Global Impact Bond report

AIMING TO GENERATE COMPETITIVE RETURNS AND POSITIVE IMPACT THROUGH PUBLIC FIXED INCOME MARKETS

July 2026

For professional and institutional investors only

Contents

EVOLUTION OF OUR IMPACT REPORTING

The contents of this document highlight key developments in our Global Impact Bond strategy in 2025, including sample engagements and investment spotlights to illustrate our investment process and the measurable outcomes we achieved. For information on our overall impact commitment and approach, as well as deep dives and reporting on our equity strategy, please view our impact platform page.

Message of commitment

We are pleased to share our eighth annual report for the Wellington Global Impact Bond strategy. In 2025, the impact investing opportunity set again demonstrated resilience amid ongoing macroeconomic and geopolitical uncertainty. Issuers continue to broaden their reach and innovate on funding solutions, underscoring impact's relevance as both a capital allocation approach and a tool for navigating volatile market conditions.

Global Impact Bond grew for the eighth straight year, increasing assets under management and the breadth of our investable universe. As we grow, we remain focused on the strategy's dual objective: to deliver competitive financial returns alongside measurable positive social and environmental impact. Our investment philosophy is grounded in the belief that impact investing does not need to be concessionary; the strategy's evolution affirms this conviction. As always, maintaining discipline across financial and impact considerations remains central to how we construct and manage the portfolio.

Throughout the year, the portfolio supported issuers aligned with our 11 impact themes. Climate mitigation and resource efficiency were key priorities with investment opportunities across several themes, including Alternative energy and Resource efficiency. We invested in real estate developers with clear, ambitious environmental goals aimed at reducing their carbon footprint and supporting a low-carbon urban transition, for example. And given our conviction in the essential role of renewable power generation in the energy transition and long-term sustainability outcomes, we continued to allocate to issuers supporting these goals.

Beyond climate-related objectives, we focused on issuers addressing social challenges. In Affordable housing, we identified housing associations delivering options at scale, particularly in some of the world's most supply-constrained regions. Within Health, we found compelling opportunities in nonprofit health care providers expanding access to essential services for vulnerable members of society. We believe investment in these issuers can enable more resilient, accessible, and equitable health care systems.

In 2025, we also sought to improve the quality and ambition of impact across the portfolio. This included deeper issuer engagement focused on tangible outcomes; wider adoption of decision-useful KPIs; and clearer target setting that enables year-over-year progress assessment. Over time, we believe success is reflected not just in better data, but also via demonstrable performance improvements against stated impact objectives, supported by ongoing dialogue and active stewardship.

After eight years, my team and I remain confident that our disciplined investment framework, integrated impact analysis, and active stewardship approach position the Global Impact Bond to deliver on its objectives. We sincerely thank our clients for their continued trust in Wellington and our team. We remain deeply committed to supporting the broader impact ecosystem while striving to deliver attractive financial outcomes alongside positive real-world change on your behalf.

CAMPE GOODMAN, CFA
Portfolio Manager, Global Impact Bond

All investing involves risk. Investors should consider the risk that may impact their capital, before investing. The value of your investment may become worth more or less than at the time of original investment. Please refer to the Risks section for more information.

Learn more about our impact platform
Impact measurement and management

Impact highlights

Investments in our fixed income portfolio have enabled companies to achieve the following impact:

4.9 million

Supplied or financed 4.9 million units of affordable housing

Equivalent to over 9x the housing supply of Stockholm[1]

241 million

Provided or treated more than 241 million cubic meters of water

Equivalent to 96,000 Olympic-sized swimming pools[2]

119 million

Provided health care products or services to nearly 119 million patients and customers

Or 9 times the average number of patients admitted annually to hospitals in Australia[3]

942 million

Provided digital access to over 942 million people in developing countries

Equivalent to more than half of Africa's population[4]

3.9 million

Provided education, training, and career support to nearly 3.9 million people

Or 1.4 times the number of students enrolled in higher education in the United Kingdom[5]

7.4 million

Supplied access to financial services to 7.4 million underserved individuals and businesses

Compared to 1.3 billion unbanked individuals globally[6]

81,500

Protected nearly 81,500 businesses and individuals with cybersecurity tools and technologies

Compared to 3,158 publicly reported data breaches in the US in 2024[7]

82.9 million

Avoided 82.9 million tonnes* of greenhouse gas (GHG) emissions through renewable energy generation

Equivalent to a full year's average output of over 24,000 US wind turbines[8]

129.8 million

Avoided 129.8 million tonnes of GHG emissions through improved resource efficiency and resource stewardship

Equivalent to 30 million fewer internal-combustion-engine cars on roadways for one year[9]

Note: 47% of our holdings (as a percentage of market value) leverage a common KPI that can be aggregated. If a company or issuer does not report a figure that we believe aligns with one of our aggregated KPIs, we still monitor and report the Individualized KPI over time, but do not include it in the above aggregated statistics which we believe provide a conservative estimate of the impact our funds enable. All reported impact KPIs are obtained from publicly available information. We do not account for strategies ownership stakes in the above calculations which represent 100% of the impact of the companies or issuers in which we invest. For each aggregated KPI we provide what we believe to be a relevant reference point. These are for context only and do not imply any equivalence for our KPIs regarding benefits delivered for society and the environment. | If 2025 data is not yet available, 2024 data has been used. Aggregated KPIs reflect the impact of the portfolio as of 31 December 2025. These data points do not constitute a data series and should not be compared to aggregated data points published in previous years due to changes in the portfolio holdings between each publication date. | All investing involves risk. Investors should consider the risk to their capital, before investing. These impact highlights relate to the representative accounts for our fixed income strategies, and are for informational purposes only, are subject to change, and are not indicative of future portfolio characteristics or returns. The value of your investment may become worth more or less than at the time of original investment. Please refer to the Important disclosures on our website or at the end of this document for more information.

[1]"Number of dwellings by region and type of building (including special housing). Year 2013 – 2025," Statistical Database, Official Statistics of Sweden. | [2]"How much water does an Olympic-sized swimming pool hold?," Portrait Pools. | [3]"Admitted patient care," Australian Institute of Health and Welfare, (2024 – 2025 figures). | [4]"Africa population," WorldOMeter, accessed 24 March 2026. | [5]"Higher education student numbers," House of Commons Library, 20 February 2026. | [6]"The Global Findex Database 2024," The World Bank. | [7]"2025 Data Breach Report," Identity Theft Resource Center (ITRC). (The aggregated KPI should not be directly compared to the number of data breaches and people impacted. Instead, it should be used as an indication of scale.) | [8]"Greenhouse Gas Equivalencies Calculator," United States Environmental Protection Agency (data from 2023). | [9]"Greenhouse Gas Equivalencies Calculator," United States Environmental Protection Agency (data from 2022). | *Unless otherwise indicated, we use tonnes for metric tons throughout this report.

Engagement examples

We believe that partnership and engagement with issuers in our portfolio can enhance the long-term financial returns of our investments and potentially contribute to their positive impact. In 2025, we collaborated with our ESG Research Team to discuss ongoing sustainability strategy and objectives. Focus areas for engagement included automobile electrification, physical climate risk, corporate culture, and labor relations. Throughout the year, we used our engagements to better understand the issuers we hold and validate the underwriting of our investments' financial return potential, along with their social and environmental impact. Below we share examples of our engagements that focused on material ESG issues and many of the 11 impact themes across our Life essentials, Human empowerment, and Environment categories.

Learn more about our impact platform

Approach to engagement

The examples shown on the following page are presented for illustrative purposes only and are not to be viewed as representative of actual holdings. It should not be assumed that any client is invested in the (or similar) examples, nor that an investment in the examples has been or will be profitable. Actual holdings will vary for each client, and there is no guarantee that a particular client's account will hold the examples presented. Please refer to the Important disclosures section for information on investment examples. | The companies mentioned comprise a partial list of all engagement meetings in which Wellington's ESG analysts and impact investing teams participated in 2025. The specific securities identified are not representative of all securities purchased, sold, or recommended for clients. This is not to be construed as investment advice or a recommendation to buy or sell any specific security. They are chosen based on meetings held during the year and our priority areas of focus, with the aim of giving insight into our process. There is no assurance the strategy would hold companies such as these or that they would be profitable in the future.

Sample engagements from 2025

ENVIRONMENT (E)

Limak Renewable Energy

Objective: We engaged with the management team of hydroelectric power generator Limak Renewable Energy to better understand its approach to environmental risk management. We focused on the effects of dam operations on biodiversity and the health of local aquatic ecosystems. We sought to understand the issuer's framework for identifying, monitoring, and mitigating these risks.

Engagement: Management provided detailed insight into its proprietary ecosystem-assessment processes and mitigation measures. The engagement highlighted a structured approach to preserving habitats surrounding the issuer's hydroelectric assets, including continuous monitoring designed to assess efficacy and identify opportunities for improvement. The issuer emphasized that it embeds environmental considerations across its operations, with regular reviews to ensure mitigation measures remain appropriate and effective.

Outcome: We better understood the issuer's environmental management practices and strengthened our conviction in the robustness of its approach to biodiversity and ecosystem protection. We will continue to assess the issuer's sustainability profile and its alignment with responsible clean energy generation.

SOCIAL (S)

IHS Towers

Objective: We engaged with IHS Towers, a telecommunications infrastructure provider, to assess its contribution to digital inclusion and how it manages, measures, and reports on the social impact of its operations.

Engagement: We focused on how the issuer expands access to mobile connectivity in underserved regions and its governance frameworks for overseeing social impacts. As a provider of shared telecommunications infrastructure, the issuer supports multiple mobile network operators. We explored how it monitors and manages its social footprint, including data collection, disclosure, and target alignment. While direct beneficiary measurement is challenging, management outlined ongoing efforts to improve operational transparency and impact-relevant metrics.

