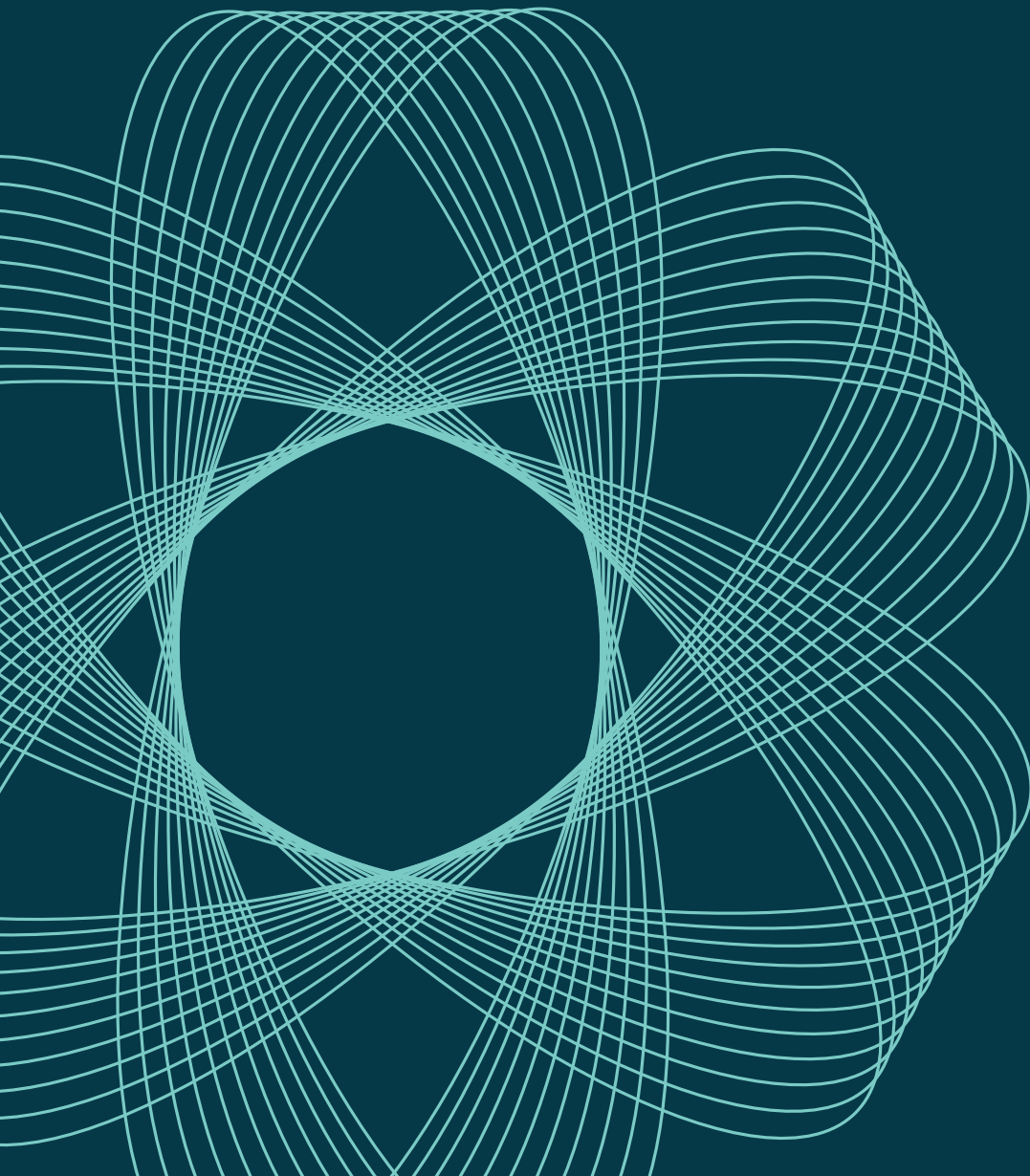


Fulcrum Asset Management LLP
Task Force on Climate Related
Financial Disclosures (TCFD)
Entity Report 2025



Contents

Introduction	1
Governance	2
Strategy	6
Risk Management	10
Metrics and Targets	11

Introduction

Fulcrum Asset Management LLP (“Fulcrum”) believes that the most effective way of staying ahead of the increasing client needs and regulatory obligations is through having an innovative and integrated approach to stewardship and the consideration of Environmental, Social and Governance (ESG) risks and opportunities.

The document fulfils the regulatory requirement under the FCA’s Environmental, Social and Governance (‘ESG’) sourcebook for firms to prepare and publish a ‘TCFD entity report’ containing climate-related disclosures consistent with the Task Force on Climate-Related Financial Disclosures (‘TCFD’) Recommendations and Recommended Disclosures.

By “Innovative” we are referring to our heritage in macroeconomic research, which is very important to us at Fulcrum and macro strategies remain the central part of our business today. Over time our research has broadened out to include a range of sustainability topics, including climate change and we are keen to share our research for the benefit of our industry and society. We feel that this has the potential to help create a multiplier effect.

By “Integrated” we mean that feel the best structure for our business is to have our sustainability specialists embedded in our investment teams as opposed to separated. This helps to create an environment of mutual learning and education where everyone can benefit.

This is our first official TCFD report as we have recently passed through the requisite Assets under Management (AUM) threshold. Previously, we have been providing TCFD information as an appendix in our Stewardship Code report on a voluntary basis and now we have reached the point where a separate report seems appropriate.

At Fulcrum, we manage a range of macro strategies, which predominantly invest via derivative instruments. Whilst a smaller part of our business, we also have a selection of physically implemented strategies both liquid and illiquid. It is very clear to us that there is more we can do from a sustainability perspective with our physically implemented strategies and these typically form the core part of our integration and engagement efforts. Nevertheless, the “Innovative and Integrated” mantra stands for the whole of our business.

Over the last five years, we have evolved our ESG data and reporting significantly, which we hope is useful for clients. That said, there is always more we can do. For example, we are still developing our climate scenario analysis, which can be challenging for some of our strategies, but we will continue to strive forwards with this as well as our broader research initiatives.

We hope you find this report helpful.

Matthew Roberts

Partner and Chair of our Responsible Investment Committee

Governance

Philosophy

We operate with an inquisitive, thoughtful, and research-oriented culture in the pursuit of excellence on behalf of clients. This manifests itself in a focus on incremental improvements in all that we do: integrity in serving our clients day-to-day; the way we integrate sustainability considerations in our investment process; our macroeconomic research; our research on specific underlying investments and the way we approach stewardship. We have fostered a culture that emphasises a collaborative team approach within which individuals want to be part of something bigger than themselves – where being the best stewards of our clients' capital plays a central role in attracting and retaining fantastic people to manage their money in the right way.

