

Citi Investment Management

Periodic Disclosures – Multi-Asset Class Solutions (MACS)

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 name: MACS ESG Core Model Portfolios.

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 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 2022 to 31 December 2022 (the “reference period”), the environmental and/or social characteristics promoted by this financial product were met by adhering to an investment process as follows:

1. The investment process used a positive screen to define an investment universe for the respective portfolios by identifying funds that have a comprehensive ESG analysis framework integrated into their overall investment process.
2. Additionally, the funds selected were UCITS funds disclosing under Article 8 or 9 of SFDR, on which we conducted due diligence in relation to their underlying ESG features and investment processes.

¹This periodic report has been prepared at the level of the MACS ESG Core Model Portfolios strategy (the “Strategy”). If you invest in a MACS Custom 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.

● **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 above. The investment process of the underlying funds was reviewed on a quarterly basis, except for passive ETFs which are reviewed annually.

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

Not applicable as this is the first reporting period. Comparisons will be made available from 2024 onwards.

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?

Funds disclosing under Article 9 of SFDR are required to consider principal adverse impact (“PAI”) indicators (as are funds disclosing under Article 8 on the portion of any “sustainable investments” they have made under SFDR). Consequently, the consideration by these underlying fund managers of the mandatory PAI indicators will be reflected in the financial product.

However, as there is no minimum allocation to Article 9 funds or Article 8+ funds, the financial product does not commit to indirectly considering PAIs on sustainability factors.



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 2022 to 31 December 2022.

Largest Investments	Sector	Sustainable Finance Disclosure Regulation (SFDR) categorisation:	% Assets				Country
			Level 2	Level 3	Level 4	Level 5	
IE00BYXYT44	PIMCO GIS Global Bond ESG Instl	Investment Grade Bonds Article 8	26.6%	15.9%	15.9%	0.0%	Ireland
LU1896600738	Allianz Green Bond	Investment Grade Bonds Article 9	14.8%	8.8%	8.8%	0.0%	Luxembourg
IE00BZ0GCM81	Nuveen US Core Impact Bond P USO	Investment Grade Bonds Article 9	17.8%	10.6%	10.6%	0.0%	Ireland
IE00BL644449	Federated Hermes SDG Enggmt HY Crdt	High Yield Bonds Article 8	0.5%	0.5%	0.5%	0.0%	Ireland
LU1980177106	Invesco US Senior Loan ESG	High Yield Bonds Article 8	1.2%	0.0%	0.0%	0.0%	Luxembourg
IE00B61N1875	PIMCO GIS Socially Responsible Emerging Bond Fund	Emerging Markets Debt Article 8	5.1%	2.2%	2.2%	0.0%	Ireland
IE00BFTT6S03	Brown Advisory Lg-Cap Sustainable Growth	Developed Equities Article 8	5.8%	11.3%	11.3%	18.6%	Ireland
LU0226954369	Robeco US Premium Equity.	Developed Equities Article 8	5.8%	11.3%	11.3%	18.6%	Luxembourg
LU1481506050	ABN AMRO Funds – Parnassus US ESG Equities	Developed Equities Article 8	7.8%	15.2%	15.2%	24.8%	Luxembourg
LU1700711747	Robeco Sustainable European Stars Equities	Developed Equities Article 8	3.8%	7.4%	7.4%	12.2%	Luxembourg
IE00BYT1GJ24	Comgest Growth Japan Equity	Developed Equities Article 8	0.5%	1.0%	1.0%	1.7%	Ireland
IE00BYX8C17	iShares MSCI Japan SRI	Developed Equities Article 8	0.4%	0.8%	0.8%	1.4%	Ireland
LU1859547652	Vontobel mtx Sust Asian Leaders Ex. Jpn	Developed Equities Article 8	0.9%	1.8%	1.8%	2.9%	Luxembourg
IE00BZ4C8803	Hermes Global Emerging Markets	Emerging Markets Equities Article 8	5.4%	10.1%	10.1%	16.0%	Ireland
	Cash	Cash N/A	3.5%	3.0%	3.0%	4.0%	