Outcome: We gained greater understanding of how the issuer approaches social impact management and learned about opportunities for stronger articulation of social outcomes. The dialogue supported our assessment of the issuer's contribution to digital inclusion and willingness to enhance impact reporting as frameworks mature. We will seek improved disclosure and clearer linkage between infrastructure deployment and social outcomes.

GOVERNANCE (G)

International Finance Corporation (IFC)

Objective: We engaged with senior representatives of multilateral development-finance institution IFC to discuss governance and risk-management considerations, following increased uncertainty around policies for shareholder support from a major member country.

Engagement: The discussion focused on the institution's approach to managing potential changes in shareholder commitment and the resulting implications for its financial resilience and credit profile. Management outlined its risk-management framework and contingency planning processes, highlighting a strong capital position, diversified funding sources, and broad support from its global shareholder base. We also covered governance oversight and stress-testing aimed at ensuring financial stability under varying external conditions. IFC was transparent and proactive when addressing our questions.

Outcome: The engagement reinforced our confidence in the institution's governance and risk-management frameworks, supported our ongoing assessment of its creditworthiness, and provided reassurance about its ability to navigate potential policy and shareholder-related challenges.

IMPACT (I)

European Investment Bank (EIB)

Objective: We engaged with supranational issuer EIB to discuss its evolving climate- and sustainability-bond framework, with a focus on impact, governance, KPI credibility, and measurement and reporting practices.

Engagement: We discussed the issuer's shift from sector-based to objective-based eligibility criteria, strengthening alignment with the EU Taxonomy and SDGs, and expanding its framework to include environmental and social objectives. Management highlighted its new gender-bond framework that aligns quantitative, auditable criteria with international standards.

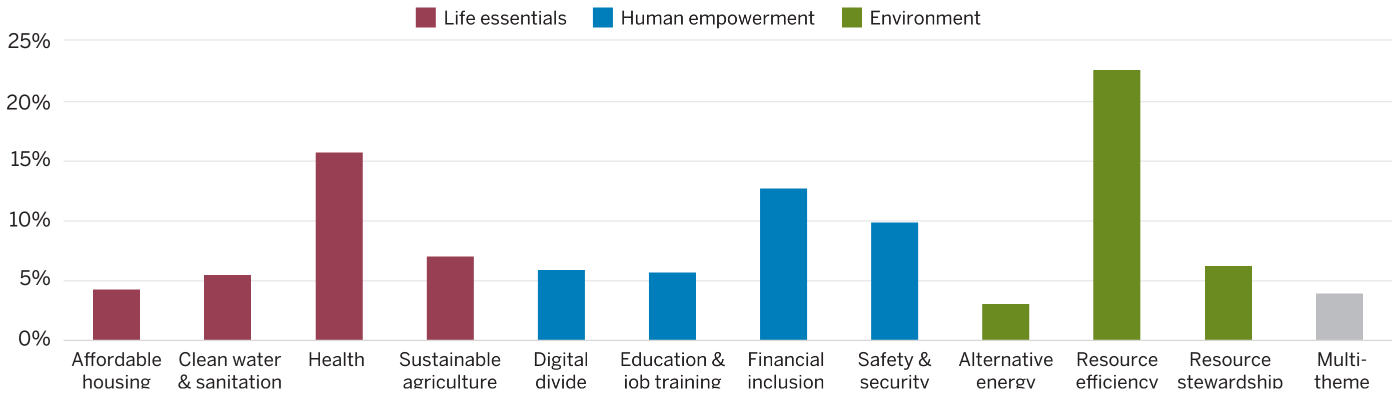
Management outlined data-driven allocation and impact reporting, complemented by regulatory mapping and independent pre- and post-issuance verification. EIB applies enhanced disclosure templates across its sustainable-issuance program, supporting comparability and investor confidence.

Outcome: We emerged confident in EIB's leadership in impact management, underpinned by strong governance, auditable KPIs, and transparency. Linkages between funding, objectives, and disclosed outcomes support its credibility. We continue to view the issuer as a high-quality sustainable-finance investment and a contributor to market best practices.

Theme allocation and SDG alignment

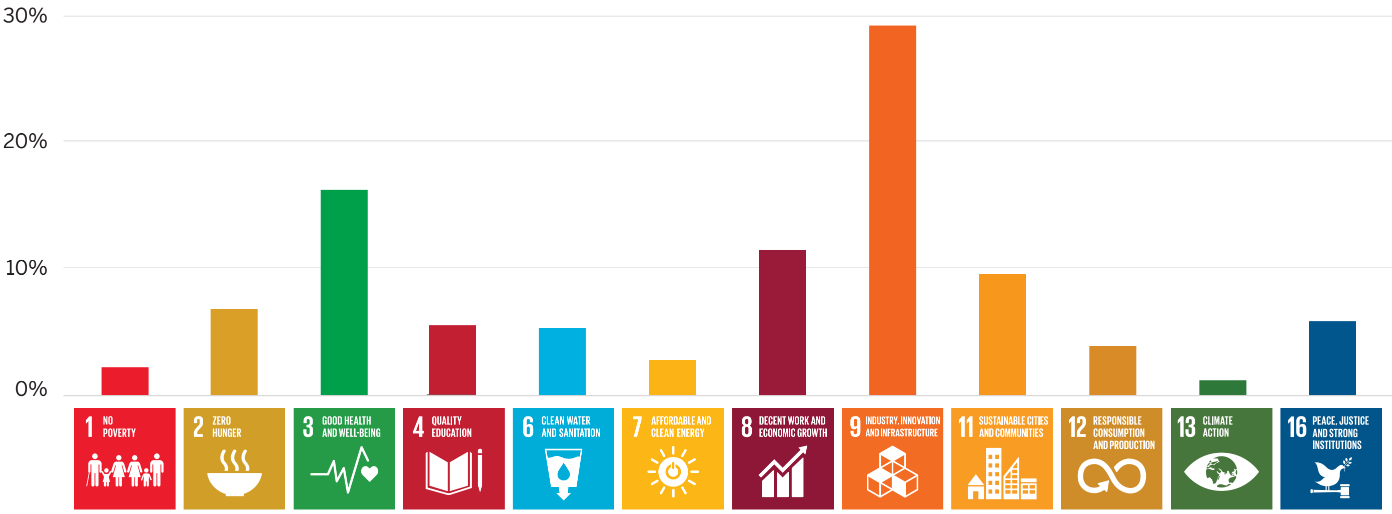
Wellington's Global Impact and Global Impact Bond teams support the 17 Sustainable Development Goals (SDGs) and believe that the private sector has an integral role to play in bridging the funding gap to achieve them. In 2015, we launched Global Impact, our first impact approach, followed by Global Impact Bond in 2019. Through extensive research and consultation, we developed our 11 impact themes aimed at identifying the key forces driving a just transition to a sustainable future. When the SDGs were adopted, we were pleased to see how closely our themes overlapped. We invest in companies and issuers aligned directly with our proprietary impact themes and denote the relevant SDG and specific target(s) to which they contribute. We do this to better contextualize their activities alongside the efforts of other financial, government, and nongovernment organizations. In our view, reporting by asset managers on SDG alignment helps governments and market participants assess the amount of private capital that is funding progress toward the goals. While our investments may not directly cover some SDGs, we believe they can represent indirect pathways to progress. Bridging the digital divide and expanding financial inclusion, for instance, may enhance gender equality and reduce inequalities (SDGs 5 and 10).

2025 REPRESENTATIVE ACCOUNT EXPOSURES BY THEME (WEIGHT, %)



Data as of 31 December 2025. | Source: Wellington Management

2025 PRIMARY SDG DISTRIBUTION (WEIGHT, %)



Data reflects primary SDG for each holding. The graph shows the distribution of the representative account for our impact bond strategy across each primary SDG as of 31 December 2025. Our impact bond approach supports SDG 17 at the strategy level. We do not manage the portfolio to any targeted level of alignment with regard to the UN SDGs. | The data shown relates to a representative account, is for informational purposes only, is subject to change, and is not indicative of future portfolio characteristics or returns. | Totals may not agree due to rounding. Excludes cash, cash equivalents, interest-rate, and currency derivatives. | Please refer to the Important disclosures page for additional information. | Sources: Wellington Management

Labeled bonds: Insights and update

Global issuance of labeled bonds declined in 2025 to just under US$900 billion amid macroeconomic and geopolitical headwinds. While the slowdown reflected heightened issuer caution, particularly in the US, the year-over-year decline was smaller than many investors anticipated. Globally, cumulative sustainable bond issuance remains on track to surpass US$7 trillion in early 2026, supported by refinancing needs and a growing reinvestment cycle.[1]

We expect labeled bond issuance to continue primarily funding environmental projects, particularly in Europe. Modest uptake for the European Green Bond (EuGB) label — with nearly US$24 billion issued across 25 issuers since its launch in December 2024 — supports this view.[2] Sustainable bonds fund projects with measurable environmental benefits and, in our view, have the potential to support both green economy/climate mitigation objectives and economic growth. Germany's green bond allocation exceeded €14 billion in 2025, for example, with nearly 80% directed at climate mitigation and adaptation projects.[3]

As of December 2025, the Global Impact Bond portfolio mirrored this environmental spending trend, with more than 80% of labeled bond exposure allocated to green and sustainability labeled bonds (**Figure 1**).