We believe that responsible investing at Fulcrum requires an innovative, multifaceted, and integrated approach that, if done well, can lead to improved investment outcomes for

clients over the long term. There are numerous examples of the factors we consider to be important in this regard including: climate risk, biodiversity, diversity and inclusion, and human rights. These are important for investment outcomes as they either directly or indirectly impact long-term value creation for shareholders, or the ability of a borrower to repay.

We also believe that diversification is not constant, but a function of the macro environment. In this context, independent risk management is a critical component of good fund management. Crucially, risk is a broad concept and includes a wide range of sustainability-related factors that should be considered wherever possible. These risks can also meaningfully impact outcomes for clients and whether they are sustainable. We summarise our values and associated target behaviours as a business below:

Excellence	Integrity	Innovation	Collaboration	Sustainability
<p>Each and every time we engage with clients, we endeavour to produce work of the highest quality.</p> <ul style="list-style-type: none">– We strive for investment excellence through a repeatable approach that is research-driven and evidence-based.– We must recognise our own limitations and be aware of our behavioural biases.	<p>Integrity and honesty are at the heart of our business. We expect our people to maintain high ethical standards in everything they do.</p> <ul style="list-style-type: none">– Our clients are the real risk-takers. They are entitled to the bulk of the gains and fees should be fair. Clients should pay little for beta and nothing for luck.	<p>We aim to challenge conventional wisdom and expand the frontier of knowledge by building on the work of academic experts and experienced practitioners.</p> <ul style="list-style-type: none">– We value reflection and continuous improvement. Even a small edge in expertise, if well defined, is of great value.	<p>Firm-wide collaboration is integral to our success. We believe in leveraging our collective knowledge and improving decision-making through co-operation and constructive debate. We expect everyone to work as a cohesive team.</p> <ul style="list-style-type: none">– Our assets are our people. Managers are expected to foster an environment where team members feel supported and motivated.	<p>We invest responsibly with a particular focus on mitigating climate change.</p> <ul style="list-style-type: none">– Meaningful integration of environmental, social and governance considerations requires much more than optimising "scores".– Achieving multi-dimensional diversity in our workforce is a gradual but essential process. We aim to include people from all backgrounds.

For all current and prospective clients, our focus on stewardship and sustainability will be paramount in achieving our business objectives. Our strategy for future growth is as follows:

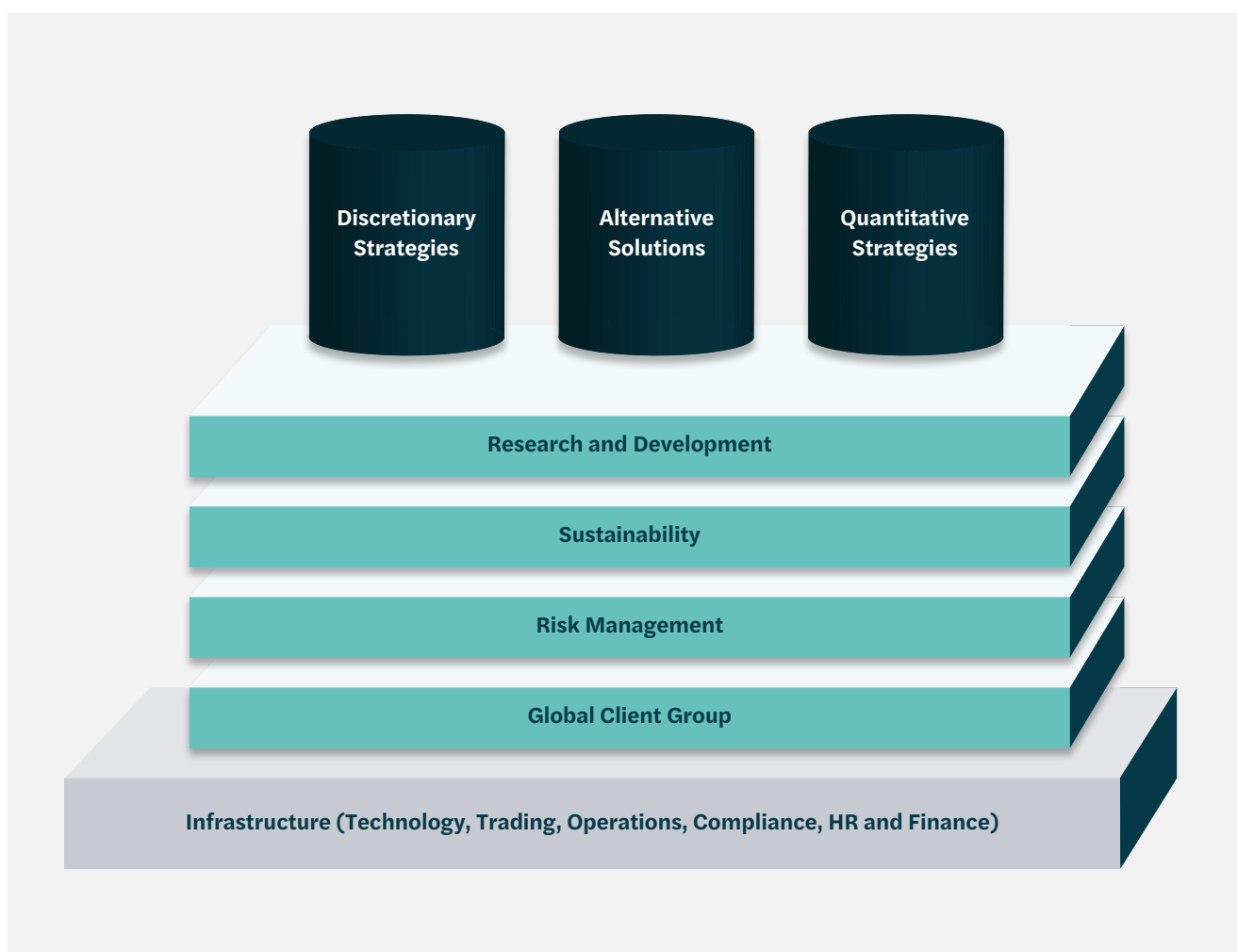
- Provide excellent service and thought leadership to our clients, including managing their assets responsibly and in a manner consistent with their stated objectives.
- Retain our focus on consultants and other intermediaries (such as wholesale distributors and independent financial advisor networks) as key relationships and efficient distribution channels.
- Innovate with existing and prospective clients to help them meet their goals. It will be incumbent on us to engage with our clients, the investment consultant community, and our industry more broadly to fully understand their needs. We continue to see potential

for growth in UK Defined Contribution (DC) pension schemes and Master Trusts, Local Government Pension Schemes, UK wealth management/wholesale clients, Australian institutional, US wholesale and institutional and continental European institutions.