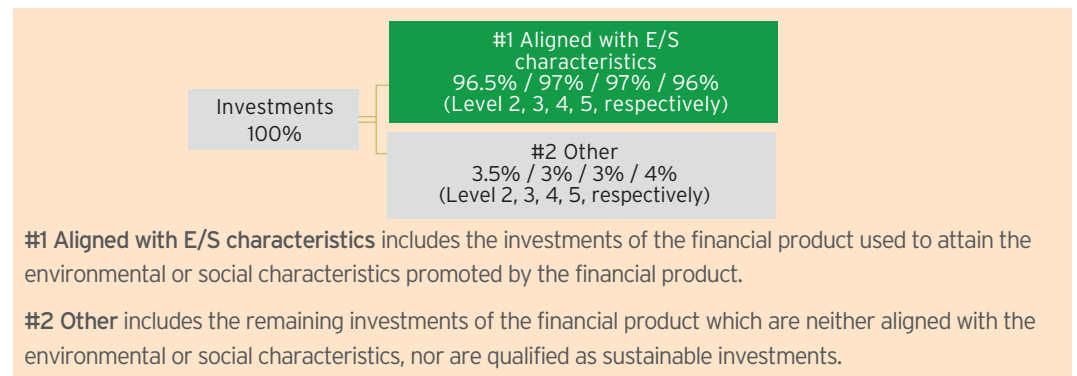
Asset allocation describes the share of investments in specific assets.



What was the proportion of sustainability-related investments?

● What was the asset allocation?

The financial product invested 96.5% / 97% / 97% / 96% (Level 2, 3, 4, 5, respectively) in investments aligned with the environmental or social characteristics part of the ESG Integration, as described above. The financial product also invested 3.5% / 3% / 3% / 4% (Level 2, 3, 4, 5, respectively) 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?

Sector	Level 2	Level 3	Level 4	Level 5
Cash	3.50%	3.00%	4.50%	4.00%
Developed Equities	25.10%	48.90%	63.42%	80.00%
Emerging Markets Debt	5.10%	2.20%	0.70%	0.00%
High Yield Bonds	1.70%	0.50%	0.00%	0.00%
Investment Grade Bonds	59.20%	35.30%	18.30%	0.00%
Emerging Markets Equities	5.40%	10.10%	13.08%	16.00%



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.

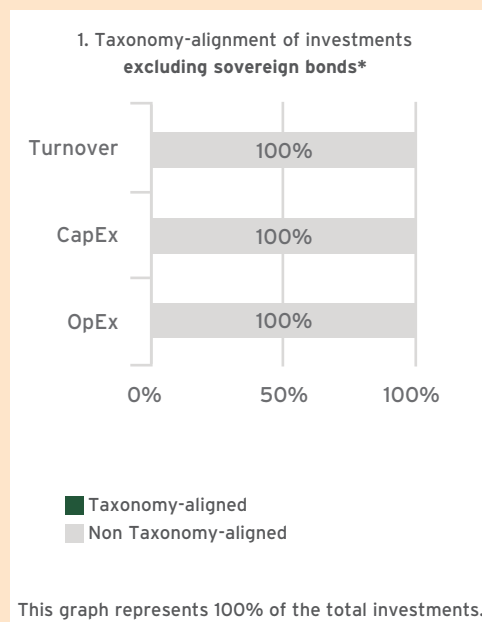
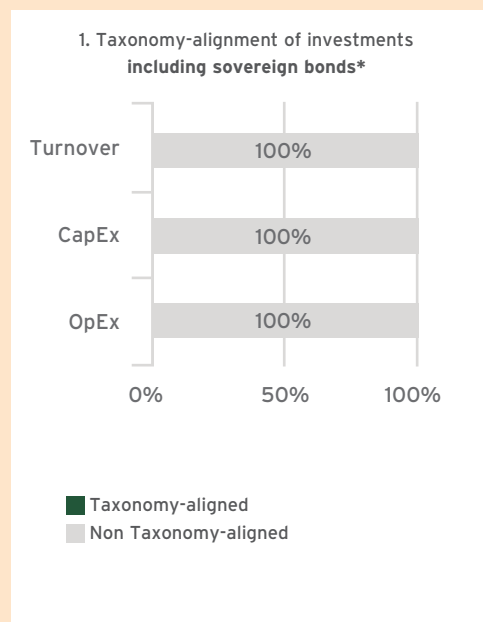
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

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.

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

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.



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

- **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.

²Fossil 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.



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.



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

During the reference period, the financial product has ensured that only UCITS funds disclosing under Article 8 or 9 under SFDR were used in its allocation. Additionally, we conducted due diligence on their ESG-related features and investment processes.

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 underlying funds.



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.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the Regulation (EU) 2020/852.

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