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Sage Sustainable Intermediate Term Strategy

Climate Report
Third Quarter 2025

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Methodology

Our Climate Assessment seeks to identify companies that are prepared to effectively manage climate change risk and integrate sustainable climate initiatives to grow their enterprise value. Our assessment uses the ISS Climate Impact Report and includes both quantitative and qualitative analysis of industry-specific climate risks and a company's individual climate-related performance. Climate analysis is incorporated into our Sage Leaf Score® evaluation and helps to shape our outlook of industry and company risk. Throughout this report, we have chosen to highlight various climate-specific metrics that illustrate the climate risks within a portfolio. We will provide an analysis on the following risks:



1. CARBON RISK RATING



2. PORTFOLIO LEVEL CARBON EMISSIONS



3. EMISSIONS ATTRIBUTION



4. CLIMATE SCENARIO ANALYSIS



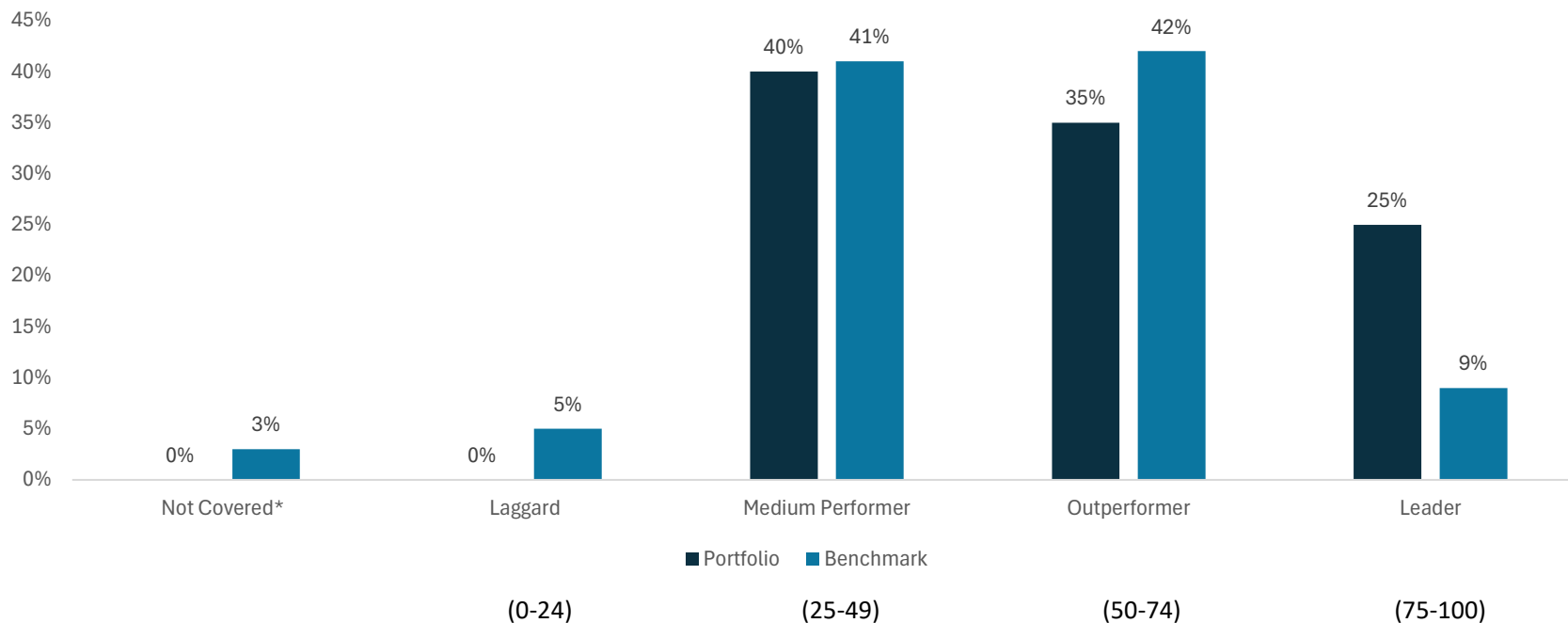
5. PHYSICAL IMPACTS OF CLIMATE RISKS

1. The Carbon Risk Rating is a comprehensive assessment of the carbon-related performance of companies, based on a combination of quantitative indicators, forward-looking qualitative indicators, and a classification of the company's absolute climate risk exposure due to its business activities.
2. Relative carbon emissions are the normalized measurement of emissions relative to a specific economic output. The normalized nature of relative emissions increases comparability of emissions from companies of all sizes.
3. Emissions Attribution Analysis examines the extent to which higher or lower GHG exposure between the portfolio and the benchmark can be attributed to sector allocation versus issuer selection. In sectors with higher GHG exposure, issuer selection can help offset portfolio exposure.
