Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: Specialist Investment Funds (1) PLC - M&G Omega Loan Fund
Legal Entity Identifier: 254900Q7ID7H7H0XQN04

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**: ___%

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 69.09% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund does not invest in activities that are considered to be harmful to the society or the environment. The Fund screens out any issuers that are in breach of international standards and/or are operating in sectors deemed not complying with ESG principles. The Fund does not have sustainable investments as an objective, however it has committed to a minimum proportion of 70% of its NAV held in investments aligned with environmental or social characteristics.

During the reference period, the Fund met the environmental and social characteristics promoted by adhering to ESG-related investment restrictions and not investing in activities that are considered to be harmful to the society or the environment. No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics.

The Fund did not make an investment in any company or corporate which, at the time of purchasing an asset, was within scope of the following:
- Coal and Oil Sands: Any company or corporation which earned more than 5% of its revenues from coal-based activities, including, but not limited to, coal extraction in excess of 20 million tons and/or coal-based power generation capacity of more than 10000 MW, or any company or corporation which earned more than 5% of its revenues from oil sands activities, including, but not limited to, oil sands extraction, or a combination of oil sands and coal activity.
- Global Norms. Companies assessed to be in breach of the United Nations Global Compact principles on human rights, labour, environment protection and anti-corruption.
- Controversial Weapons. Companies assessed to be involved in anti-personnel mines, cluster munitions, chemical and biological weapons, nuclear weapons outside the non-proliferation treaty, depleted uranium and white phosphorous munitions, blinding laser, non-detectable fragment weapons. A 0% revenue threshold for such companies is applied.
- Defence and Other Weapons: The Fund excludes companies that are involved in the production or sale of weapons systems, components, and support systems and services. A 5% revenue threshold for such companies is applied.
- Tobacco: Companies involved in the production of tobacco, or companies with an ownership in these companies.

A 5% revenue threshold for tobacco producers is applied.
- Cannabis: Companies or corporations which earned any revenue from producing or selling cannabis for nonmedical or recreational purposes, which shall include production and sale of end products containing cannabis for the same purposes. A 5% revenue threshold for such companies is applied. Any revenue derived from medical cannabis must be explicitly permissible under applicable legislation.
- Alcohol: Any company or corporation which earned more than 5% of its revenues from production of alcohol.
- Gambling: Any company or corporation that earned more than 5% of its revenues from the provision of gambling services.
- Adult entertainment: Companies involved in the production of adult entertainment. A 5% revenue threshold for such companies is applied.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

Please see the tables below for an overview of the Fund's performance relative to its sustainability indicators, as well as historic data on the Fund's performance relative to its sustainability indicators. Investment selection follows a structured process that includes the systematic consideration of ESG factors and key ESG metrics relevant to the Fund's ESG strategy which are captured at the fund level via sustainability indicators. An overview of how the sustainability indicators performed during the reference period is provided below.

Weighted Average Carbon Intensity (WACI)
The Fund's exposure to carbon intensive businesses is measured using WACI, which totalled 42.52 tCO2e/€m sales for the reference period.

% NAV in ESG Laggards
The Fund uses an in-house ESG Scorecard to assess the ESG credentials of potential and existing investments and to report on ESG laggards, which are those with a score of less than 40/100. As at 31 December 2025, the Fund had 0.23% exposure to ESG laggards.

ESG Scores/Ratings
The Fund considers M&G's in-house analysis of the investment's governance, comprising analysis of eight main governance factors that is marked on a scale which results in a score between 1-100. As at 31 December 2025, the average governance score for investments in the Fund was 49.63. The Fund also uses an in-house ESG Scorecard to assess ESG credentials of potential and existing investments scored between 1-100. The average ESG score for investments held in the Fund as at 31 December 2025 was 56.23.

% with United Nations Global Compact (UNGC) Red Flag
The Fund assesses whether investments are in breach of UNGC principles, as these investments that are deemed to be potentially harmful and are not expected to be held by the Fund. As at 31 December 2025, the Fund did not hold any investments that have a red flag on UNGC assessment.