To ensure that the labeled bonds we hold align with our materiality, additionality, and measurability impact criteria, we use a robust framework to assess the suitability of each issuance. Wellington's proprietary labeled bond model enables us to evaluate published impact reports and map the use of proceeds (UoP) to International Capital Market Association (ICMA) categories (**Figure 2**). As in the prior year, in 2025, issuers mainly funded clean transportation, renewable energy, and green buildings. We anticipate that issuers will continue allocating funds to these projects as well as to energy-efficiency initiatives, given the increasing importance of net zero targets.

EVOLUTION OF THE ICMA CLIMATE TRANSITION BOND (CTB) GUIDELINES

While the ICMA has published guidelines for labeled bonds for over a decade, 2025 marked a turning point with the formal introduction of its Climate Transition Bond (CTB) Guidelines. This framework addresses a structural financing gap for high-emitting, hard-to-abate sectors that are essential to the global economy but often excluded from green bond markets. ICMA highlights the scale of this challenge, estimating that by 2050, US$30 trillion of additional capital will be required to decarbonize eight sectors responsible for approximately 40% of global GHG emissions.[4] The CTB Guidelines introduce specific ICMA endorsed principles, shifting the focus from asset-level eligibility to issuer level decarbonization strategies.

Under the guidelines, UoP may support a broad set of climate transition projects, including energy efficiency improvements, fuel switching, early asset retirement, and climate-related R&D, provided the projects deliver measurable emissions reductions. The lack of clear distinction between green and transition projects, however, has resulted in significant overlap in eligible expenditures and constrained market uptake, as issuers continue to favor the more established green label.[5] Ultimately, in our view, the CTB label represents a logical and necessary evolution in sustainable fixed income markets, but its credibility and scale will depend on the issuer's own climate transition credibility. As in 2025, we will continue to monitor the development and quality of CTB issuances as the market matures in 2026 and beyond.

FIGURE 1

Breakdown of labeled bonds held in Global Impact Bond portfolio by market value (%)

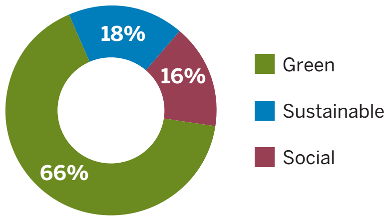


FIGURE 2

Global Impact Bond portfolio exposure to ICMA categories

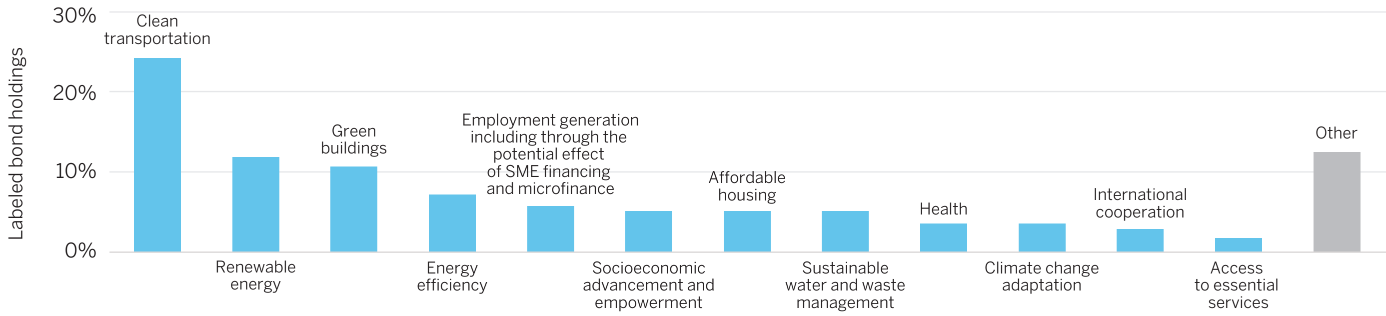


Chart data as of 31 December 2025. | Source: Wellington Management

[1]"Sustainable Bonds Insight 2026," Environmental Finance, 2026. | [2]Ibid. | [3]"Green Bond Allocation Report 2025," German Federal Ministry of Finance, May 2026 | [4]"Climate Transition Bond Guidelines," International Capital Market Association, 2025. | [5]Ibid.

Impact themes and investment spotlights

Wellington's impact investment teams seek to invest in companies and other issuers whose core products, services, or projects are tackling many of the world's biggest social and environmental problems. Their goal is to generate attractive financial returns alongside measurable, positive impact.

OUR IMPACT THEMES

The teams invest globally across three broad impact categories - Life Essentials, Human empowerment, and Environment - which we then divide into 11 impact themes.

LIFE ESSENTIALS

- Affordable housing
- Clean water & sanitation
- Health
- Sustainable agriculture & nutrition

HUMAN EMPOWERMENT

- Digital divide
- Education & job training
- Financial inclusion
- Safety & security

ENVIRONMENT

- Alternative energy
- Resource efficiency
- Resource stewardship

OUR THREE IMPACT PILLARS

Impact opportunities can represent innovative solutions across sectors, asset classes, and market capitalizations. All impact investments must meet our thresholds for materiality, additionality, and measurability.

MATERIAL	ADDITIONAL	MEASURABLE
Majority of products, services, or projects align with impact themes	Low prospect of being met by other agents	Impact must be quantifiable

Once we determine whether a company meets our impact criteria, we add it to our opportunity set. In parallel, our fundamental analysis seeks to identify those investments with the most attractive long-term return potential.

On the following pages, we share sample 2025 fixed income investment spotlights.

IMPORTANT NOTE

For information on how we selected the portfolio spotlight examples, and other important disclosure information, please see the Important Disclosures section at the end of the report. Language for the SDG goals and targets has been abbreviated, but not otherwise altered, from UN.org. Sources for SDG logos and targets: Wellington Management, www.un.org | Wellington Management supports the SDGs.

*BlueMark verification Wellington Management engaged BlueMark to independently verify the alignment of our impact management (IM) system with industry best practices. BlueMark's assessment findings cover both areas of strength and areas for improvement, as reflected in the Verifier Statement. Wellington Management did pay a fee for the verification. BlueMark's full assessment methodology, based on its professional judgment, consisted of: 1. Assessment of the IM system in relation to the impact investing industry best practices, using BlueMark's proprietary rubric, and examining processes and policies against the following criteria: • Compliance of the IM system with a threshold level of practice • Quality of the IM system's design in terms of its consistency and robustness • Depth of subcomponents of the system, focused on completeness 2. Interviews with Wellington staff responsible for defining and implementing the IM system. 3. Testing of selected Wellington transactions to check the application of the IM system. 4. Delivery of detailed assessment findings to Wellington, outlining areas of strong alignment and recommended improvement, as well as BlueMark's proprietary benchmark ratings on the extent of alignment with impact investing industry best practices.

VERIFYING OUR IMPACT INVESTING FUNDS

BlueMark, the leading provider of independent impact verification and intelligence for the sustainable and impact investing market, verified that the impact investing processes of our Global Impact Equity and Global Impact Bond strategies align with industry standards.*

BlueMark assessed our practices against the GIIN's impact principles — a commonly recognized standard for impact investors, who aim to deliver market-rate financial returns alongside measurable social and environmental impact.

We are thrilled to share our strong results, having earned an "advanced" or "high" rating in eight out of nine practice areas.

LEARN MORE ABOUT OUR IMPACT PLATFORM

Impact themes

Impact measurement and management

BlueMark verification

Supporting impact worldwide

The global reach of our companies' impact reflects our commitment to creating meaningful change across regions and themes.

10 REDUCED INEQUALITIES

Financial inclusion

Social bond
OneMain Financial

Expands access to affordable credit for underserved borrowers with low credit scores, supporting social mobility and economic opportunity.

3 GOOD HEALTH AND WELL-BEING

Health

Wellcome Trust

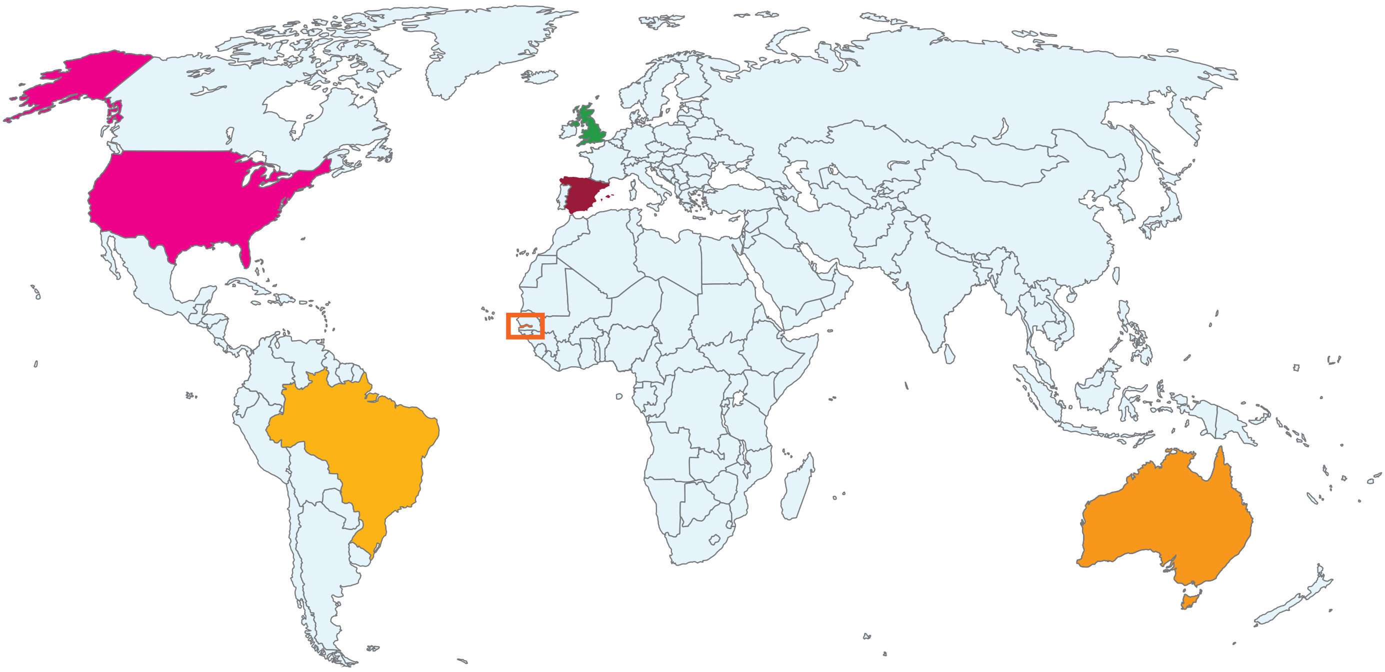
Increases investment in health care research, clinical trials, and the development of new treatments to address urgent global health challenges.