- Continue our pro-active approach on engagement including voting activities, collective engagement and direct communication with companies.

Our Structure

Fulcrum offers three capabilities: Discretionary Strategies, Alternative Solutions and Quantitative Strategies, which are built on a set of shared values. These values are excellence, integrity, innovation, collaboration and sustainability. A summary of our three capabilities is below.



Discretionary Strategies

We invest across a broad range of liquid markets, with the aim of generating outcomes that are uncorrelated to broad market returns. As well as our flagship investment approaches – diversified absolute return and discretionary macro – we have stand-alone capabilities in thematic equity market neutral and climate change in the equity space, and equity dispersion in the volatility space.

Alternative Solutions

We invest across liquid and illiquid alternatives including real estate, infrastructure, natural resources, alternative credit, private equity and hedge funds. The team uses its long-term relationships with third-party alternatives managers to create solutions that are tailored to meet client objectives. Further details on how we integrate sustainability within our Alternative Solutions practice can be found [here](#).

Quantitative Strategies

Our suite of quantitative macro strategies leverages the latest computational techniques and more than a decade of research and development at the frontier of macroeconometrics, asset pricing, and machine learning.

We combine the insights of modern macroeconomic theory with the rigour of systematic investing in a single,

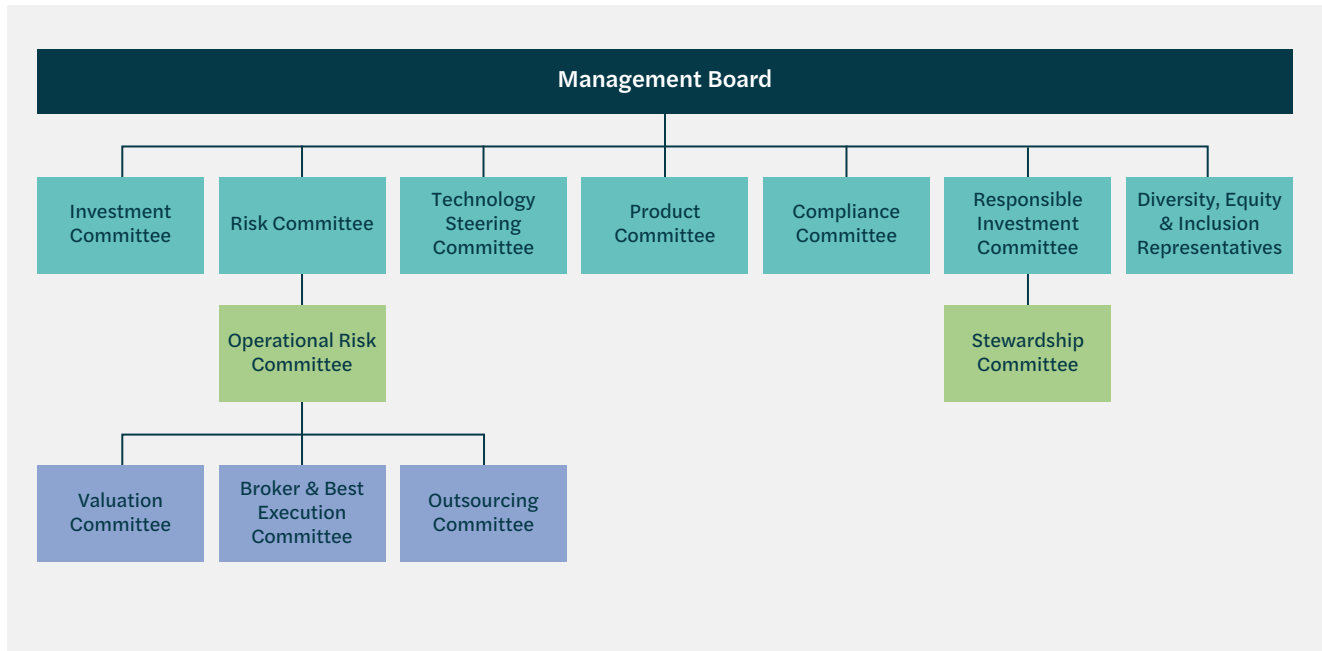
coherent approach to modelling risk and return in global asset markets. Our innovative portfolio construction system can be tailored to develop both long-short and long-only solutions customised to the needs of different institutional investors.

Governance of sustainability

The firm's Management Board, which is ultimately responsible for the oversight of our sustainability approach, was created in 2021 to be the primary forum for the governance and shared equity of the firm. Our Management Board ensures that Fulcrum's governance is not reliant on one individual in terms of key person risk.

Sustainability is one of our five values and therefore, every individual is assessed on their contribution towards this value (to the extent that their role and responsibility allows them to showcase their contribution). These values also govern our Management Board. Joe Davidson, our Managing Partner is involved in the monitoring of climate-related risks and opportunities. He attends the Responsible Investment Committee (RIC) on a monthly basis and is involved in the annual assessment of sustainability-related policies and our Stewardship Report.

Our Responsible Investment Policy guides our approach on sustainability and can be found [here](#).



Board oversight

The RIC reports to the Management Board and has responsibility for day-to-day oversight and implementation of all aspects of stewardship. The RIC includes members from across Fulcrum's departments including members of the investment team. This governance framework, encompassing clearly defined roles and responsibilities, effective challenge processes and clear lines of accountability aids the firm to deliver an effective stewardship programme. The RIC further delegates certain specific stewardship responsibilities (such as the oversight of proxy voting) to our Stewardship Committee (Matthew Roberts, Fawaz Chaudhry and Sean Onyett).

The RIC Terms of Reference include the monitoring of firm-level investment exclusions, Key Performance Indicators (KPI) relating to the integration of sustainability characteristics, and training and development amongst other agenda items. Fulcrum annually (and more regularly in some cases) reviews the effectiveness of its stewardship governance structure and accompanying stewardship policies and procedures. This review takes the form of an appraisal by the Management Board (working as necessary with the chair of the RIC) as to whether our governance structure is fit for purpose and operating in the best interests of our clients. In addition, Matthew Roberts, Chair of the RIC and Partner provides the board with updates on the RIC activities (which includes climate-related issues) on an annual basis. This is in addition to getting sign-off on sustainability-related policies and reports.