Exclusions
The Fund applies a number of exclusions in order to avoid issuers in sectors that engage in environmentally or socially harmful activities which are listed in the first question of this report. As at 31 December 2025, 0% of the Fund's NAV was held in excluded sectors.

Sustainability indicator name	Value	Eligibility	Coverage
As at - 31 December 2025			
Weighted average carbon intensity (WACI) for the fund	42.52 tCO2e / €m sales	94.11%	97.00%
Percentage (%) of NAV held in excluded investments	0.00 %	100.00%	0.00%
% NAV in ESG Laggards	0.23 %	100.00%	94.25%
Percentage (%) with UNGC Red Flag	0.00 %	94.11%	100.00%
ESG Scorecard - Governance	49.63	100.00%	94.25%
Average corporate ESG score (proprietary)	56.23	94.11%	100.00%

Sustainability indicator name	Value	Eligibility	Coverage
As at - 31 December 2024			

Weighted average carbon intensity (WACI) for the fund	46.04 tCO2e / €m sales	-	-
Weighted average carbon intensity (WACI) for the fund	0.00 %	-	-
Percentage (%) with UNGC Red Flag	0.00 %	-	-
ESG Scorecard – Governance	50.22	-	-
% NAV in ESG laggards	0.15 %	-	-
Portfolio ESG rating (M&G proprietary)	53.05	-	-

Sustainability indicator name	Value	Eligibility	Coverage
As at - 31 December 2023			
Weighted average carbon intensity (WACI) for the fund	49.60 tCO2e / €m sales	-	-
Percentage (%) of NAV held in excluded investments	0.00 %	-	-
Percentage (%) with UNGC Red Flag	0.00 %	-	-
ESG Scorecard – Governance	48.10	-	-
% NAV in ESG laggards	2.20 %	-	-
Portfolio ESG rating (M&G proprietary)	52.40	-	-

Sustainability indicator name	Value	Eligibility	Coverage
As at - 31 December 2022			
Weighted average carbon intensity (WACI) for the fund	98.30 tCO2e / €m sales	-	-
Percentage (%) of NAV held in excluded investments	0.00 %	-	-
Percentage (%) with UNGC Red Flag	0.00 %	-	-
ESG Scorecard – Governance	47.50	-	-
% NAV in ESG laggards	4.30 %	-	-
Portfolio ESG rating (M&G proprietary)	51.30	-	-

- **...and compared to previous periods?**
  Please see the tables above for the Fund's historic performance relative to its sustainability indicators.

  Weighted Average Carbon Intensity (WACI)
  The Fund's WACI decreased to 42.52 tCO2e/€m sales as at 31 December 2025 from 46.04 tCO2e/€m sales as at 31 December 2024.

  % NAV in ESG Laggards
  The percentage of NAV in ESG laggards increased to 0.23% as at 31 December 2025 compared to 0.15% as at 31 December 2024.

  ESG Scores/Ratings
  The average governance score for investments in the fund decreased to 49.63 as at 31 December 2025 from 50.22 as at 31 December 2024. Similarly, the average ESG score for investments held in the Fund increased to 56.23 from 53.05 for the same reference periods.

  % NAV with United Nations Global Compact (UNGC) Red Flag
  The percent NAV with a UNGC red flag remained 0% as at 31 December 2025.

  Exclusions
  0% of the Fund's NAV was held in excluded sectors equal to the previous reference period.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**
  The Fund does not have sustainable investments as its objective, however it has committed to allocating a percentage of NAV that promotes environmental and social characteristics. This has inadvertently resulted in the Fund holding a proportion of its NAV in sustainable investments despite this not being an objective. The Fund does not invest in issuers that do not pass good governance test performed as part of initial due diligence.

  As at 31 December 2025, 94.11% of the Fund's NAV aligned with environmental or social characteristics of which 69.09% is in sustainable investments, well above the minimum threshold and contributing to a range of positive outcomes in both categories. Other environmental and social investments accounted for 41.88% and 27.21% of sustainable investments respectively for the reference period.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as set out in the following section.