4. The Sustainable Development Scenario pathway is fully aligned with the Paris Agreement by holding the rise in global temperatures to "well below 2°C ... and pursuing efforts to limit [it] to 1.5°C," and meets Sustainable Development Goals' (SDGs) objectives related to achieve universal access to energy (SDG 7), to reduce the severe health impacts of air pollution (part of SDG 3), and to tackle climate change (SDG 13).
5. A physical risk score is based on the combined effects of tropical cyclones, river floods, wildfires, droughts, and heat stress.

Carbon Risk Rating

The Carbon Risk Rating (CRR) assesses how an issuer is exposed to climate risks and opportunities. It provides investors with critical insights into how issuers are prepared for a transition to a low carbon economy and is a central instrument for the forward-looking analysis of carbon-related risks at the portfolio and issuer levels.

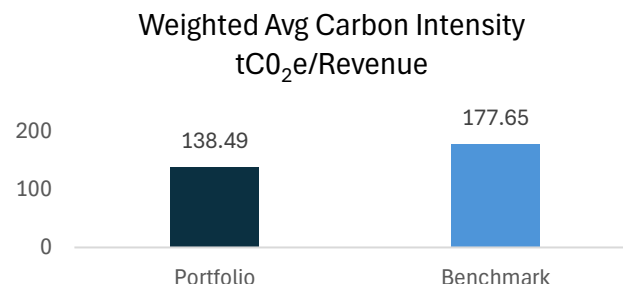
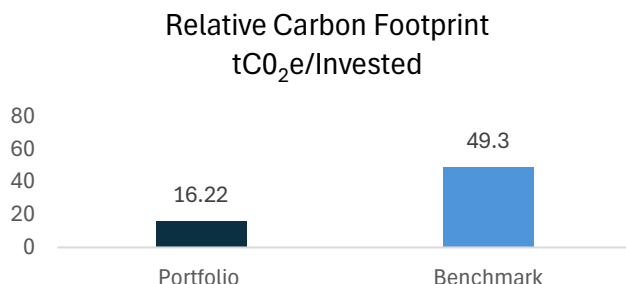
CRR Distribution Portfolio vs. Benchmark



Relative Emission Exposure

Overview

The carbon footprint is a measure of the total greenhouse emissions expressed in tons of carbon dioxide to assess the potential climate change impact from both direct and indirect sources. A lower carbon footprint indicates lower total greenhouse emissions. Carbon intensity is a measure of carbon emissions normalized by revenues. Since revenue is a relevant comparison point across all issuers, the metric can be used for portfolio decomposition and attribution analyses across sectors and asset classes.



Date of Holdings
09/30/2025

Share of Disclosing Holdings
Portfolio – 68.5%
Benchmark – 91.0%

Benchmark Used
Bloomberg Barclays Intermediate
Government/Credit Market Index

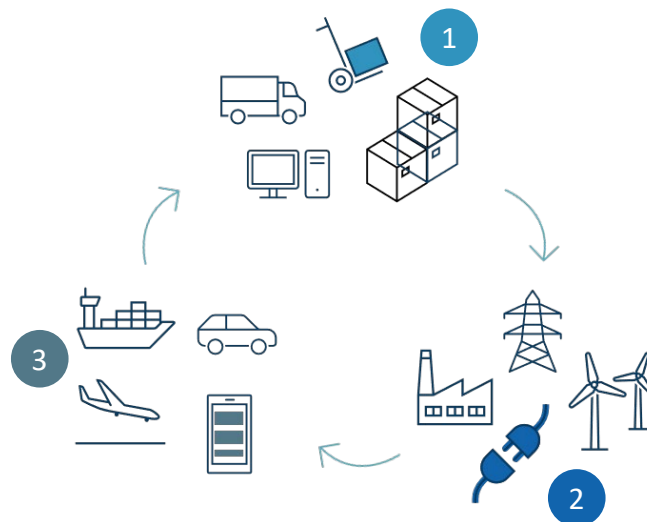
Relative Emissions
The normalized measurement of emissions relative to a specific economic output