Fulcrum has a clear policy in place with regards to Diversity, Equity and Inclusion (DEI), which is governed by our DEI representatives. This group is tasked with collating and prioritising the views of all employees as opposed to being a discrete decision-making body. The Group, which reports and is accountable to Fulcrum's Management Board, meet on a monthly basis (or more frequently if needed). In addition to which focus group meetings with a broad cross-section of employees will discuss and assess progress and issues.

Our guiding belief is that better decisions are made in an organisation by having a wider range of opinions. Our goal, therefore, is to make our firm an attractive and inclusive place for diverse talent and to nurture and maximise their potential. Quotas, whilst positive in intent, may have the potential for unwanted consequences. Therefore, our approach is to positively build and develop our own pipeline of talent and not to just rely on poaching from others in our field. Ultimately, we seek to influence how our industry is perceived by broader society, to one that is open and inclusive. Our DEI statement can be found [here](#).

Integration of sustainability across our three pillars

Our three pillars cover a wide range of different asset classes and underlying investments. We need to ensure our team is educated and incentivised to be good stewards of capital and to incorporate ESG considerations effectively.

As a result of more focused structure including three capabilities – we have appointed sustainability leads per capability to ensure the effective integration of sustainability-related considerations in our investment decisions. Rather than having a dedicated ESG team, we believe in a fully integrated model. Our investment and research teams – bringing together economists, strategists, analysts, climate specialists, portfolio managers – work together to develop investment solutions, stay at the frontier of innovation, and contribute to the industry's knowledge.

For us, this means supporting and enabling our investment professionals to: consider and integrate ESG risks and sustainability issues in their investment decision-making; vote effectively; engage with companies and the wider industry; and communicate and interact with our clients on these issues. Given our heritage and expertise in macro investing, we concentrate our efforts across all the asset classes that we invest in through thoughtful consideration of sustainability issues (the extent to which depends on the nature of the asset class).

Strategy

Overview

Fulcrum Asset Management is a boutique investment firm that aims to provide long-term value creation through diversified business segments, namely Discretionary Strategies, Alternative Solutions and Quantitative Strategies. The firm leverages research-driven insights to manage portfolios that incorporate macroeconomic trends, sustainability considerations, and quantitative strategies.

We are signatories to the Net Zero Asset Managers Initiative and support their goal of reaching net zero greenhouse gas ('GHG') emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius. As a result, we have committed to managing our primary long-only equity fund, the Fulcrum Climate Change (FCC) Fund, in line with net zero. The FCC strategy is implemented in the Fulcrum Diversified Core Absolute Return (DCAR) Fund through physical equity securities and has become the full strategic equity allocation of the Fund, circa. 10% exposure, since Q1 2023.

FCC will only invest in companies with an implied temperature rise (ITR) of below 2°C, that is those companies whose past and future potential emission trajectory may be considered to be in line with the goals of the Paris Agreement, while aiming for a portfolio temperature below 1.5°C. FCC will not invest in companies generating a majority of revenue from the extraction of thermal coal and oil sands, activities which we regard as incompatible with the transition to net zero.

Within our Alternative Solutions strategy, sustainability and ESG integration are central to our third-party manager selection process. This involves using both third-party data/analysis as well as forming our own proprietary views on the sustainability characteristics of all investments. ESG risks are a formal part of our assessment process. We have a multifaceted approach to sustainable investing including allocating capital to managers addressing real world sustainability issues in a meaningful manner as well as engaging with managers to create a multiplier effect in the industry.

Investment Approach

At Fulcrum, we aim to act in the best interests of all our stakeholders by engaging with the companies that we invest in, and by exercising our voting rights with care in order to manage, acquire and dispose of account assets. Fulcrum will vote proxies in a prudent and diligent manner and in the best interests of clients, consistent with the objective of maximising long-term investment returns and protecting

shareholder rights. Not only is this commensurate with good market practice, it goes hand in hand with ensuring the responsible investment of our clients' funds.

We take a holistic approach to sustainability and, where relevant, we integrate ESG investing in our strategies in three ways. One of which is through stewardship, by encouraging and expressing good corporate governance e.g. through voting and engagement. The exact process and extent we integrate stewardship depends on the investment capability (given the nature of the underlying investments – i.e. physical vs. derivative investments) and, currently the majority of our engagement work occurs in relation to our Thematic Equities, Climate-Aligned and Alternative Solutions investment capabilities.

Fulcrum employs a thematic investment strategy to capture long-term sustainability trends, including:

- Climate Change Mitigation and Adaptation – Investing in renewable energy, energy efficiency solutions, and carbon capture technology.
- Circular Economy – Encouraging investments in companies adopting sustainable production and consumption models.

Active Stewardship

We use research from Glass Lewis (GL), our proxy adviser, to inform our views. As a firm, we are committed to promoting enhanced climate disclosure and climate-related mitigation strategies through our votes. Hence, we have adopted the Climate Policy of Glass Lewis, which is reviewed by Fulcrum's Responsible Investment Committee (RIC) once a year. The policy holds companies accountable for their lack of progress on climate governance. It considers a company's size and sector in order to ensure that shareholders execute votes that both promote a transition to a low-carbon future and that make sense from a financial perspective in the context of a company's operations.

The Climate Policy underscores that, while all companies face risks attendant to climate change, these risks will manifest themselves in different ways. In addition, it recognises that the majority of the world's carbon emissions are emitted by select, systematically important emitters. Accordingly, the Climate Policy applies an additional layer of scrutiny to ensure that those companies have effective oversight of and mechanisms to respond to the changing climate.

We have identified three tiers of companies to focus our in-house research in addition to using the Glass Lewis Climate Policy:

Tier 1

Climate Action 100+ companies. These companies are the highest-emitting companies and thus have significant exposure to climate-related risks. Accordingly, the Climate Policy will ensure that these companies are held to the highest standard with respect to the governance afforded to climate change, the disclosures expected by these companies and the way that these companies incentivise executives to mitigate climate-related risks.

Tier 2

Tier 2: Companies where greenhouse gas emissions represent a material risk, as defined by the Sustainability Accounting Standards Board (SASB). For companies that are determined to have significant risk exposure as a result of their GHG emissions, the Climate Policy will promote enhanced governance and disclosure of climate-related issues, as well as the establishment of policies and strategies to help mitigate climate-related risks.