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Fund took the mandatory principal adverse impact (PAI) indicators, as set out in table 1 of Annex 1 of the SFDR Regulatory Technical Standards, and any relevant opt-in indicators from tables 2 and 3, into account to ensure that the Fund's sustainable investments do not do significant harm to any sustainability factor. PAIs 1-6 relating to carbon emissions were taken into account by way of applying the exclusions set out in the Manager's Thermal Coal Policy as well as the Manager's DNSH test which also includes a revenue-based exclusion relating to fossil fuel activities. PAI 14 on controversial weapons was taken into account by applying the Manager's Controversial Weapons Policy. PAI 7 on biodiversity was taken into account by applying a controversy-based exclusion which forms part of the Manager's DNSH test. The Fund also excluded any company which did not pass the Managers' Global Norms Process. The Fund may have applied additional exclusions, as outlined in the Fund's Prospectus, some of which may be relevant to addressing PAIs.

  PAIs that were not addressed by way of exclusions were assessed and taken into account as part of the Manager's investment research process.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All sustainable investments are subject to the manager's Global Norms Process which assesses adherence to the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?
The Investment Manager received principal adverse impact research data to identify the Fund's principal adverse impacts prior to investing. Consideration of certain principal adverse impacts was reinforced by applying the exclusions as set out in M&G house policies; fund specific exclusions as set out in the Fund Prospectus; or were

screened out as a result of the Fund Manager's Global Norms Process. Where no exclusions were applied, principal adverse impacts were assessed as part of the investment research process and monitored by the Fund Manager on an on-going basis.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/01/2025 to 31/12/2025

Largest investments	Sector	% Assets	Country
Investment 1	Technology & electronics	1.67%	NO
Investment 2	Telecommunications	1.58%	GB
Investment 3	Services	1.24%	SE
Investment 4	Healthcare	1.17%	FR
Investment 5	Technology & electronics	1.16%	GB
Investment 6	Consumer goods	1.04%	GB
Investment 7	Capital goods	1.01%	AT
Investment 8	Consumer goods	1.00%	LU
Investment 9	Telecommunications	0.99%	NL
Investment 10	Basic industry	0.98%	NL
Investment 11	Financial services	0.95%	HK
Investment 12	Consumer goods	0.94%	NL
Investment 13	Healthcare	0.94%	CZ
Investment 14	Telecommunications	0.91%	FR
Investment 15	Leisure	0.87%	GB

This table shows the Fund's top 15 investments as at 31 December 2025. Please note that the Investment Manager identifies separate company issues when compiling this table of Top Investments rather than grouping issuers at a company (issuer) level.



What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus), the Fund has committed to allocating 70% of NAV to investments that promote environmental and social characteristics. While it does not have sustainable investments as its objective, a proportion of the Fund's NAV was inadvertently held in sustainable investments.

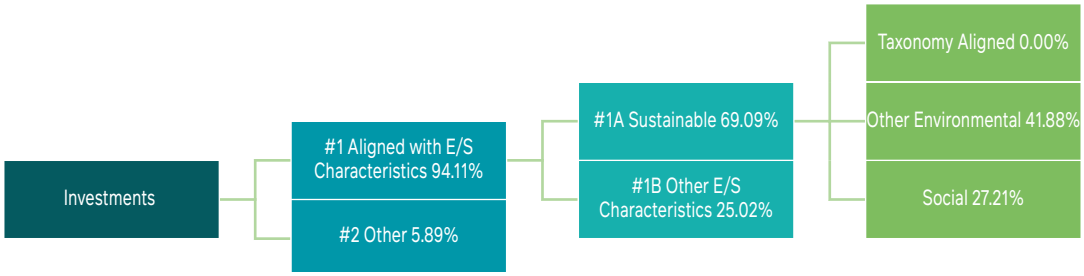
The percentage of investments that were aligned to the environmental or social characteristics that the Fund promotes totalled 94.11%. This comprised of 69.09% in sustainable investments and the remaining 25.02% in investments with other environmental or social characteristics. For the sustainable investments held by the Fund, 41.88% related to other environmental investments with 27.21% related to social investments. Please note that the allocation to sustainable investments may be lower or 0% in future periods.