Sector Contribution to Emission

The 3 Scopes of GHG Emissions

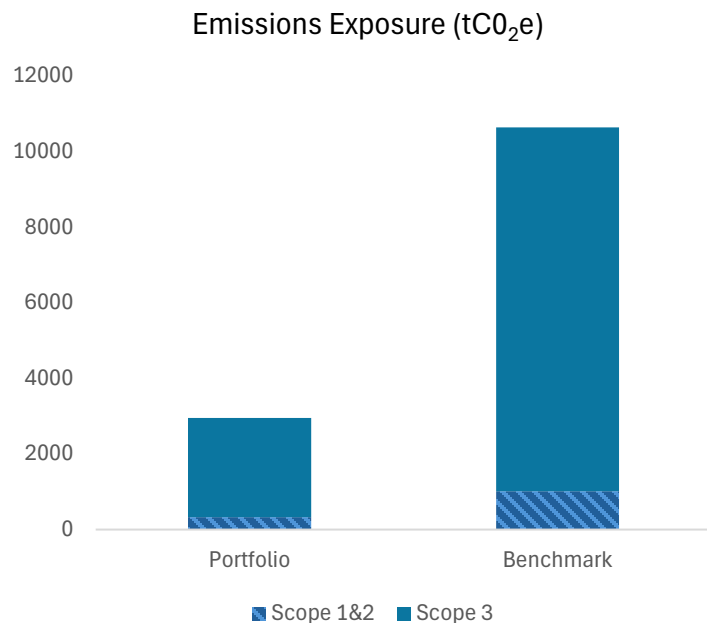
There are three groups or 'scopes' that categorize the emissions a company creates, as defined by the Greenhouse Gas (GHG) Protocol Corporate Standard.

- 1 Scope 1 covers direct emissions that come from sources that are owned or controlled by the company
- 2 Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the reporting company
- 3 Scope 3 includes all other indirect emissions that occur in a company's value chain

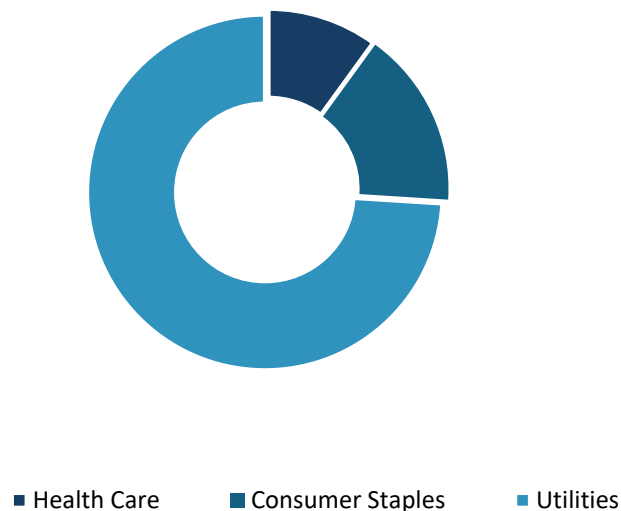


Sector Contribution to Emission

The sector contribution to emissions graph highlights the percentage of emissions of the portfolio created by companies in each sector. Therefore, if most of the portfolio's emissions are from the utility companies held, we would expect a larger percentage of the chart to show emissions from that sector.