8 DECENT WORK AND ECONOMIC GROWTH

Multi-theme

Community of Madrid, Spain

Supports programs that enhance public and social services, including health care, education, and welfare, improving quality of life and social equity.



7 AFFORDABLE AND CLEAN ENERGY

Alternative energy

Green bond
FS Agrisolutions

Produces corn-based ethanol with lower lifecycle emissions than fossil fuels, supporting Brazil's clean energy transition.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Digital divide

Africell Holding

Expands access to telecommunications in underserved areas across Gambia and wider Africa, improving education and financial opportunity.

11 SUSTAINABLE CITIES AND COMMUNITIES

Resource efficiency

Sustainable bond
New South Wales Treasury Corp

Supports the development of clean transportation within the state, while also contributing to social mobility programs.

Companies highlighted were selected based on representation of the provided Impact theme as well as the country of risk associated with the company. Country of Risk is based on factors including management location, country of primary listing, country of revenue and reporting currency of the issuer. Country of Risk information is provided by Bloomberg. Companies selected are for illustrative purposes only and reflect portfolio holdings as of 2025-year end.

THEME OVERVIEW

Affordable housing

SCALE | ACCESSIBILITY | RESOURCES

HOUSING SHORTFALL

By 2030, 40% of the world's population may lack adequate housing, generating an estimated demand for 96,000 new shelter units per day.[1]

UNHOUSED CHILDREN

By the end of 2024, in England, a record 165,000 children lived in temporary accommodation.[2]

Demand for affordable housing persists in many countries. Rising rents and home prices often outpace household income growth, creating community-level financial burdens. Limited housing supply often compounds the challenge, particularly for low- and middle-income households. Recent inflation and higher interest rates have increased costs of living and costs of construction. These rising costs disproportionately affect lower-income households, which spend a larger share of income on essential goods and services.[3] Government responses to housing vulnerability are often slow, leaving many households in precarious situations.

We see affordable housing as a critical need that can accrue health and wellness benefits to families and communities, while creating and sustaining economic value. We believe access to safe, affordable housing allows people to focus more on their overall well-being — including health, education, and career-building — and less on basic survival. Put another way: Access to safe, affordable housing may lead to better educational outcomes, higher earning potential, and lower health care costs. In our view, investments in this category also have long-term growth potential and expanding addressable markets.

During 2025, the fixed income strategy continued to deploy capital toward issuers addressing structural housing and financial inclusion challenges. The portfolio included bonds issued by housing associations and social infrastructure providers focused on expanding the supply of affordable housing in regions facing persistent shortages, supporting stable, long-term housing outcomes, and contributing to social resilience and community development. Against this backdrop, we added exposure to one of the UK's largest housing associations that focuses strategically on addressing the UK's housing crisis through the delivery of affordable housing at scale. We also added a leading nonprofit affordable housing developer, operating primarily out of California, that works to fill critical supply gaps in affordable housing in urban areas.

[1]"Housing," UN-Habitat, 2025. | [2]Loss of social housing," Shelter, The National Campaign for Homeless People Limited, 2026. | [3]Simon Pittaway and Lalitha Try, "The bare necessities: Unpacking the rising cost of essential for low-to-middle income Britain," Resolution Foundation, 30 June 2025.

Bromford Flagship (sustainable bond)

COMPANY DESCRIPTION

A leading UK housing association, providing affordable homes and community services nationwide.

IMPACT THEORY OF CHANGE

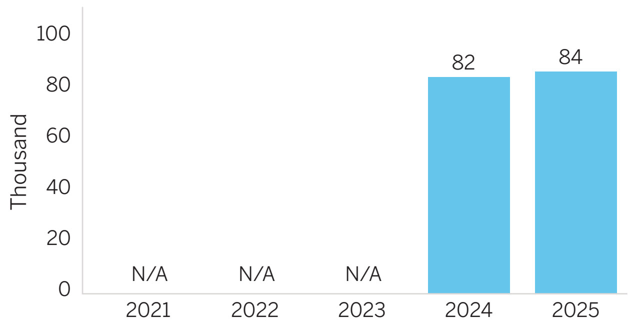
Rising housing costs, growing inequality, and increasing homelessness are making access to stable housing increasingly difficult. As one of the UK's leading housing associations, Bromford Flagship helps reduce housing insecurity by providing affordable homes and supporting individuals and families in underserved communities.

FIVE DIMENSIONS OF IMPACT

What	Improving lives and strengthening communities through access to affordable housing
Who	Managed or owned 84,000 homes across the UK in 2025[1]
How much	Delivered 1,770 new homes in 2024[2]
Contribution	Significantly increases housing supply to underserved communities with 97% of managed homes classified as social or affordable housing[2]
Risk	Execution: Balancing construction quality, environmental performance, and housing affordability

PROGRESS OF CORE KPI

Affordable housing units supported or provided



PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Source: "Trading update September 2025," Bromford Flagship, 2025

Year of initial investment: 2025

Three-year annualized change in core KPI: Not available

KPI evaluation: Meets expectations. Historical data is not fully comparable given the 2025 merger between Bromford and Flagship. We will continue to monitor this KPI as the organization establishes a reporting track record accounting for market conditions that may affect housing delivery, including rising construction costs and funding constraints.

SDG ALIGNMENT
Making cities and human settlements inclusive, safe, resilient and sustainable

TARGET 11.1
By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

QUALITATIVE ASSESSMENT

The UK faces a chronic shortage of social and affordable housing. More than 1.3 million households in England alone are currently on social housing waiting lists, and a growing number of people live in temporary accommodations. At the same time, limited construction and the continued sale or demolition of existing units have led to a nearly annual net loss of social housing stock since the early 1980s.[3]

Bromford Flagship develops and manages affordable homes across England. It provided 1,770 new homes in 2024, the majority of which were affordable units intended for families that may otherwise struggle to access stable housing.[4] Nearly half of these homes achieved Energy Performance Certificate (EPC) A or B ratings for energy efficiency. Bromford Flagship aims to retrofit its existing housing stock to at least EPC C by 2030, supporting improvements in energy efficiency and contributing to the UK's net-zero target for 2050.[5]

The merger in early 2026 between Bromford Flagship and LiveWest has expanded the association's capacity to increase housing supply, extending its scale even further and enabling it to serve approximately 300,000 customers.[5] By 2040, Bromford Flagship targets the delivery of more than 25,000 homes.[6]

Housing associations operate in a complex environment characterized by rising construction costs, regulatory requirements, and funding constraints, all of which can affect the pace of new housing delivery. Bromford Flagship's sustainable finance framework provides transparency into its development pipeline and sustainability commitments. We look forward to its first allocation report next year. Reported customer satisfaction of nearly 80% also indicates generally positive resident experiences and suggests a focus on housing quality and services.[7]

[1]"Trading update," Bromford Flagship, 2025. | [2]"Sustainability impact report 2025," Bromford Flagship, 2025. | [3]"Loss of social housing," Shelter, 2026. | [4]"Annual reports and accounts," Bromford Flagship, 2025. | [5]"Sustainability impact report 2025," Bromford Flagship, 2025. | [6]"About us," Bromford Flagship LiveWest, 2026. | [7]"Sustainability impact report 2025," Bromford Flagship, 2025.

THEME OVERVIEW

Clean water & sanitation

QUANTITY | QUALITY | DISTRIBUTION

WATER SCARCITY

By 2050, 2.8 billion urban residents — nearly half the world's urban population — could face water scarcity.[1]

AGRICULTURAL WATER STRESS

More than 170 million hectares of irrigated cropland — the approximate area of France, Spain, Germany, and Italy combined — face high or very high water stress.[2]

For decades, policymakers and scientists have warned of an escalating global "water crisis." Recent evidence suggests those warnings are well founded, with nearly three quarters of the world's population now living in regions classified as water insecure or critically water insecure. This situation is the result of decades of water use in excess of what natural climate and hydrology solutions can reliably supply. This overshoot has reduced long-term natural storage in aquifers, glaciers, wetlands, and river systems. The volumes of more than half of the world's large lakes have declined since the early 1990s.[3]

The impacts of climate change are most often transmitted through water-related risks, including droughts, floods, and water scarcity. At the 30th Conference of the Parties (COP30) in Belém, Brazil, water was discussed as a core adaptation priority, with new indicators embedding water resilience into climate progress assessments. Water-stressed countries will require sustained support, practical guidance, and continued momentum to translate frameworks into stronger water and sanitation systems, healthier environments, and safer communities.[4]

While policy momentum is building, investment has yet to match the scale of the challenge. The global water sector faces an estimated €6.5 trillion infrastructure investment gap, reflecting decades of underinvestment in resilience and capacity. Closing this gap could unlock significant socioeconomic value, potentially adding €8.4 trillion to global GDP and supporting more than 206 million jobs by 2040.[5] Solutions that alleviate water stress are likely well positioned to benefit from rising capital expenditure and long-term structural demand growth. Our ongoing research with the Woodwell Climate Research Center continues to reaffirm the opportunity across water and sanitation infrastructure, spanning delivery, safety, and treatment.