Tier 3

Tier 3: All other companies. The Climate Policy recognises that climate change represents a risk to all businesses, regardless of industry or exposure to climate-related regulatory or legal risks. As a result, the Climate Policy will promote enhanced disclosure on these climate related risks as well as enhanced board-level oversight of environmental and social issues.

The Climate Policy will evaluate if, and to what extent, a company has provided a link between compensation and environmental and social criteria. In most markets, should a company not provide any environmental or social considerations in its remuneration scheme, the Climate Policy will vote against the proposed plan. For companies with a greater degree of exposure to environmental and climate-related issues (i.e. Climate Action 100+ focus list companies and those where SASB has deemed GHG emissions to be financially material), the Climate Policy will vote against compensation proposals if the company has not adequately incentivised executives to act in ways that mitigate a company's climate impact.

The Climate Policy will vote against the directors responsible for overseeing environmental and social issues if companies do not provide robust sustainability information. For companies more exposed to climate related risks, the Climate Policy will vote against the directors who oversee environmental and social issues if they do not provide reporting that is aligned with the recommendations of the TCFD or SASB. However, for Climate Action 100+ focus list companies, the Climate Policy expects to see TCFD reporting and will vote against directors who are responsible for environmental and social oversight if such reporting has not been produced. In all aforementioned cases, if the company does not maintain board-level oversight of environmental and social issues, the Climate Policy will instead vote against the chair of the board or the audit committee chair if the company has combined the roles of chair and CEO.

On top of this, Fulcrum does bespoke analysis on certain individual resolutions that are of a particularly high priority. These include climate-related resolutions and shareholder resolutions. We have dedicated resources in place to highlight these resolutions as they arise. These

will be reviewed by our sustainability specialists within our investment team. The result could either be to stick with the Glass Lewis policy or to override (in either direction).

Engagement varies by investment capability (given the nature of the underlying investments – i.e. physical vs. derivative investments) and currently the majority of our engagement work within this mandated strategy occurs in relation to our Thematic Equities and Climate-Aligned investment capabilities. We believe that the following shifts to our investment processes which took place in 2023 – increasing the proportion of climate-aligned equities in our dynamic asset allocation, coupled with an increase in the proportion of securities held directly (rather than via derivatives) – can help use capital allocation as an incentive for effective engagement.

As a firm, we have decided to prioritise and focus on climate change as a significant environmental risk as part of our portfolio management and engagement with stakeholders. However, we are now looking holistically at how climate change risks affect broader environmental and social risks and are therefore striving to embed these in our engagement.

These efforts are complemented by our voting policy which aims to hold companies accountable across broader E, S and G topics.

We believe that proactive and considered engagement is one of the best ways we can have an impact. It is important to note that our engagement varies by capability (given the nature of the underlying investments – i.e. physical vs. derivative investments) and currently the majority of our engagement work occurs in our Thematic Equities, Climate-Aligned and Alternative Solutions investment capabilities in line with our physically held assets.

We engage both individually with underlying companies and managers and collectively through industry initiatives. On the equity side, this request primarily consists of calling on companies to set Science-Based Targets or other sustainability-related requests. On the alternatives side, engagement focuses on requests laid out in our bespoke engagement plans.

Our ten-name engagement strategy is a long-only European equity strategy which invests in companies that are essential to the transition to a low carbon economy but are lagging on their sustainability credentials. As an example, these companies have not set science-based decarbonisation targets while in many cases their peers have set such targets. The names on the engagement list have been selected for inclusion into a concentrated equity strategy, reflecting our belief that there is share price upside from improvements in sustainability.

Moreover, our clients have also expressed their interest in novel areas like biodiversity and antimicrobial resistance. Given that this aligns with our beliefs and our focus on long term constructive outcomes, we have identified a core selection of companies to engage with in these areas and have decided to update our ten-name engagement strategy to reflect our increased focus beyond climate change.

We seek to improve sustainability credentials of investee companies through engagement (direct and/or collaborative). Given the size of our assets under management, we believe that we are more likely to see positive outcomes through collaborative engagement by lending our voice and research to existing initiatives, such as Climate Action 100+ and Spring Initiative.

Climate-related risks and opportunities

As a macro investor, we view climate change as one of the largest risks facing investors and have hence taken steps to reduce the negative impact on our assets. We recognise that this work will continue to evolve as new data, methodologies, opportunities and risks come to the fore.

Fulcrum portfolio managers are excluded from investing in a specific list of sectors across all investment strategies: controversial weapons, tobacco, and predatory lending. As a result, where we invest in equities, we do not invest in companies that contravene our screening protocol. Note that this does not include indices which might have indirect exposure to any such stocks. In the derivative markets we have an exclusion on trading in Palm Oil futures contracts given the substantial environmental challenges within this industry. The screens are implemented in accordance with set filters that have been agreed by the firm's Responsible Investment Committee.

Based on feedback from our clients as to what is important to them, and as a consequence of our macro heritage, much of our work relating to ESG integration has focused on climate change. This is an expression of our inquisitive

culture and our focus on this topic has been endorsed at our Responsible Investment Committee and our Management Board. The depth of our work in this area reflects how important we believe it is to client outcomes and ultimately, achieving our purpose. We believe this to be a proportionate response which demonstrates our desire to make an impact whilst also recognising the constraints of our size.

On the quantitative side, we rely on 'principal adverse impact' indicators (PAIs) on sustainability to help select equities for our long-term strategic equity allocation. Our strategic equity allocation is constructed to have a better aggregate PAI score than global equities. This proprietary PAI score combines several measures relating to the topics of social and employee respect for Human Rights, Anti-Corruption and Anti-Bribery matters covering both Social and Governance factors, such as compliance with UN Global Compact standards.

Qualitatively, social considerations may be reflected in the choice of investment themes (e.g. a historical example is a short position in 'gig economy' stocks, due to concerns around labour practices) and incorporated in fundamental analysis.

For more information, please refer to the below [Fulcrum Principal Adverse Impact Statement](#).

Our Data, Risk, Research and Investment teams work closely together to select and maintain our ESG data. Our Research, Risk and Investment teams are responsible for researching the data sets that are most relevant for our purposes and selecting the most appropriate data providers. Our Data and Risk teams are responsible for sourcing the data, maintaining the data sets and producing regular reporting.

ESG integration will vary across our capabilities as we work towards our commitments, avoid risks, and realise opportunities. Positions are closely monitored and actively managed using internal and external risk monitoring systems to analyse the risk in portfolios. Independent controls exist such that firm-wide and strategy-specific restrictions/mandates are being abided by. As an example, each security in the strategic equity allocation is monitored daily such that all securities within the sleeve are aligned to the Paris Agreement temperature target.