A number of factors may contribute to the changes since the previous year and a comparison may not be like for like. The changes may be due to, amongst others, an increase or decrease in the Fund's size, a change in how we calculate the data, a change in data coverage or a change in the proportion of the Fund invested in a particular asset class.

Asset allocation describes the share of investments in specific assets.

- ## What was the asset allocation?

  The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown is grouped into sectors categorised by the Fund, and is expressed as a percentage of assets held in each sector. The table shows a breakdown of the sectors and sub-sectors to which the Fund is exposed.

The investment breakdown shown represents the portfolio as at 31 December 2025.

Economic sector	% Assets
Healthcare	**18.80%**
Pharmaceuticals	8.38%
Health services	4.94%
Health Facilities	2.82%
Medical Products	2.66%
Services	**15.71%**
Support-Services	13.54%
Environmental	2.17%
Technology & electronics	**12.32%**
Software/Services	11.16%
Electronics	0.80%
Tech Hardware & Equipment	0.36%
Basic industry	**10.84%**
Chemicals	5.34%
Building Materials	4.17%
Building & Construction	1.34%
Consumer goods	**9.24%**
Food - wholesale	6.59%
Personal & Household Products	2.05%
Beverage	0.61%
Retail	**6.84%**
Specialty Retail	2.50%
Food & Drug Retail	2.20%
Restaurants	1.78%
Discount Stores	0.35%
Telecommunications	**6.36%**
Telecom - Wireline Integrated & Services	5.11%
Telecom - Wireless	1.25%
Capital goods	**5.71%**
Diversified Capital Goods	3.21%

Packaging	1.35%
Machinery	1.16%
Leisure	**2.24%**
Recreation & Travel	1.37%
Theaters & Entertainment	0.87%
Automotive	**1.98%**
Auto Parts & Equipment	1.98%
Financial services	**1.73%**
Investments & Misc Financial Services	1.73%
Transportation	**1.66%**
Transport Infrastructure/Services	1.66%
Media	**1.02%**
Media Content	0.74%
Cable & Satellite TV	0.28%
Real Estate	**0.54%**
Real Estate Dev & Mgt	0.54%
Insurance	**0.52%**
Insurance Brokerage	0.52%
Other	**4.47%**

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund did not take into account the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy Regulation. The Fund did not target investment in taxonomy-aligned assets as part of its investment policy and therefore recorded that 0% of the Fund's investments were aligned with the environmental objectives under the Taxonomy Regulation during the reference period.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

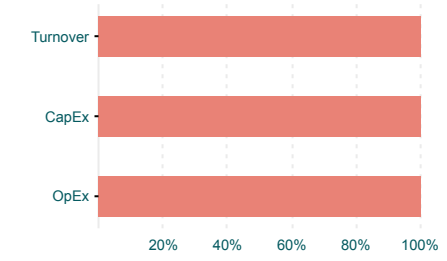
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

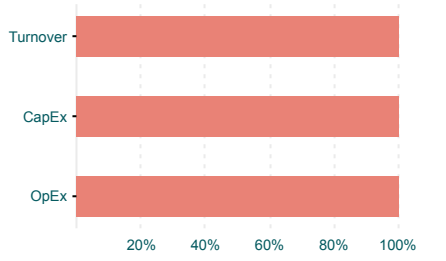
The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



Taxonomy-aligned: Fossil gas (Turnover: 0.00%, CapEx: 0.00%, OpEx: 0.00%)
Taxonomy-aligned: Nuclear energy (Turnover: 0.00%, CapEx: 0.00%, OpEx: 0.00%)
Taxonomy-aligned (No Fossil gas & Nuclear): (Turnover: 0.00%, CapEx: 0.00%, OpEx: 0.00%)
Non-Taxonomy aligned: (Turnover: 100.00%, CapEx: 100.00%, OpEx: 100.00%)