Throughout 2025, the fixed income portfolio maintained exposure to this theme through municipal and utility-related green bonds. We maintained exposure to a US municipal issuer financing water and sewer infrastructure. We also continued holding a Brazilian water utility and local authorities in Canada and Australia. Across these issuers, bond proceeds support upgrades to water and sanitation infrastructure, helping to improve water quality, system resilience, and efficiency.

[1]"Partnerships and cooperation for water: UN world water development report 2023," United Nations Educational, Scientific and Cultural Organization (UNESCO). | [2]"Global water bankruptcy: Living beyond our hydrological means in the post-crisis era," United Nations University, 2026. | [3]Ibid. | [4]Christina Bergstrand, "COP30: How far has the global goal on adaptation progressed since COP29?," Water for Climate Pavilion, 24 November 2025. | [5]"Bridging the €6.5 trillion water infrastructure gap: A playbook," World Economic Forum, December 2025.

Severn Trent (green bond)

COMPANY DESCRIPTION

One of the UK's largest utility companies, providing water and wastewater services across the Midlands and Wales.

SDG ALIGNMENT
Ensure availability and sustainable management of water and sanitation for all

TARGET 6.4
By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

IMPACT THEORY OF CHANGE

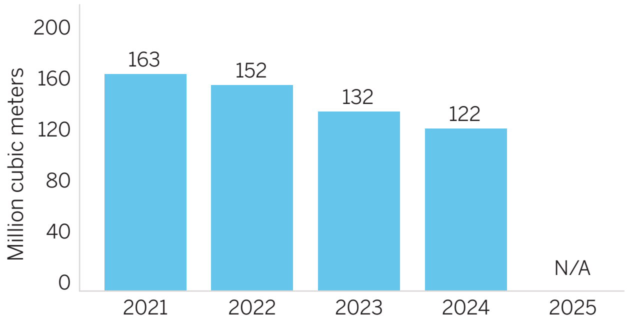
Investment in Severn Trent's green bond finances upgrades to wastewater treatment and water networks, helping to mitigate the risks of both aging infrastructure and climate change. By reducing leakage and improving treatment performance, this investment also helps reduce water-pollution incidents and water loss. These protections support healthier rivers and other waterways while ensuring that local customers benefit from a more reliable and resilient long-term water supply.

FIVE DIMENSIONS OF IMPACT

What	Enhancing wastewater treatment and reducing leakage through resilient infrastructure investment
Who	Supplies an estimated 2 million cubic meters of water per day to more than 9 million customers customers[1]
How much	In 2024, water leakage fell to a record-low 122 million cubic meters[2]
Contribution	Sole regulated provider of water and wastewater services within its operating region[3]
Risk	External: Climate impacts, such as extreme rainfall events, may increase pollution incidents and adverse biodiversity effects

PROGRESS OF CORE KPI

Volume of water leaked



PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Source: "ESG Databook," Severn Trent, 21 July 2025

Year of initial investment: 2024

Three-year annualized change in core KPI: -9.2%

KPI evaluation: Meets expectations. In 2024, Severn Trent reduced year-over-year water leakage by over 10 million cubic meters — a record low. Sustained operational improvements enabled the company to achieve a three year compound leakage reduction of -9.2%.[4]

QUALITATIVE ASSESSMENT

Aging water and wastewater infrastructure, combined with increasing climate driven pressures, have heightened the focus on water efficiency and water-service resilience across England. Despite improvements, approximately 19% of water flowing through the country's distribution network is lost to leakage before reaching customers.[5] Working with Ofwat, the water regulator for England and Wales, Severn Trent has launched its Green Recovery Programme, comprising six key projects, including the Accelerating Environmental Improvements initiative, aimed at addressing leakage and infrastructure integrity.[6]

We are impressed with Severn Trent's strong operational performance, particularly in reducing leakage and strengthening network resilience. The company has delivered sustained leakage reductions through targeted investment in water main replacement, pressure management, and advanced monitoring technologies. These actions demonstrate a proactive, data-led approach that aligns with Ofwat's long-term efficiency objectives.[7]

Under the Green Recovery Programme's smart water-metering rollout, 157,000 meters were installed across England as of March 2025. Smart metering provides real-time water-use information, enables faster leak identification, supports efficient consumption, and improves network performance. The meters save an estimated 7,200 cubic meters of water per day.[8]

Notwithstanding these advancements, reducing pollution incidents remains a key area for improvement. Ofwat continues to highlight elevated pollution incidents across the sector, and Severn Trent acknowledges the need for sustained focus on sewer network resilience, stormwater management, and operational discipline to further improve environmental outcomes.[9]

[1]"Sustainable bond allocation and impact report," Severn Trent, 18 November 2025. | [2]Ibid. | [3]Ibid. | [4]Ibid. | [5]"Water resources 2024 to 2025: analysis of the water industry's annual water resources performance," UK Environmental Agency, 2025 | [6]"Green recovery report 2024/25," Severn Trent Water, 2025. | [7]"Water company performance report 2024-25," Ofwat, 2025. | [8]"Sustainable bond allocation and impact report," Severn Trent, 18 November 2025. | [9]"Water company performance report 2024-25," Ofwat, 2025.

THEME OVERVIEW

Digital divide

INFORMATION ACCESS | COMMUNICATIONS INFRASTRUCTURE

ONLINE ACCESS

In 2025, 2.2 billion people, mostly in low- and middle-income countries, were offline.[1]

AFFORDABILITY

Mobile broadband is 22 times less affordable in low-income countries than in high-income countries.[2]

Digital inclusion can improve educational and employment outcomes by enabling people to acquire knowledge, collaborate with peers, and identify job opportunities. Bridging the digital divide can also enhance social inclusion and reduce structural economic inequality. Despite the continued growth in internet access, advances in connectivity have not benefited all countries equally: Low-income countries still rely primarily on slower, less reliable 3G networks, with faster 5G networks deployed mainly in high-income countries. Digital penetration in rural areas remains low as well, with just 14% of rural dwellers worldwide using the internet, compared to 39% of urban dwellers.[3]

People and businesses without access to reliable digital services risk falling behind their peers, both financially and socially. We believe these services should be universally affordable and accessible, regardless of ability or location. Closing the digital divide not only promotes inclusion but also increases productivity and fosters financial inclusion and innovation, all of which are essential for overall economic growth.

During 2025, the fixed income portfolio maintained exposure to telecommunications issuers across emerging markets and rural regions. It added exposure to a leading telecommunications infrastructure provider operating across Africa and the Middle East. These issuers greatly expand connectivity, providing products and services that support digital inclusion. By bridging the digital divide, these issuers help address structural inequalities and facilitate broader economic participation across their markets. During the year, the strategy also maintained an investment in a US internet domain registrar that generates a significant share of its revenues by helping small businesses establish an online presence. This exposure reinforces the portfolio's focus on improving digital access while supporting entrepreneurship and local economic growth.

[1]"Measuring digital development: Facts and figures 2025," International Telecommunication Union (ITU) Telecommunication Development Sector, 2025. | [2]Ibid. | [3]Ibid.

PORTFOLIO INVESTMENT SPOTLIGHT

Telecom Argentina

COMPANY DESCRIPTION

Telecommunications operator in Argentina, providing mobile, fixed-line, broadband, and pay TV services to residential and enterprise customers nationwide.

IMPACT THEORY OF CHANGE

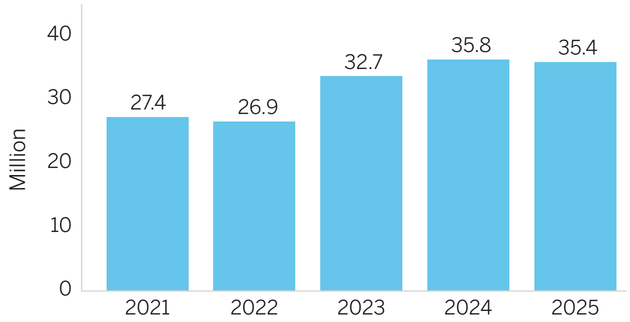
Telecom Argentina expands access for individuals and businesses to reliable digital connectivity and services by investing in mobile and fiber networks across Argentina. By improving coverage, capacity, and service quality, the company supports economic growth and social inclusion.

FIVE DIMENSIONS OF IMPACT

What	Providing reliable connectivity and digital services to support participation in the digital economy
Who	Serving individuals and businesses across Argentina, with limited regional operations in Paraguay and Uruguay
How much	Served 35.4 million customers in 2025 with its suite of services[1]
Contribution	Major national telecommunications provider, strengthening digital infrastructure and enabling access to essential digital services
Risk	Execution: Maintaining network quality and effective usage in a volatile economic environment

PROGRESS OF CORE KPI

Number of customers served



PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Source: "Integrated annual report 2025," Telecom Argentina, 2025

Year of initial investment: 2025

Three-year annualized change in core KPI: 9.6%

KPI evaluation: Meets expectations. Customer growth, particularly from 2022 to 2023, was supported by ongoing network upgrades (4G, fiber, and early 5G) alongside increased demand for mobile data and bundled services, supporting customer retention and multi-service adoption.

SDG ALIGNMENT
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

TARGET 9C
Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020

QUALITATIVE ASSESSMENT

Digital connectivity is a key enabler of economic activity and productivity, supporting a wide range of sectors, including health care, commerce, and education. While internet penetration in Argentina is high, with nearly 90% of the population online, gaps remain in connection quality, speed, and reliability.[2] These disparities — which cut across geographic and socioeconomic lines — limit the ability of many households and businesses to fully utilize digital services.

