded companies with a direct or indirect association with manufacturing or distributing Controversial Weapons and Civilian Firearms as identified by the third-party ESG data provider.

● **How did the sustainability indicators perform?**

In the reference period, there were no breaches and/or exceptions identified to any of the sustainability indicators set out below. The ESG scores of the investment universe, and the top two thirds by sector thresholds were defined annually in the first quarter of 2023. The exclusion data, and ESG scoring of investments were updated monthly.

- Sustainability indicators embedded in our ESG ratings: The financial product used negative screening so that only the top two thirds scoring investments by sector which exhibit favourable ESG ratings as defined by our third-party ESG data provider were included in an investable universe.
- UNGC: The financial product successfully excluded companies from the investable universe using sustainability indicators relating to 'non-compliance' with UNGC Principles or violation of the UNGC.
- Excluded sectors: The financial product successfully excluded companies that had greater than 10% revenue in its prior fiscal year from either production or distribution of the following product types: alcohol, adult entertainment, gambling, tobacco (producers and retailers), and fossil fuel (specifically, thermal coal generation, shale gas production, shale oil production and oil sands).
- Controversial Weapons and Civilian Firearms: The financial product successfully excluded companies from the investable universe using sustainability indicators relating to Controversial Weapons and Civilian Firearms.

● **...and compared to previous periods?**

There were no changes to the investment process in comparison to the previous period (from 1 January 2022 to 31 December 2022). In the previous reference period, there were no breaches and/or exceptions identified to any of the sustainability indicators set out.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

N/A - the financial product did not make any sustainable investments.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

N/A - the financial product did not make any sustainable investments.

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

N/A - the financial product did not make any sustainable investments.

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

N/A - the financial product did not make any sustainable investments.

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.

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.



How did this financial product consider principal adverse impacts on sustainability factors?

This financial product considered the following principal adverse impacts (“PAIs”) in the Corporate Bonds selected:

PAI 4: Exposure to companies active in the fossil fuel sector: The financial product considered this PAI through the application of exclusion criteria that map across to this PAI (partly). By excluding companies with more than 10% revenue from activities in certain fossil fuel sectors (as described in the items above), CEP mitigated the overall impact of this PAI.

PAI 10: Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises: The financial product considered this PAI through the application of exclusion criteria that map across to this PAI (wholly). By excluding companies flagged as ‘non-compliant’ with UNGC Principles or are regarded as UNGC Violators, CEP mitigated the overall impact of this PAI.

PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons): The financial product considered this PAI through the application of exclusion criteria that map across to this PAI (wholly). By excluding companies with a direct or indirect association with manufacturing or distributing Controversial Weapons, CEP mitigated the overall impact of this PAI.



What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 1 January 2023 to 31 December 2023

Largest Investments		Sector	% Assets	Country
US91282CDY49	US TREASURY N/B	SOVEREIGN	10.6%	UNITED STATES
US91282CEB37	US TREASURY N/B	SOVEREIGN	8.7%	UNITED STATES
US683234AU21	ONTARIO (PROVINCE OF)	REGIONAL (STATE/PROVINCE)	5.4%	CANADA
US748149AN17	PROVINCE OF QUEBEC	REGIONAL (STATE/PROVINCE)	3.7%	CANADA
US037833DY36	APPLE INC	COMPUTERS	3.6%	UNITED STATES
US78016EZM29	ROYAL BANK OF CANADA	BANKS	3.5%	CANADA
US89114QCK22	TORONTO-DOMINION BANK	BANKS	3.3%	CANADA
US219868CD67	CORP ANDINA DE FOMENTO	MULTI-NATIONAL	3.3%	SUPRANATIONAL
US89788MAC64	TRUIST FINANCIAL CORP	BANKS	3.2%	UNITED STATES
US06406FAE34	BANK OF NY MELLON CORP	BANKS	3.2%	UNITED STATES
US191216CM09	COCA-COLA CO/THE	BEVERAGES	3.2%	UNITED STATES
US59217HDZ73	MET LIFE GLOB FUNDING I	INSURANCE	3.1%	UNITED STATES
US6174468C63	MORGAN STANLEY	BANKS	3.1%	UNITED STATES
US91282CHT18	US TREASURY N/B	SOVEREIGN	2.9%	UNITED STATES
XS2185867160	SINGTEL GROUP TREASURY	TELECOMMUNICATIONS	2.8%	SINGAPORE

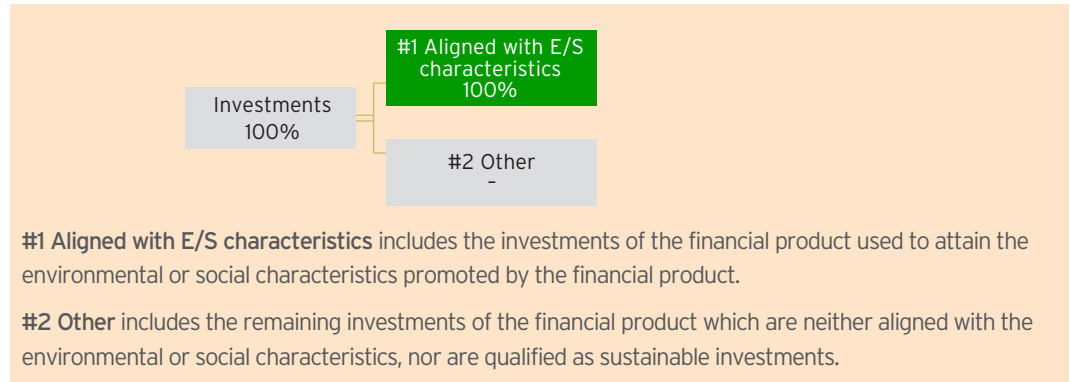


What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

● *What was the asset allocation?*

The financial product invested 100% in investments aligned with the environmental or social characteristics part of Citi's ESG integration, as described above. The financial product did not invest in investments that do not have environmental or social characteristics, held for the purposes of efficient portfolio management.



