

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 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 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?**

There were no changes to the investment process in comparison to the previous period. 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?

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 2023 to 31 December 2023.

Largest Investments	Sector	Sustainable Finance Disclosure Regulation (SFDR) categorisation:	% Assets				Country
			Level 2	Level 3	Level 4	Level 5	
IE00BYXYTY44 PIMCO GIS Global Bond ESG Fund	Fixed Income Investment Grade	Article 8	25.8%	14.6%	6.9%	0.0%	Ireland
LU1896600738 Allianz Green Bond	Fixed Income Investment Grade	Article 9	14.3%	8.1%	3.9%	0.0%	Luxembourg
IE00BZ0GCM81 Nuveen US Core Impact Bond Fund	Fixed Income Investment Grade	Article 9	17.2%	9.8%	4.6%	0.0%	Ireland
IE00BL644449 Federated Hermes SDG Enggmt HY Credit	High Yield Debt	Article 8	5.0%	1.5%	2.0%	0.0%	Ireland
IE00B61N1875 PIMCO GIS Socially Responsible Emerging Bond Fund	Emerging Market Debt	Article 8	6.1%	3.0%	0.1%	0.0%	Ireland
IE00BFTT6J03 Brown Advisory Lq-Cap Sustainable Growth	Developed Market Equity	Article 8	4.9%	10.3%	13.5%	16.3%	Ireland
LU0226954369 Robeco US Premium Equity.	Developed Market Equity	Article 8	5.8%	12.2%	15.9%	19.3%	Luxembourg
LU1481506050 ABN AMRO Parnassus US ESG Equity Strategy	Developed Market Equity	Article 8	6.0%	12.5%	16.4%	19.8%	Luxembourg
IE00B3VWM098 iShares MSCI USA Small Cap ETF	Developed Market Equity	Article 8	1.7%	3.7%	4.8%	5.8%	Ireland
LU1700711747 Robeco Sustainable European Stars Equities	Developed Market Equity	Article 8	4.3%	9.1%	11.9%	14.4%	Luxembourg
IE00BYTIGJ24 Comgest Growth Japan Equity	Developed Market Equity	Article 8	0.7%	1.5%	2.0%	2.4%	Ireland
IE00BYXBC17 iShares MSCI Japan SRI	Developed Market Equity	Article 8	0.7%	1.5%	2.0%	2.4%	Ireland
LU1859547652 Vontobel mtx Sust Asian Leaders Ex. Japan	Developed Market Equity	Article 8	0.7%	1.5%	2.0%	2.4%	Luxembourg
IE00BZ4C8803 Federated Hermes Global Emerging Markets	Emerging Market Equity	Article 8	4.2%	8.6%	11.2%	15.3%	Ireland
LU2289118288 Allianz Cyber Security IT USD Acc	Thematic Equity	Article 8	0.0%	1.0%	1.4%	1.5%	Luxembourg
Cash	Cash	N/A	2.5%	1.0%	1.5%	0.5%	

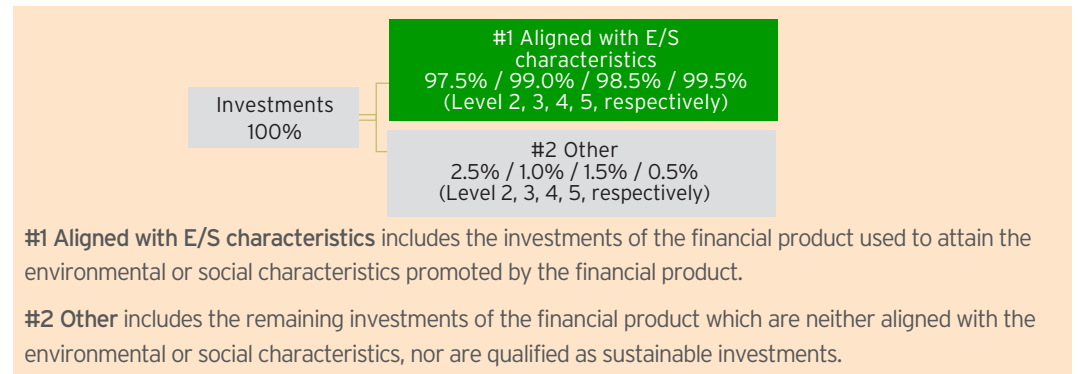
Asset allocation describes the share of investments in specific assets.



What was the proportion of sustainability-related investments?

● What was the asset allocation?

The financial product invested 97.5% / 99.0% / 98.5% / 99.5% (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 2.5% / 1.0% / 1.5% / 0.5% (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	2.5%	1.0%	1.5%	0.5%
Fixed Income Investment Grade	57.3%	32.5%	15.4%	0.0%
High Yield Debt	5.0%	1.5%	2.0%	0.0%
Emerging Market Debt	6.1%	3.0%	0.1%	0.0%
Developed Market Equity	24.8%	52.3%	68.5%	82.8%
Emerging Market Equity	4.2%	8.6%	11.2%	15.3%
Thematic Equity	0.0%	1.0%	1.4%	1.5%



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.

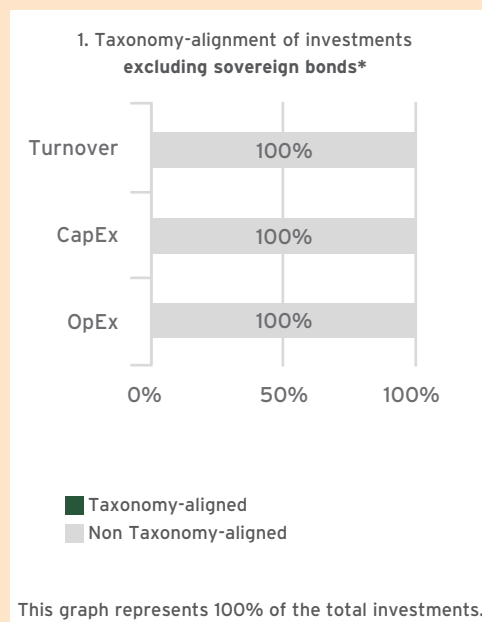
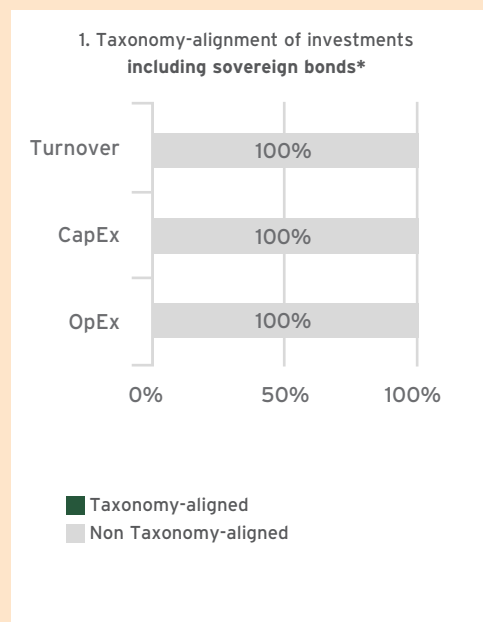
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

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.