Climate Transition Plan

Fulcrum is a signatory to the Net Zero Asset Managers Initiative and supports their goal of reaching net zero greenhouse gas ('GHG') emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius. We recognise that Net Zero Asset Managers Initiative (NZAMI) has launched a review to check that NZAMI remains fit for purpose. As a manager that signed up to NZAMI, we don't intend to make any snap decisions based on this news. At Fulcrum we continue to believe in the importance of taking action and engaging with other stakeholders with the goal of improving outcomes for our

clients. We have also done extensive research on climate aligned investing. We will review any new expectations set by NZAMI as and when they are released.

On the biodiversity side, we have joined PRI's Spring initiative as part of our ambition to better engage with invested companies on biodiversity loss. We anticipate that our work with Spring will further enhance our firmwide approach towards addressing biodiversity loss.

We have also started establishing tangible biodiversity related objectives within specific deals in our Long Term Asset Fund (LTAF) offering (part of Alternative Solutions) including re-introduction of flora, identifying land for conservation efforts and ensuring practices that do not contribute towards biodiversity loss in assets we own.

Risk Management

Our process for identifying and assessing climate-related risks is a combination of quantitative analysis, and ongoing monitoring.

One key part of this is our assessment of the average temperature alignment of some of the funds we manage, where we assess whether a fund's temperature alignment is below 2.5°C. The lower the temperature, the better the alignment with global climate goals, indicating lower exposure to climate-related transition risks.

Additionally, we calculate several principle adverse indicators (PAIs) to assess risks related to environmental and social factors. These PAIs, although valuable in identifying potential climate-related issues (e.g., carbon intensity, water consumption), currently do not have specific targets or thresholds established. This makes it challenging to pinpoint precise mitigation strategies for each indicator, but we continue to track and monitor these PAIs for emerging risks.

Furthermore, for some of our funds, we have established ad hoc restrictions on certain companies. These restrictions apply to companies involved in sectors that we have identified as incompatible with our sustainability

goals, such as thermal coal extraction and arctic drilling. Companies in these industries are excluded from part of our investment portfolios due to the high climate transition risks associated with these sectors, including regulatory risks, reputational risks, and the long-term unsustainability of these activities. These restrictions are enforced through screening processes that assess companies' involvement in these industries, ensuring our investments remain aligned with our environmental and climate goals.

Our approach to managing climate-related risks is built on a combination of strategic restrictions and integration across our risk management framework.

By embedding climate-related considerations into our risk policies, we ensure that our investments align with sustainability goals and regulatory requirements. Specifically, our commitment to excluding high-risk sectors like thermal coal extraction and arctic drilling reflects our focus on mitigating transition risks and prioritising investments that contribute to a low-carbon future. Furthermore, we incorporate climate-related factors into the decision-making process for each fund, including our Article 8 fund, ensuring that these investments are aligned with the EU's Sustainable Finance Disclosure Regulations.

Metrics and Targets

Net-zero targets

We recognise that our biggest climate impact is achieved more indirectly, through our underlying investments. We will continue to engage with investee companies and third-party managers, encouraging them to take climate action, and to engage with industry participants to help develop and implement best practice in new areas around climate investing, from macroeconomic research to portfolio alignment in different asset classes. Fulcrum supports the goal of net zero GHG emissions by 2050, in line with global efforts to limit warming to 1.5°C. It also commits to support investing aligned with net zero emissions by 2050 or sooner.

In early 2023, we completed the project to shift the vast majority of our strategic equity holdings to climate-aligned companies. Such holdings represent a component of the dynamic asset allocation part of our flagship strategy, and refer to long-only positions in companies, held directly (not via derivatives).

The climate alignment has been achieved by doubling the allocation to Fulcrum Climate Change in our flagship strategy – approximately 10% of whose AUM we now consider to be climate-aligned. We aim to maintain this minimum discretionary 10% allocation to climate-aligned stocks. The dynamic asset allocation also involves an

algorithmic component that will automatically make additional and potentially shorter-term allocations to equities and other asset classes.

We continue to be signatories to the Net Zero Asset Manager Initiative and support their goal of reaching net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius. We consider long-only equities to be the most natural starting point for alignment, noting that a significant part of our AUM is invested in instruments and asset classes (e.g. derivatives, currencies, government bonds), for which alignment methodologies are not readily available. This includes our Alternatives Solutions capability, where we are targeting a 50% reduction in weighted average carbon intensity by 2030.

Carbon metrics

Please find our carbon metrics below, the funds below represent the range of our capabilities rather than being exhaustive due to the number of funds in our product suite. However, we are able to find carbon metrics on request for any fund in our product suite. We are also able to provide comprehensive PAI reporting on an ad hoc basis.

Fund	Scope 1 GHG emissions	Scope 2 GHG emissions	Scope 3 GHG emissions	Total GHG emissions
Fulcrum Climate Change	2,628.61	873.35	93,911.10	97,415.00
Fulcrum Diversified Absolute Return – LUX SICAV (DAR LUX)	12,384.87	2,607.93	131,484.76	146,477.56
TM Fulcrum Diversified Liquid Alternatives (DLA)	1,934.35	367.50	9,920.78	12,222.63
Fulcrum Discretionary Macro (FDM)	12,064.64	2,422.26	102,180.18	116,667.08
Thematic Equity Market Neutral (TEMN)	32,686.68	6,759.53	252,594.98	292,340.78
WS Fulcrum Diversified Private Markets LTAF (DPM)	120.22	21.60	567.89	709.18
Firmwide	82,112.26	17,515.63	815,812.64	915,440.63

Fund	Carbon Footprint	Carbon Footprint Scope 3
Fulcrum Climate Change	484.38	466.96
Fulcrum Diversified Absolute Return – LUX SICAV (DAR LUX)	194.80	174.86
TM Fulcrum Diversified Liquid Alternatives (DLA)	114.85	93.22
Fulcrum Discretionary Macro (FDM)	256.64	224.70
Thematic Equity Market Neutral (TEMN)	598.23	516.89
WS Fulcrum Diversified Private Markets LTAF (DPM)	47.25	37.83
Firmwide	242.81	216.38

As at 30 April 2025

Fund	Carbon Intensity Scope 1 & 2 GHG emissions	Carbon Intensity Scope 1,2 & 3 GHG emissions	WACI Scope 1 & 2
Climate Change	30.84	353.22	68.81
DAR LUX	335.47	2,780.65	40.94
FAS DLA	776.09	6,345.30	61.11
FDM SPV	382.45	3,176.79	60.03
TEMN	425.53	3,075.03	137.60
DPM	303.11	1,190.27	26.31
Firmwide	356.16	2,714.06	54.94