● *In which economic sectors were the investments made?*

Banks (18.7%), Beverages (4.8%), Chemicals (2.4%), Computers (7.3%), Diversified Financial Services (7.3%), Insurance (3.1%), Media (2.3%), Multi-National (3.3%), Pharmaceuticals (6.9%), Regional (state/province) (10.3%), REITS (2.2%), Sovereign (22.2%), Telecommunications (9.2%).



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

N/A - the financial product did not make any sustainable investments.

● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy²?

- Yes
- In fossil gas In nuclear energy
- No

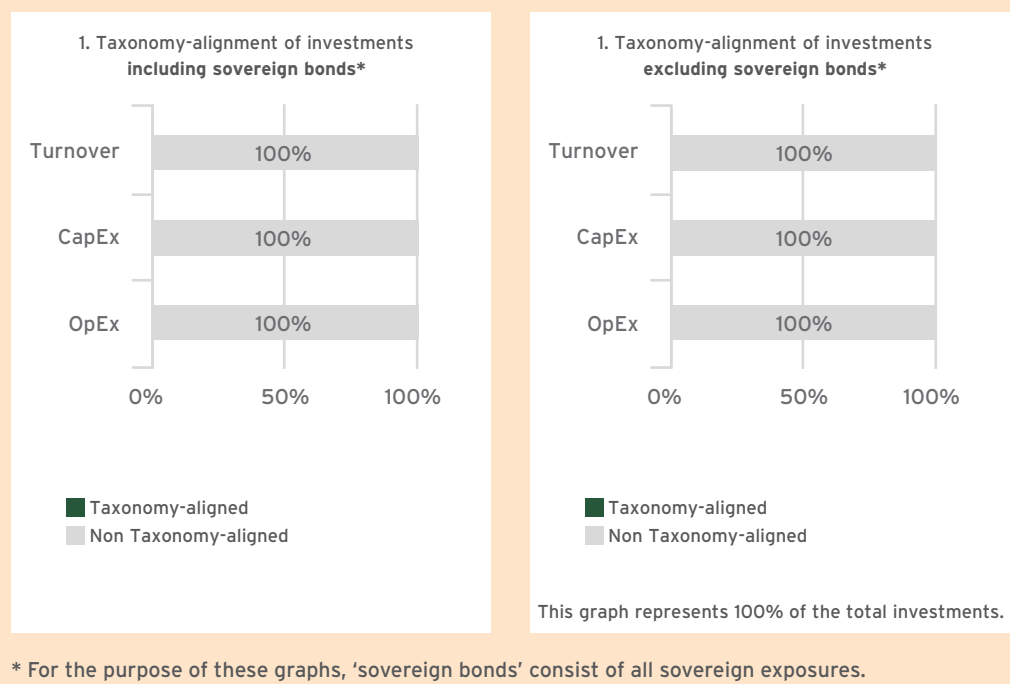
To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

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.

² 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. 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.

The graphs below show in green the percentage of investments that were 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.



- **What was the share of investments made in transitional and enabling activities?**
N/A - the financial product did not invest in transitional and enabling activities.
- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
N/A - the financial product did not make any investments aligned with the EU Taxonomy.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

N/A - the financial product did not make any sustainable investments.



What was the share of socially sustainable investments?

N/A - the financial product did not make any sustainable investments.



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Cash or cash equivalents, including securities issued by money market mutual funds, held for the purposes of efficient portfolio management. No minimum environmental or social safeguards were applied to such investments.

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

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



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the reference period, financial product has ensured all the binding elements related to the environmental and/or social characteristics were met by adhering to Citi's ESG integration investment process, as described above. Through its exclusion criteria, the financial product considered the following PAIs by removing entirely from the investable universe, and/or limiting the exposure to, companies that did not meet the financial product's requirements.

PAI 4: Exposure to companies active in the fossil fuel sector, PAI 10: Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, and PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons), as described above.

Finally, the financial product sustained an allocation of at least 80% in investments aligned with the environmental or social characteristics part of Citi's ESG integration.

Engagement is not directly part of the environmental or social investment strategy promoted by the financial products. The financial product does not have any procedures applicable to sustainability-related controversies in investee companies.



How did this financial product perform compared to the reference benchmark?

N/A. No specific index has been designated as a reference benchmark to meet the sustainable investment objective.

- **How does the reference benchmark differ from a broad market index?**

N/A. No specific index has been designated as a reference benchmark to meet the sustainable investment objective.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

N/A. No specific index has been designated as a reference benchmark to meet the sustainable investment objective.

- **How did this financial product perform compared with the reference benchmark?**

N/A. No specific index has been designated as a reference benchmark to meet the sustainable investment objective.

- **How did this financial product perform compared with the broad market index?**

N/A. No specific index has been designated as a reference benchmark to meet the sustainable investment objective.

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