Telecom Argentina supports the development of the country's digital infrastructure by expanding and upgrading its networks. Its 4G network covers 97% of the country's urban population and extends to more than 800 rural locations, improving reliability of connectivity. Early 5G deployment is enabling households and businesses to more effectively use digital services for work, education, and commerce. As of 2024, the company had deployed 265 5G sites and expanded its fiber-optic network to over 94,000 km, enabling it to extend fiber-to-the-home (FTTH) coverage to 3.9 million homes.[3] These improvements strengthen the quality, speed, and usability of connectivity, supporting productivity and broader participation in the digital economy.

Sustaining these positive outcomes depends on continued investment in network capacity and quality in a volatile macroeconomic environment. Telecom Argentina allocates capital to infrastructure and uses a commercial model that supports customer retention via prepaid and bundled service offerings. Its expanding fiber network reached 500,000 new homes in 2024 alone, demonstrating its ability to maintain network performance as data demand grows.[4]

[1]"Integrated annual report 2025," Telecom Argentina, 2025. | [2]"Assessing internet development in Argentina," UNESCO, updated 4 September 2025. | [3]"Integrated annual report 2024," Telecom Argentina, 2024. | [4]Ibid.

THEME OVERVIEW

Education & job training

REMOTE ACCESS | IMPROVING FINANCIAL FUTURES

EARNING POTENTIAL

Each additional year of schooling can increase hourly earnings by 10%.[1]

LABOR PARTICIPATION

Women are 24% less likely than men to participate in the labor force.[2]

Education is a basic human right, yet an estimated 273 million children did not attend school in 2024.[3] This number has risen for the seventh consecutive year, owing to conflict, poverty, inequality, climate-related disasters, and lack of accessibility.[4] Lack of education is a lifelong problem; uneducated and undereducated adults often struggle to attain employment sufficient to sustain them economically and may be more vulnerable to exploitation, discrimination, and ill health.

The use of technology for fully online education and to supplement in-person teaching is now common. We believe a hybrid approach that utilizes technology broadens education accessibility, especially for working adults. In many global regions, private education providers play an important role, while governments and development banks are often the main sources of funding for projects that improve educational quality and job training for those most in need.

In our view, entities whose products and services support quality teaching and flexible learning could see significant growth potential. Their impact in narrowing the education gap and expanding access to jobs and economic opportunity is potentially extensive and enduring.

During 2025, the fixed income portfolio maintained exposure to labeled-bond issuance from US higher education institutions as part of a focus on education-linked social outcomes. Using our university assessment framework, we prioritized issuers that demonstrate a strong commitment to improving access for low income and first-generation students, supporting student progression and completion, and delivering positive economic outcomes as graduates enter the workforce. In addition to direct social benefits for enrolled students, these investments support long-term institutional resilience through funding for modernized educational facilities and essential campus infrastructure. Taken together, these efforts enable universities to expand access to higher education while strengthening the quality and reach of their academic programs.

[1]"Education is a key to jobs, growth, and lifelong learning," World Bank, updated 22 April 2025. | [2]Conor Lenon, "Global employment stable but decent jobs in short supply," UN News, United Nations, 14 January 2026. | [3]"More children out of school for the 7th year in a row, up to 273 million," UNESCO, 25 March 2026. | [4]Ibid.

PORTFOLIO INVESTMENT SPOTLIGHT

Unédic Asseo (social bond)

COMPANY DESCRIPTION

France's national unemployment insurance body, which sets the rules for benefits and supports jobseekers across France.

IMPACT THEORY OF CHANGE

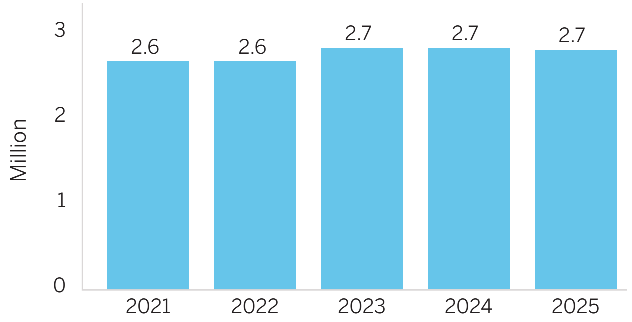
Unemployment insurance is an important social safety net. Capital raised from social bonds helps Unédic reintegrate unemployed individuals into the workforce through the provision of both financial assistance and education programs aimed at developing skills and achieving qualifications.

FIVE DIMENSIONS OF IMPACT

What	Mitigating the negative impacts of job loss
Who	Supported 2.7 million beneficiaries with unemployment assistance in 2025[1]
How much	Unédic has allocated €34 billion in benefits through its social bonds since 2020[2]
Contribution	Providing large-scale income protection that safeguards livelihoods, accelerates workforce reintegration, and reduces social exclusion
Risk	External: A jobseeker's ability to work may be influenced by factors outside Unédic's control

PROGRESS OF CORE KPI

Number of people who received unemployment assistance



PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Source: "Unemployment insurance monitoring indicators," Unédic, 2026

Year of initial investment: 2020

Three-year annualized change in core KPI: 1.4%

KPI evaluation: Meets expectations. The number of people receiving unemployment assistance remained relatively stable between 2021 and 2025. This suggests a broadly consistent level of demand for support, despite changing labor market conditions.

8 DECENT WORK AND ECONOMIC GROWTH

SDG ALIGNMENT
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

TARGET 8.5
By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

QUALITATIVE ASSESSMENT

France's unemployment rate reached 7.9% in Q4 2025, its highest level since Q3 2021, and higher than several European peers.[3] Economic uncertainty, combined with profound labor market shifts — from demographic changes to the digital transition — highlights the importance of unemployment insurance in managing economic volatility, supporting career transitions, and mitigating the impacts of job loss.

Unédic's mission is to protect French citizens against the socioeconomic uncertainties inherent in the labor market and help people find work. Its social bond proceeds are allocated primarily to the return-to-work allowance, providing replacement income for workers who have been unemployed involuntarily and meet certain criteria. Unédic supported 2.7 million jobseekers in 2025.[4] We appreciate Unédic's detailed, transparent reporting on beneficiaries which indicates that 50% are women and four out of 10 are under 35 years old.[5] Additional social bond funding supports training programs aimed at helping individuals re-enter the workforce. In 2024, training was widely distributed, highlighting the diverse barriers to re-employment. Certain types of training, including driving lessons, stood out as particularly practical solutions that help people overcome obstacles for returning to work[6]

Looking ahead, AI and automation will likely present risks and opportunities for Unédic. While these forces may increase short-term job displacement and place additional pressure on France's unemployment support system, AI can also enhance job matching and support targeted reskilling efforts. Like many countries, France may need adaptable support mechanisms to help workers navigate labor market transitions in the era of AI. We will continue to monitor these developments and Unédic's response closely.

[1]"Unemployment insurance monitoring indicators," Unédic, 2026. | [2]"Allocation and impact reporting: Social bonds 2024," Unédic, December 2025. | [3]"Investor presentation: French unemployment insurance," Unédic, 18 March 2026. | [4]"Unemployment insurance monitoring indicators," Unédic, 2026. | [5]"Transitions: Unédic activity report 2024," Unédic, 2025. | [6]"Allocation and impact reporting: Social bonds 2024," Unédic, December 2025.

THEME OVERVIEW

Financial inclusion

FINANCIAL TECHNOLOGY | ACCESS TO CAPITAL

EMPLOYMENT

Small- and medium-sized enterprises (SMEs) are the main source of job creation globally, accounting for over 95% of businesses and 60% – 70% of employment.[1]

DIGITAL PAYMENTS

In 2024, 62% of adults worldwide reported making or receiving digital payments.[2]

Enhancing financial inclusion can improve economic resilience, promote wealth and job creation, and increase socioeconomic equality. Inadequate financial support can cascade to a host of other challenges, including the inability to escape the cycle of poverty, afford safe housing, and maintain nutritional eating. Even in developed economies with well-established financial infrastructure, access to financial services remains uneven. In the US, 4.2% of households remain outside the formal banking system, with exclusion concentrated among low-income households and certain demographic groups, including Black and Hispanic households, where account ownership rates are several times lower than among White households.[3] At the global level, these access gaps are significantly larger.

While financial inclusion has expanded rapidly over the past decade, 1.3 billion adults still lacked a bank account in 2024. Access has improved slightly, with the share of adults without access to financial services falling by nearly half, to 21%, since 2011.[4] Those who remain excluded are disproportionately women, low-income individuals, and people with limited educational attainment. Financial exclusion renders people more vulnerable to abuse and harder to reach than the general population.

Recent advances in financial inclusion have been driven in part by the expansion of mobile services, highlighting the role of technology in addressing structural barriers to access among underserved groups. Millions of unbanked adults still receive payments from governments and employers in cash, however, limiting sustained engagement with the formal financial system. Digitizing government and employer payment flows can materially increase account ownership and accelerate financial inclusion. Companies that expand access to financial products and services, particularly through mobile-enabled solutions, are likely well positioned to benefit from structurally expanding addressable markets globally.

During 2025, the fixed income portfolio allocated to issuers focused on expanding access to financial services for underserved populations. We added exposure to a company offering affordable mobility packages for individuals receiving higher-rate mobility allowances. These packages are designed to be more cost effective than traditional leasing options, helping customers with reduced mobility achieve greater independence and freedom through accessible, low-cost vehicle solutions. The portfolio added exposure to a pioneering financial instrument aimed at supporting underserved women across Asia through inclusive lending. By enabling access to finance for women entrepreneurs, the issuer supports more inclusive economic growth while contributing to wider social benefits, including improved access to education and health care. We continued to hold bonds issued by a range of national, commercial, and multilateral development banks, which are key for channeling capital toward projects that support economic development and global financial inclusion.