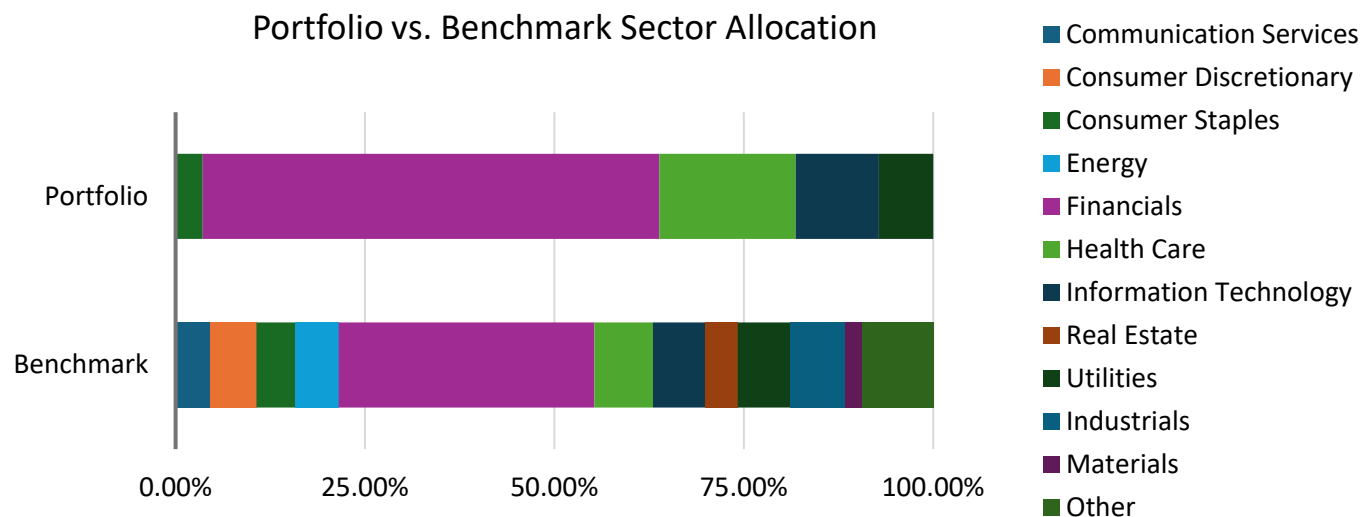
Sector Contribution to Emissions



Security/Sector Allocation

Overview

Emission Attribution Analysis examines the extent to which higher or lower GHG exposure between the portfolio and the benchmark can be attributed to sector allocation versus issuer selection. The attribution analysis compares Scopes 1&2 emissions exposure between the portfolio universe and the benchmark universe. A positive number indicates an outperformance, and a negative number shows an underperformance. Any potential interaction effect is included in the stock selection column.



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Sectors	Sector Allocation Effect	Issuer Selection Effect
Communication Services	0.51%	0.00%
Consumer Discretionary	1.85%	0.00%
Consumer Staples	0.85%	-3.33%
Energy	20.63%	0.00%
Financials	-0.22%	0.34%
Health Care	-0.80%	-1.91%
Information Technology	-0.25%	0.35%
Real Estate	0.39%	0.00%
Utilities	-1.15%	23.49%
Industrials	6.08%	0.00%
Materials	14.01%	0.00%
Other	6.26%	0.00%

Climate Scenario Comparative Analysis

Overview

The Climate Scenario Analysis compares current and future portfolio greenhouse gas emissions with the carbon budgets for three internationally-recognized climate assessment models; the IEA Sustainable Development Scenario (SDS), Announced Pledges Scenario (APS), and Stated Policies Scenario (STEPS). Performance is shown as the percentage of assigned budget used by the portfolio and benchmark.

2047

The portfolio exceeds its SDS budget beginning in 2047.