2. Taxonomy-alignment of investments **excluding sovereign bonds***



Taxonomy-aligned: Fossil gas (Turnover: 0.00%, CapEx: 0.00%, OpEx: 0.00%)
Taxonomy-aligned: Nuclear energy (Turnover: 0.00%, CapEx: 0.00%, OpEx: 0.00%)
Taxonomy-aligned (No Fossil gas & Nuclear): (Turnover: 0.00%, CapEx: 0.00%, OpEx: 0.00%)
Non-Taxonomy aligned: (Turnover: 100.00%, CapEx: 100.00%, OpEx: 100.00%)
This graph represents 100.00% of the total investments.

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

Taxonomy Environmental Objective	Percentage of Contribution
Use and Protection of Water and Marine Resources	0.00%
Protection and Restoration or Biodiversity and Ecosystems	0.00%
Pollution Prevention and Control	0.00%
Transition to a Circular Economy	0.00%
Climate Change Adaption	0.00%
Climate Change Mitigation	0.00%

- **What was the share of investments made in transitional and enabling activities?**
  The Fund did not set a minimum share of investments in transitional and enabling activities and has not recorded any such activities in the reference period. Therefore, 0% of the Fund's investments were in transitional and enabling activities.

Activity	Percentage Investments
Share of Enabling Activities	0.00%
Share of Transitional Activities	0.00%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  As above, a minimum share of investments aligned with the EU Taxonomy was not set and as such the percentage for the previous reference period was 0%.

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

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 41.88%.

Corporate disclosure of EU Taxonomy alignment is still in a nascent phase. Furthermore, not all economic activities are currently covered by EU Taxonomy as it not possible to develop criteria for all sectors where activities could conceivably make a substantial contribution to the environment. We keep our approach under review as corporates gain further experience with the reporting of EU Taxonomy alignment, and as more corporates align their economic activities to the criteria of the EU Taxonomy.

What was the share of socially sustainable investments?

The share of socially sustainable investments was 27.21%.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

"Other" investments include the remaining investments of the financial product which consist of cash and cash equivalents, investments held for hedging or liquidity purposes, investments for diversification purposes or investments for which there is insufficient data.

For investments for which there is insufficient data and investments for diversification purposes, minimum safeguards comprise of exclusion of the companies that are assessed to be in breach of the UN Guiding Principles on Business and Human Rights or OECD Guidelines for Multinational Enterprises. For other ancillary assets (i.e. cash, cash equivalents and hedging instruments) no minimum environmental or social safeguards have been put in place. This totalled 5.89% for the reference period.

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

During the reference period, the Fund met the environmental/social characteristics promoted by investing in companies that exhibit strong ESG characteristics. This was expressed through a broad range of ESG factors and/or their economic activities providing solutions in the areas of environment, circular economy, better health or social inclusion.

Additional actions taken to attain the environmental and social characteristics were through the effective stewardship of investee companies within the Fund. The leveraged finance team conducts an engagement programme with borrowers and sponsors to attest to their governance models, their environmental and social operating guidelines and where appropriate, to engage on key issues such as climate, diversity and inclusion and lobby for greater disclosure of ESG issues. To qualify as an ESG engagement, the interaction with a company must require an objective, an action and an outcome.

The Fund conducted engagements with the issuers during the reference period. Example engagement objectives for investee companies include (but were not limited to) the following:
- Encouraging increased climate disclosure, specifically to measure and disclose Scope 1, 2 and 3 carbon emissions and disclosure information around decarbonisation strategies
- Setting interim and long-term carbon reduction targets in line with net zero
- Improving board level diversity and disclosure
- Encouraging improved cybersecurity disclosure
- Encouraging improved disclosure around the management of modern slavery risk
- Requesting alignment with relevant requirements in relation to palm oil sourcing

How did this financial product perform compared to the reference benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's environmental and/or social characteristics.

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

- **How does the reference benchmark differ from a broad market index?**
  N/A.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A.

- **How did this financial product perform compared with the reference benchmark?**
  N/A.

- **How did this financial product perform compared with the broad market index?**
  N/A.