[1]"Small and Medium Enterprises (SMEs)," National Action Plans on Business and Human Rights. | [2]The Global Findex2025, World Bank Group, 2025. | [3]"FDIC national survey of unbanked and underbanked households," Federal Deposit Insurance Corporation, 2023 | [4]The Global Findex 2025, World Bank Group, 2025.

PORTFOLIO INVESTMENT SPOTLIGHT

Farm Credit Bank of Texas

COMPANY DESCRIPTION

Regional banking cooperative that provides wholesale funding to agricultural and other rural lenders across Texas.

10 REDUCED INEQUALITIES

SDG ALIGNMENT
Reduce inequality within and among countries

TARGET 10.2
By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

IMPACT THEORY OF CHANGE

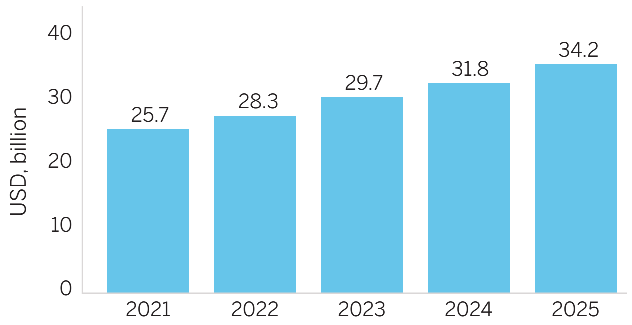
Farm Credit Bank of Texas supports resilience and productivity in the agricultural sector by providing reliable, long-term credit to local Farm Credit associations across Texas. These associations, in turn, extend tailored financing to farmers, ranchers, agribusinesses, and other businesses in rural communities. By enabling consistent access to long-term funding across economic and market cycles, the bank helps sustain food and agricultural fiber production, improve rural livelihoods, and safeguard essential infrastructure.

FIVE DIMENSIONS OF IMPACT

What	Provides reliable financial access to agriculture and rural communities, supporting economic stability and long-term empowerment
Who	Supports 12 local Farm Credit associations that lend directly to agricultural and other rural borrowers across Texas[1]
How much	Total outstanding loans exceeded US$34 billion in 2025[2]
Contribution	Sole wholesale funding bank for Farm Credit associations in Texas
Risk	Execution: Providing transparent, comprehensible options in ways that prevent customer exploitation

PROGRESS OF CORE KPI

Total loan value



PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Source: "2025 Annual report: Charting the course ahead," Farm Credit Bank of Texas, 2025

Year of initial investment: 2024

Three-year annualized change in core KPI: 6.5%

KPI evaluation: Meets expectations. Despite ongoing economic headwinds in 2025, loan growth remained resilient, with total loans delivering a three-year CAGR of nearly 7%.

QUALITATIVE ASSESSMENT

Texas is a top agricultural-producing US state, with 125 million acres under agricultural use. It supplies the most beef and is a major producer of poultry, eggs, and dairy products, as well as cotton and several important grains.[3] Climate-related weather volatility, rapid urbanization, and economic headwinds such as rising inflation place increasing pressure on Texas' farmers and ranchers. Access to stable long-term financing is critical to sustaining agricultural productivity, supporting rural livelihoods, and maintaining food security, especially during periods of economic and environmental stress.[4,5]

As a wholesale funding bank, Farm Credit Bank of Texas directly addresses these challenges. By providing liquidity to affiliated local Farm Credit associations, the bank supports the flow of credit to farmers, ranchers, agribusinesses, and other entities in rural Texas communities often underserved by larger commercial banks. As of 2025, total loan value reached US$34.2 billion, representing 7.5% year-over-year growth.[6] This expansion is consistent with systemwide trends, underscoring sustained demand for agricultural and rural credit.[7]

Operating in a cyclical, climate-exposed sector, Farm Credit Bank of Texas faces clear impact risks. Increasing drought, heat stress, and water scarcity can disrupt agricultural production and constrain borrowers' capacity to invest, while commodity price volatility and higher interest rates may further limit demand for credit, particularly among smaller producers.[8] Farm Credit Bank of Texas operates under a cooperative model in which farmers and rural borrowers ultimately own the lending system through local cooperatives. This structure supports long-term, relationship-based financing, making it more willing than commercial banks to lend through downturns and support continuity in rural economies, even if it is unable to fully offset these risks.

[1]"2025 Annual report: Charting the course ahead," Farm Credit Bank of Texas, 2025. | [2]Ibid. | [3]"Texas working lands," The Nature Conservancy, 2026. | [4]Kevin Athearn, "Farm input costs rise and commodity crop prices fall," University of Florida, 14 May 2025. | [5]"America's farms and ranches at a glance: 2024 edition," U.S. Department of Agriculture, 10 December 2024. | [6]"2025 Annual report: Charting the course ahead," Farm Credit Bank of Texas, 2025. | [7]"Annual report of the Farm Credit Administration," Regulator of the Farm Credit System, 2024. | [8]"America's farms and ranches at a glance: 2024 edition," U.S. Department of Agriculture, 10 December 2024.

THEME OVERVIEW

Alternative energy

RENEWABLE ENERGY GENERATION | STORAGE AND DISTRIBUTION

ACCESS TO ELECTRICITY

An estimated 730 million people live without electricity, and nearly 2 billion — one quarter of the global population — depend on cooking methods that are harmful to human health.[1]

LOW-CARBON ELECTRICITY

Since 2000, global energy-related CO2 emissions have increased by more than 50%.[2]

During COP30, expectations were high for progress on the global energy transition. Participants hoped to build on momentum from COP29, during which advances on climate finance and carbon markets had strengthened confidence in continued action. While COP30 did not deliver a binding agreement on fossil-fuel phaseouts, more than 80 countries supported a roadmap to transition away from coal, oil, and gas, signaling broad alignment (despite resistance from some major producer nations). For now, the primary driver of progress on the energy transition remains voluntary pathways, with a growing shift toward practical implementation at the national and regional level.[3]

Against this backdrop, investing in energy security and system resilience is increasingly urgent. The latest findings from the International Energy Agency highlight growing energy-system vulnerabilities to weather-related risks, cyberattacks, and other disruptions. Recent annual outages have negatively affected energy supplies for more than 200 million households globally. Encouragingly, investment in electricity generation has surged by nearly 70% since 2015 to approximately US$1 trillion per year, led by expanded spending on solar photovoltaics. Grid investment has risen more gradually to approximately US$400 billion annually.[4] The scale of the transition tests the limits of existing infrastructure; today, 1,700 GW of renewable energy projects are at advanced stages of development and awaiting grid connection.[5] We believe that addressing these constraints is critical to unlocking capacity that supports decarbonization, drives job creation across clean-energy value chains, stimulates productivity enhancing technological innovation, and strengthens both energy security and reduced reliance on imported fossil fuels.

During 2025, for the fixed income portfolio, green bond issuance from renewable energy companies remained an important source of impact exposure. The strategy remained focused on bonds financing hydro and solar projects. Toward the start of the year, we added a corporate issuer based in Türkiye, where bond proceeds are directed at a range of renewable energy investments in support of the country's shift to a more sustainable and resilient energy system. Alongside corporate issuers, labeled bonds issued by financial institutions continued to play a meaningful role within the alternative energy theme. We see bank-led financing as an important mechanism for channeling capital at scale into renewable energy projects, complementing direct issuance from corporates, and helping to accelerate the broader energy transition.

[1]"World Energy Outlook 2025," International Energy Agency. | [2]Ibid. | [3]"COP30 Fails to Confront Drivers of Climate Crisis," Human Rights Watch, 2025. | [4]"World Energy Investment 2024," International Energy Agency. | [5]"World Energy Outlook 2025," International Energy Agency.

PORTFOLIO INVESTMENT SPOTLIGHT

Aydem Yenilenebilir Enerji

COMPANY DESCRIPTION

Renewable energy producer in Türkiye with a diversified mix of hydro, wind, geothermal, and solar assets.

IMPACT THEORY OF CHANGE

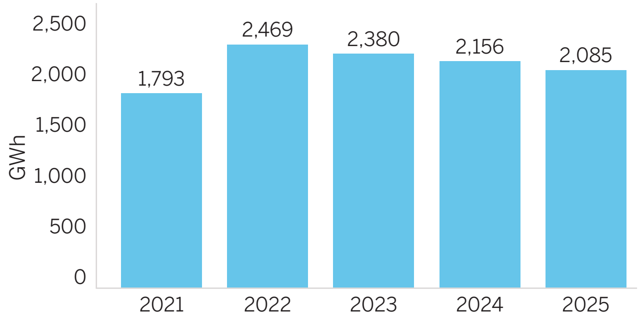
Aydem helps decarbonize Türkiye's power system by generating renewable electricity at scale, which reduces the country's GHG emissions and reliance on fossil-fuel imports, while supporting long-term energy security. We believe investing in the company supports the expansion of clean, domestically generated power to meet rising electricity demand.