Units

Scope 1 GHG emissions: tonnes of CO2 emissions
 Scope 2 GHG emissions: tonnes of CO2 emissions
 Scope 3 GHG emissions: tonnes of CO2 emissions
 Total GHG emissions: tonnes of CO2 emissions
 Carbon Footprint: tonnes of CO2 emissions per million of Euro invested
 Carbon Footprint Scope 3: tonnes of CO2 emissions per million of Euro invested

Units

Carbon Intensity Scope 1 & 2 GHG emissions: tonnes of CO2 emissions per million of Euro of revenues
 Carbon Intensity Scope 1,2 & 3 GHG emissions: tonnes of CO2 emissions per million of Euro of revenues
 WACI Scope 1 & 2: tonnes of CO2 emissions per million of Euro of revenues

Carbon metrics and third-party managers

Carbon output is one way we can measure the exposure of our portfolio to climate change-related risks. There are a variety of methodologies to calculate carbon exposure and since becoming supporters of the Task Force on Climate-related Financial Disclosure in 2019, Fulcrum has adopted its definitions and methodology.

As part of this commitment, we report on the weighted average carbon intensity (WACI), which allows us to measure a portfolio's carbon efficiency across a range of asset classes. We collect statistics from third-party data vendors and the managers we invest with and get full look-through to all the underlying holdings for the managers we hold. As an example, in the Fulcrum Diversified Liquid Alternatives strategy the WACI is calculated annually. Where managers are not equipped to produce the WACI, we calculate the score ourselves using underlying holdings data, engage with them and offer our experience where appropriate to help them with their calculation.

Finally, at Fulcrum we take a considered approach on ESG integration and Responsible Investment. In the case of our WACI calculation, this approach is reflected in the data we choose from proxy sources, which tend to be on the conservative (i.e. higher) side. As data on commodity derivatives is not as mature, we tend to use natural equities as a proxy (which tend to have a higher WACI score) rather than discounting these trades from our overall WACI calculation.

Carbon footprint and intensity information is dependent on certain assumptions when calculated at the underlying company level. We are reliant on the calculations

performed by these companies. We aim to reduce the WACI of the portfolio over time through funding environmentally aligned companies and asset managers as well as engaging with stakeholders. Our goal is to achieve this in a considered fashion and not to simply divest from the highest carbon emitters.

As part of this effort, we engage with third-party vendors and managers periodically. This includes, for example, questioning the methodologies used for calculating certain metrics (such as carbon footprint), pointing out inaccuracies and asking for recalculations. ESG ratings are the product of reported corporate data and assessments by data providers. We are conscious of the limitations in reporting and methodology when using this data in our analysis.

For the full year to December 2024, we can report that the Fulcrum DLA – Diversified Liquid Alternatives Fund fund's WACI was 275.15 tons CO2 per \$1m sales.

While the WACI metric is a useful measurement of our route towards net zero, its path will not always be linear in nature. For us, the WACI metric is one of the many tools used to measure our progress on ESG and showcase our direction of travel towards net zero. Our commitment towards net zero extends beyond our WACI score and looks at the success of our engagements, our approach to stewardship, our commitment in recruiting and training as well as our involvement with industry bodies. We are encouraged by our constant, incremental improvement across all areas stated and creating a strong ESG culture within our strategies, both at Fulcrum as well as within our wider industry.

Managing our own carbon footprint

We believe it is prudent for us to consider and manage our business emissions. In the past year, we calculated our internal WACI metric. Our WACI for the year was 8.3 tons CO₂ per \$1m sales.

While our scope 1 and 2 emissions are at the lower end of the spectrum, through our calculation we realised, the main source of our emissions can be attributed to business travel (we also estimate embodied carbon in our building, which is now captured by the data we have been provided by the building manager). As signatories to NZAMI our aim is to reduce our emissions directly and through engagement. From a firm-level greenhouse gas (GHG) perspective, we are looking at our business travel policy to bring down emissions and considering the use of offsets as last resort for remaining GHGs which are hard to abate. Due to the limited regulation and oversight of the offsetting industry, we

recognise the importance of choosing an appropriate offset, which has an impact in bringing down real world emissions.

We are passionate about sustainable workplaces. Our office building has BREEAM 'very good' certification, recycling facilities and uses 100% electricity backed by renewable energy guarantee of origin (REGO) certificates. The building has also applied for the BREEAM In Use Excellent rating. There is also a proposal for removing gas for hot water, which is currently being considered by the Landlord. The replacement would mean either air source heat pump for the domestic hot water heater and or removal of heating coils and replacing them with an electric alternative.

We are also looking at avenues to add green space as well as designing the office to include more social and collaborative areas.

Disclaimer

This material is for your information only and is not intended to be used by anyone other than you. It is directed at professional clients and eligible counterparties only and is not intended for retail clients. This is not an offer or solicitation with respect to the purchase or sale of any security. The material is intended only to facilitate your discussions with Fulcrum Asset Management LLP (“Fulcrum”) as to the opportunities available to our clients. The given material is subject to change and, although based upon information which we consider reliable, it is not guaranteed as to accuracy or completeness and it should not be relied upon as such. The material is not intended to be used as a general guide to investing, or as a source of any specific investment recommendations, and makes no implied or express recommendations concerning the manner in which any client’s account should or would be handled, as appropriate investment strategies depend upon client’s investment objectives. The price and value of the investments referred to in this material and the income from them may go down as well as up and investors may not receive back the amount originally invested. Past performance is not a guide to future performance. Future returns are not guaranteed and a loss of principal may occur. Any historical price(s) or value(s) are also only as of the date indicated. We will endeavour to update on a reasonable basis the information discussed in this material.

It is the responsibility of any person or persons in possession of this material to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Fulcrum does not provide tax advice to its clients and all investors are strongly advised to consult with their tax advisors regarding any potential investment. Opinions expressed are our current opinions as of the date appearing on this material only.

References to any market or composite indices, benchmarks or other measures of relative market performance over a specified period of time (“benchmarks”) are provided by Fulcrum for your information purposes only. Investors cannot invest directly in indices. Indices are typically unmanaged and the figures for the indices shown herein do not reflect any investment management fees or transaction expenses. Fulcrum does not give any commitment or undertaking that the performance or risk profile of your account(s) will equal, exceed or track any benchmark. The composition of the benchmark may not reflect the manner in which a portfolio is constructed in relation to expected or achieved returns, portfolio guidelines, restrictions, sectors, correlations, concentrations, volatility or tracking error targets, all of which are subject to change over time.