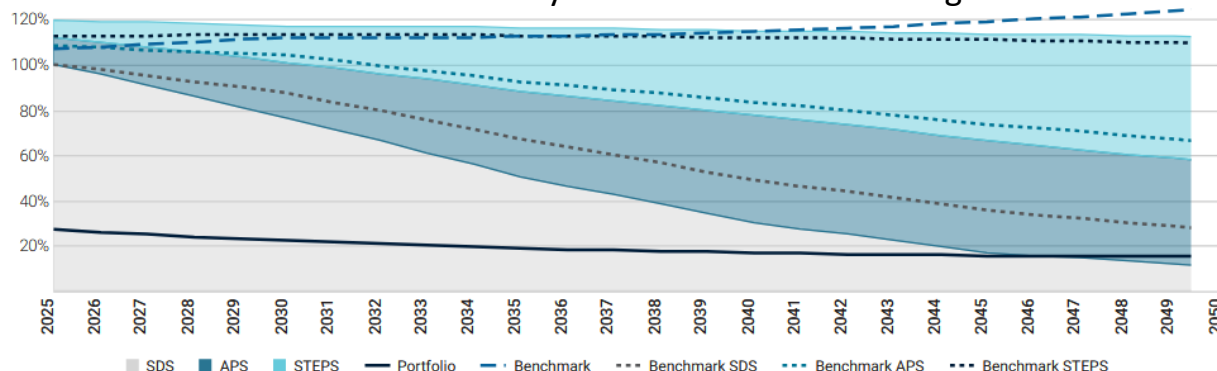
1.6°C

The **portfolio** is associated with a potential temperature increase of 1.6°C by 2050.

2.7°C

The **benchmark** is associated with a potential temperature increase of 2.7°C by 2050.

Portfolio Emission Pathway vs. Climate Scenario Budgets



For the portfolio to be fully aligned to the SDS budget, portfolio emissions as denoted by the solid portfolio line on the graph must not cross into the darker blue shaded area. If the portfolio line does cross into the darker blue shaded area, the emissions trajectory of the portfolio is no longer aligned with the SDS scenario but could potentially still be aligned with the APS or STEPS scenarios. If the portfolio line crosses into the light blue area of the graph, the emissions trajectory of the portfolio is no longer aligned with either the SDS or APS scenario. Lastly, if the portfolio line is above all blue shaded areas, the portfolio is no longer aligned with any climate scenario.

Physical Risk

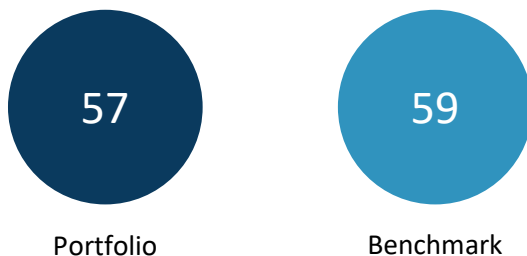
Overview

Climate physical risk analysis aims to understand a company's financial exposure to climate change, specifically to acute and chronic climate hazards such as wildfires, coastal floods, river floods, tropical cyclones, drought and heat stress. This analysis evaluates the most financially impactful climate hazards and how they may affect the portfolio value.

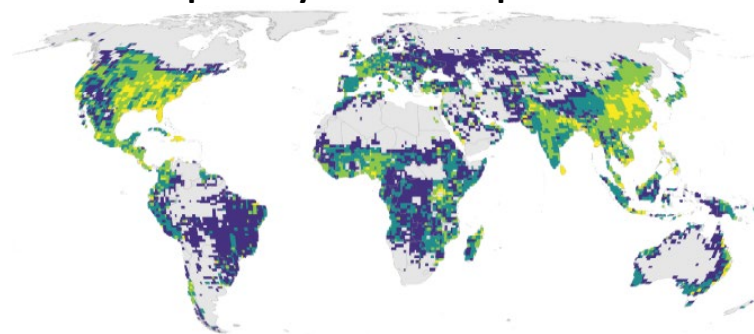
The Physical Risk Score shows the weighted average of issuers' Physical Risk Scores within the portfolio and within the benchmark. A low score reflects a high increase in risk exposure relative to the sector median, while a high score reflects a low relative increase in physical risk exposure.

The Map of Physical Risk Exposure highlights the geography of the portfolio's physical risks in a likely warming scenario. The map shows the projected increase in the combined effects of tropical cyclones, river floods, wildfires, droughts, and heat stress. Geographic locations of the portfolio are determined by portfolio company's geographical and financial footprint based on locations of revenue streams, assets, and PP&E.

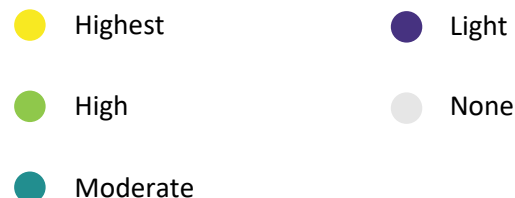
Physical Risk Score



Map of Physical Risk Exposure



This map shows the portfolio's physical risk exposure by 2050 in a likely warming scenario.





IMPORTANT DISCLOSURES

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