FIVE DIMENSIONS OF IMPACT

What	Climate mitigation through renewable energy generation
Who	Licensed electricity suppliers, utilities, and energy trading companies active in Türkiye's wholesale power market
How much	In 2025, Aydem had an installed capacity of 2,085 GWh of renewable energy, equivalent to powering approximately 560,000 homes[1,2]
Contribution	Türkiye's largest pure-play energy company with 100% renewable installed capacity[3]
Risk	External: Weather conditions may undermine the production of renewable energy and the associated emissions avoided

PROGRESS OF CORE KPI

Renewable energy generated



PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Source: "Integrated annual report," Aydem renewables, 2025

Year of initial investment: 2025

Three-year annualized change in core KPI: -5.5%

KPI evaluation: Does not meet expectations. While we acknowledge the scale of Aydem's renewable asset base, electricity generation has declined for three consecutive years, corresponding to a three-year CAGR of just -5.5%. This decline is likely driven by structural and weather-related factors, particularly hydro-resource variability, rather than operational underperformance. We will continue to monitor performance in 2026 and aim to engage with the company in the near term.

7 AFFORDABLE AND CLEAN ENERGY

SDG ALIGNMENT
Affordable and clean energy

TARGET 7.2
By 2030, increase substantially the share of renewable energy in the global energy mix

QUALITATIVE ASSESSMENT

Rapid economic and population growth in Türkiye over the past two decades has driven sustained electricity demand growth, with per capita consumption reaching 3.7 MWh in 2024, a 129% increase over 2000. The country's prosperity has coincided with increasing reliance on imported fossil fuels, particularly oil and gas. This, in turn, has prompted energy-sector reforms aimed at strengthening domestic supply, moderating import dependency, and enhancing energy security.[4] While renewable electricity generation has tripled over the past decade, and wind and solar have overtaken domestic coal-based generation, fossil fuels continue to play a material role in the energy mix.

As one of Türkiye's largest private sector, pure-play, renewable energy producers, Aydem operates 25 power plants across hydroelectric, wind, hybrid solar, and geothermal technologies. As of 2025, the company had 1,198 MW of installed capacity, a 17% increase over 2020. Aydem is prioritizing diversification and system flexibility, with a project pipeline targeting the commissioning of approximately 800 MW over the next three years — growth that would increase its total installed capacity by more than 50%. Aydem's expansion plans include integrated renewable generation and battery storage and other solar investments aimed at supporting supply continuity and grid stability.[5]

Despite this long-term positioning, Aydem's electricity generation has declined in recent years, reflective more of an ongoing drought than operational underperformance, in our view.[6] With approximately 71% of installed capacity in hydroelectric assets, the company remains exposed to hydrological variability, particularly for river-supplied plants.[7] Aydem's investment strategy — shifting incremental capital toward wind, solar, and battery storage — is designed to diversify against climate risks, stabilize output, and enhance resilience as physical climate risks become increasingly structural.

[1]"Integrated annual report," Aydem renewables, 2025. | [2]"Türkiye," International Energy Agency, 2024. | [3]"Integrated annual report," Aydem Renewables, 2025. | [4]"Türkiye," International Energy Agency, 2024. | [5]"Integrated annual report," Aydem Renewables, 2025. | [6]"Türkiye electricity review 2025," Ember, 25 April 2025. | [7]"Integrated annual report," Aydem renewables, 2025.

Important disclosures

ABOUT THIS REPORT

Data provided is as of 31 December 2025. The views expressed herein are those of the author(s), are based on available information, and are subject to change without notice. Individual portfolio management teams may hold different views and may make different investment decisions for different clients. The material and/or its contents are current as of 31 December 2025. Forward-looking statements or estimates may be made. Actual results and occurrences may vary significantly. Certain data provided is that of a third party. While data is believed to be reliable, no assurance is being provided as to its accuracy or completeness.

For all investment spotlights, Wellington's impact investing teams determine the SDG goals and targets that, in our view, each portfolio issuer is aligned with. Language for the goals and targets has been abbreviated, but not otherwise altered, from UN.org. Sources for SDG logos and targets: Wellington Management, www.un.org | Wellington Management supports the SDGs.

Portfolio spotlight examples are based on nonperformance-based criteria. Portfolio spotlight examples are for illustrative purposes only, are not representative of all investments made by the portfolio and should not be interpreted as specific security recommendations or advice. It should not be assumed that an investment in the examples has been or will be profitable. Investment examples are based on holdings of the representative account from 1 January to 31 December 2025. Actual holdings vary for each client, and there is no guarantee that a particular client's account will hold the examples presented. Key performance indicator data is based on issuer reporting, press releases and websites, proxy data, and Wellington analysis. While the data is believed to be reliable, no assurance is being provided as to its accuracy or completeness.

For Global Impact, the representative account shown became effective on 1 September 2017 because it was the least restrictive account at the time of selection.

- Holding was largest by contribution to duration times spread (CTDTS) in the theme in the portfolio as of 31 December 2025: Aydem Yenilenebilir
- Largest CTDTS had been previously highlighted in either the 2023 or 2024 report, but for 2025, we used the second-largest CTDTS in the theme: Severn Trent, Telecom de Argentina, Farm Credit Bank, Unédic ASSEO
- For the affordable housing theme, the top contributor to CTDTS in the theme in the portfolio as of 31 December 2025 has either been highlighted in previous reports or closely resembles past spotlights. Among the remaining top 10 contributors, Bromford Flagship was selected as the most suitable given the availability of data and ease of understanding.

The KPIs shown for each company have been developed by Wellington. These metrics are proprietary to Wellington and are used to assess a company's progress toward its particular business objectives. Company information is from multiple sources including the following: annual and quarterly reports; industry research pieces; company websites; press releases; case studies; and company engagements. Only holdings that had applicable and available KPI data were included. In cases where the 2025 data was not available at the time of publication, we used 2024 or the nearest to 2025 data.

BlueMark verification

Wellington Management engaged BlueMark to independently verify the alignment of our impact management (IM) system with industry best practices. BlueMark's assessment findings cover both areas of strength and areas for improvement, as reflected in the Verifier Statement. Wellington Management did pay a fee for the verification.

BlueMark's full assessment methodology, based on its professional judgment, consisted of:

1. Assessment of the IM system in relation to the impact investing industry best practices, using BlueMark's proprietary rubric, and examining processes and policies against the following criteria:
    - Compliance of the IM system with a threshold level of practice
    - Quality of the IM system's design in terms of its consistency and robustness
    - Depth of subcomponents of the system, focused on completeness
2. Interviews with Wellington staff responsible for defining and implementing the IM system.
3. Testing of selected Wellington transactions to check the application of the IM system.
4. Delivery of detailed assessment findings to Wellington, outlining areas of strong alignment and recommended improvement, as well as BlueMark's proprietary benchmark ratings on the extent of alignment with impact investing industry best practices.

INVESTMENT RISKS

All investing involves risk. If an investor is in any doubt as to the suitability of an investment, they should consult an independent financial adviser. Past results are not necessarily indicative of future results and an investment can lose value.

Capital: Investment markets are subject to economic, regulatory, market sentiment, and political risks. All investors should consider the risks that may impact their capital, before investing. The value of your investment may become worth more or less than at the time of the original investment.

Derivatives: Derivatives can be volatile and involve various degrees of risk. The value of derivative instruments may be affected by changes in overall market movements, the business or financial condition of specific companies, index volatility, changes in interest rates, or factors affecting a particular industry or region. Derivative instruments may provide more market exposure than the money paid or deposited when the transaction is entered into. As a result, a relatively small adverse market movement can not only result in the loss of the entire investment but may also expose a portfolio to the possibility of a loss exceeding the original amount invested. Derivatives may also be imperfectly correlated with the underlying securities or indices it represents and may be subject to additional liquidity and counterparty risk.

Asset/mortgage-backed securities: Mortgage-related and asset-backed securities are subject to prepayment risk, which is the possibility that the principal of the loans underlying the securities may prepay differently than anticipated at purchase. Because of prepayment risk, the duration of mortgage-related and asset-backed securities may be difficult to predict.

Concentration: Concentration of investments in a relatively small number of securities, sectors or industries, or geographical regions, may significantly affect performance.

Credit: The value of fixed income securities may decline, or the issuer or guarantor of that security may fail to pay interest or principal when due, as a result of adverse changes to its financial status and/or business. In general, lower-rated securities carry a greater degree of credit risk than higher-rated securities.

Currency: Investments in currencies, currency derivatives, or similar instruments, as well as in securities that are denominated in foreign currency, are subject to the risk that the value of a particular currency will change in relation to one or more other currencies.

Fixed income securities markets: Fixed income securities markets are subject to many factors, including economic conditions, government regulations, market sentiment, and local and international political events. In addition, the market value of fixed income securities will fluctuate in response to changes in interest rates, currency values, and the creditworthiness of the issuer.

Foreign and emerging markets: Investments in foreign markets may present risks not typically associated with domestic markets. These risks may include changes in currency exchange rates; less-liquid markets and less available information; less government supervision of exchanges, brokers, and issuers; increased social, economic, and political uncertainty; and greater price volatility. These risks may be greater in emerging markets, which may also entail different risks from developed markets.

Interest rate: Generally, the value of fixed income securities will change inversely with changes in interest rates. The risk that changes in interest rates will adversely affect investments will be greater for longer-term fixed income securities than for shorter-term fixed income securities.

Leverage: The use of leverage can provide more market exposure than the money paid or deposited when the transaction is entered into. Losses may therefore exceed the original amount invested.

Real estate securities: Risks associated with investing in the securities of companies principally engaged in the real estate industry such as REIT securities include the cyclical nature of real estate values; risk related to general and local economic conditions; overbuilding and increased competition; demographic trends; and increases in interest rates and other real estate capital market influences.

Smaller-capitalization stocks: The share prices of small- and mid-cap companies may exhibit greater volatility than the share prices of larger-capitalization companies. In addition, shares of small- and mid-cap companies are often less liquid than larger-capitalization companies.

Sustainability risk: An environmental, social, or governance event or condition that, if it occurs, could have an actual or potential material negative impact on the value of an investment.

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