Simulated, modelled, or hypothetical performance results may be used and have certain inherent limitations. Simulated results are hypothetical and do not represent actual trading, and thus may not reflect material economic and market factors, such as liquidity constraints, that may have had an impact on actual decision-making. Simulated results are also achieved through retroactive application of a model designed with the benefit of hindsight. No representation is being made that any client will or is likely to achieve results similar to those shown.

Certain funds managed by Fulcrum Asset Management LLP use quantitative models, where this is the case, Fulcrum Asset Management LLP can and do make discretionary decisions on a frequent basis and reserves the right to do so at any point.

Certain transactions, including those involving futures, options and high yield securities and investments in emerging markets may give rise to substantial risk and may not be suitable for all investors. Foreign currency denominated investments are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of, or income derived from, the investment; such investments are also subject to the possible imposition of exchange control regulations or other laws or restrictions applicable to such investments. Investments referred to in this material are not necessarily available in all jurisdictions, may be illiquid and may not be suitable for all investors. Investors should consider whether an investment is suitable for their particular circumstances and seek advice from their investment adviser.

For US Investors: Shares in the Fund will not be registered under the Securities Act of 1933, the securities laws of any state or the securities laws of any other jurisdiction, and the Fund will not be registered under the Investment Company Act of 1940. There is no public market for the shares, and no such market is expected to develop in the future. Shares in the Fund may not be sold or transferred except as permitted under the Fund’s articles of association, and unless they are registered under the Securities Act of 1933 or an exemption from registration thereunder and under any other applicable securities law registration requirements is available. Accordingly, investors will be required to bear the financial risks of an investment in the Fund for an extended period of time.

This document is not intended for distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. In particular this document is not intended for distribution in the United States or for the account of U.S. persons (as defined in Regulation S under the United States Securities Act of 1933, as amended (the “Securities Act”)) except to persons who are “qualified purchasers” (as defined in the United States Investment Company Act of 1940, as amended), “accredited investors” (as defined in Rule 501(a) under the Securities Act) and Qualified Eligible Persons (as defined in Commodity Futures Trading Commission Regulation 4.7).

Switzerland: The offer and marketing of interests of the fund in Switzerland will be exclusively made to, and directed at, qualified investors (the “Qualified Investors”), as defined in Article 10(3) of the Swiss Collective Investment Schemes Act (“CISA”) in conjunction with Art. 4(4) of the Swiss Federal Act on Financial Services (“FinSA”), i.e. institutional clients, at the exclusion of professional clients with opting-out pursuant to Art. 5(3) FinSA (“Excluded Qualified Investors”). Accordingly, the fund has not been and will not be registered with the Swiss Financial Market Supervisory Authority (“FINMA”) and no representative or paying agent have been or will be appointed in Switzerland. This document and/or any other offering or marketing materials relating to the interests of the fund may be made available in Switzerland solely to Qualified Investors, at the exclusion of Excluded Qualified Investors

Australia: All information in this communication is intended to be accessed by ‘Wholesale Clients’ as defined by the Corporations Act. No offer or advice: Nothing on the website should be construed as a solicitation, offer or invitation, or recommendation, to acquire or dispose of any investment or to engage in any other transaction. Fulcrum is not providing any personal advice or recommendation regarding any financial products within the meaning of section 766B of the Corporations Act. No consideration has been made of any person’s investment objectives, financial situation and/or needs. Prospective investors should make their own enquiries and should seek all necessary financial, legal, tax and investment advice.

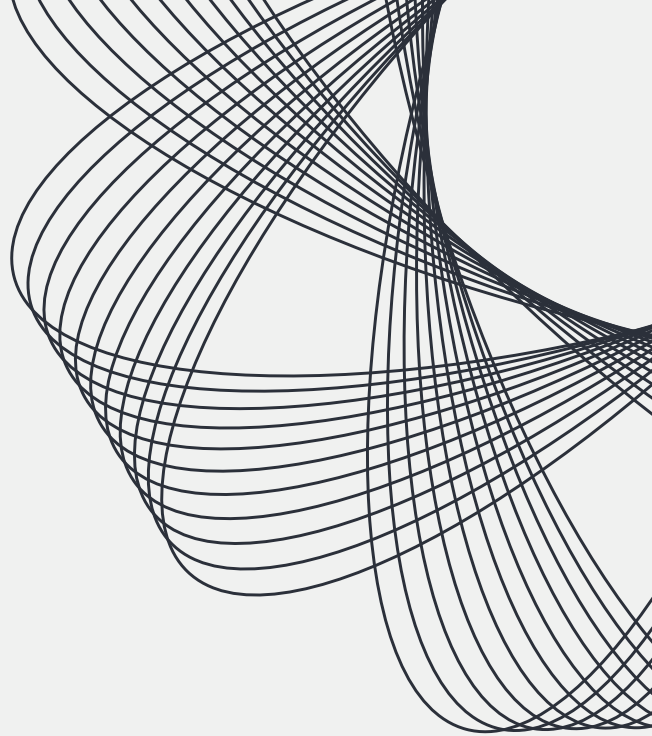
The Shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) and, accordingly, none of the Shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit, of any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, a “Japanese person” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

For EU Investors: As at the date of this document, the fund has not been approved, notified or registered in accordance with the Alternative Investment Fund Managers Directive (Directive (2011/61/EU) (the “AIFMD”) for marketing to professional investors in any member state of the EEA (each a “Relevant State”). However, such approval may be sought, or such notification or registration may be made in the future. Therefore, this document may only be transmitted to an investor in a relevant EU Member State at such Investor’s own initiative.

This material has been approved for issue in the United Kingdom solely for the purposes of Section 21 of the Financial Services and Markets Act 2000 by Fulcrum Asset Management (“Fulcrum”), Marble Arch House, 66 Seymour Street, London W1H 5BT.

Fulcrum Asset Management LLP is authorised and regulated by the Financial Conduct Authority (No: 230683).

© 2025 Fulcrum Asset Management LLP. All rights reserved.



Contact

London

Marble Arch House
66 Seymour Street
London W1H 5BT

+44 (0) 20 7016 6450

United States

405 Lexington Avenue
9th floor,
New York NY 10174

+1 (646) 837-6110

Australia

Collins Place, Level 30
35 Collins Street
Melbourne VIC 3000

+61 415 135 069