

SYNCHRONY (LU) FUNDS

Additional information (unaudited) (continued)
at 31 December 2024

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1 to 2 bis, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Synchrony (LU) Liquoptimum USD

Legal entity identifier: 549300AO80PMMTCCEL17

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 sustainable investment as its objective, it included a proportion of ___% 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**

Sustainable investment means 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.



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

This sub-fund's environmental and social characteristics included:

- Exclusions based on standards and values

The sub-fund excluded issuers that seriously infringe international standards or carry out activities that have a negative impact on society or the environment.

- Positive filtering / Positive tilt

The sub-fund has increased the weighting of stocks with a low level of risk in terms of sustainability and/or reduced the weighting of high sustainability risk stocks, whilst adhering to good governance practices. Therefore, the sub-fund's ESG profile was better than that of the reference index. The Bloomberg U.S. Aggregate 1-3 Year index was used to measure the positive tilt approach.

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No reference benchmark has been defined to achieve the environmental or social characteristics promoted by the sub-fund.

How did the sustainability indicators perform?

Sustainability indicators

measure how the environmental and/or social characteristics promoted by this financial product are attained.

The investment manager used a series of indicators to measure the achievement of the environmental and social characteristics promoted. Over the period, the indicators performed as follows:

- Company exclusion criteria

In accordance with the exclusion policy described in the BCGE Group's sustainable investing policy (see table below), the sub-fund has not been exposed to companies which derive a significant portion of their revenue from activities that are harmful to society, or to the environment. Additionally, the sub-fund excluded issuers involved in significant violations of the principles of the UN Global Compact. For sovereign issuers, exclusions are based on the likelihood of a country being affected by violent conflict or the perceived level of corruption.

Exclusion of companies on the basis of controversial activities and turnover thresholds	
Activities	Turnover thresholds
Fuels and greenhouse gases	
Thermal and metallurgical coal mining	25%
Exploitation of oil sands	25%
Production of oil and shale gas	25%
Oil and gas prospecting in the Arctic	25%
Armaments	
Manufacture of controversial weapons ¹	Excluded
Company exclusions based on violations of international standards	
Significant breaches of the UN Global Compact principles on human rights, labour standards, environmental protection and anti-corruption	Excluded
Country exclusions	
Political stability and absence of violence/terrorism	Excluded
Excluding countries whose CPI < 30	Excluded

¹ Controversial weapons notably include antipersonnel mines, munitions dispersing submunitions, biological and chemical weapons, and nuclear weapons from countries that are not signatories to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). Companies on the exclusion list of the SVVK-ASIR (Swiss Association for Responsible Investment) are also taken into account by this indicator.

Please refer to the BCGE Group Responsible Investment Policy for further details.

- General ESG rating

The sub-fund's weighted average ESG rating was better than the reference benchmark. The sub-fund's weighted ESG rating was 7.5, while the reference benchmark's was 6.6. A higher rating indicates a lower risk. ESG ratings range from 0 to 10, with 10 being the highest rating.

Source: BCGE Asset Management, MSCI ESG Research.

The data have not been checked by an external auditor or reviewed by an independent third-party.

...and compared to previous periods?

Not applicable. This is the first periodic report issued for this sub-fund.

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● ***What were the objectives of the sustainable investments that the financial product intended to pursue and how did the sustainable investments actually made contribute to these objectives?***

Not applicable. This sub-fund promotes environmental and social characteristics, but does not make sustainable investments.

● ***How was it ensured that the sustainable investments that the financial product pursued did not cause significant harm to an environmentally or socially sustainable investment objective?***

Not applicable. This sub-fund promotes environmental and social characteristics, but does not make sustainable investments.

— ***How were the indicators for adverse impacts on sustainability factors taken into account?***

Not applicable. This sub-fund promotes environmental and social characteristics, but does not make sustainable investments.

— ***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Detailed description:***

Not applicable. This sub-fund promotes environmental and social characteristics, but does not make sustainable investments.

The EU Taxonomy sets out a "do no significant harm" principle whereby Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives, and it is accompanied by specific EU criteria. The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take account of the EU criteria for environmentally sustainable economic activities. Also, it is crucial that any other sustainable investment do no significant harm to environmental or social objectives.



How did this financial product consider the principal adverse impacts on sustainability factors?

The sub-fund took account of, and as far as possible, mitigated the principal adverse impacts of its investments on the environment and society through its exclusion policy and management decisions (positive tilt):

- Exclusion of issuers associated with controversial conduct or activities

The sub-fund was not exposed to companies which derive a significant portion of their revenue from activities that are detrimental to society, or to the environment, as defined in the BCGE Group's sustainable investing policy. It also had no exposure to companies which seriously breach the UN Global Compact principles on human rights, labour standards, environmental protection and anti-corruption, and controversial weapons (PAI 14). For sovereign issuers, the sub-fund was not exposed to countries with a high likelihood of being affected by violent conflict, or with a high corruption perceptions index.

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- Management decision (positive tilt)

The investment manager assigned an ESG rating to participations, reflecting their exposure to issuers affected by environmental, social and governance risk factors, and the way in which they handled those factors. In addition, the sub-fund had no exposure to issuers with lowest rating (MSCI ESG Rating < BB). ESG ratings, awarded by the firm MSCI ESG Research, were key to the process of the sub-fund's portfolio construction, determining the target portfolio weights.



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:
02.04.2024 –
31.12.2024

Largest investments	Sectoral level 1	% of assets	Country
Bank of England Euro Note	States and governments	6.11	GB
United States Treasury Note/Bond	States and governments	5.20	US
United States Treasury Note/Bond	States and governments	4.99	US
International Bank for Reconstruction & Development	States and governments	4.98	SNAT
Asian Development Bank	States and governments	4.98	SNAT
Kuntarahoitus Oyj	States and governments	4.97	FI
Oesterreichische Kontrollbank AG	States and governments	4.93	AT
Kommuninvest I Sverige AB	States and governments	4.93	SE
BNG Bank NV	States and governments	4.90	NL
Caisse d'Amortissement de la Dette Sociale	States and governments	4.88	FR
Landwirtschaftliche Rentenbank	States and governments	4.71	DE
United States Treasury Note/Bond	States and governments	4.44	US
United States Treasury Note/Bond	States and governments	4.42	US
Canada Government International Bond	States and governments	3.60	CA
Denmark Government International Bond	States and governments	3.54	DK



What was the proportion of sustainability-related investments?

Not applicable. This sub-fund promotes environmental and social characteristics, but does not make sustainable investments.

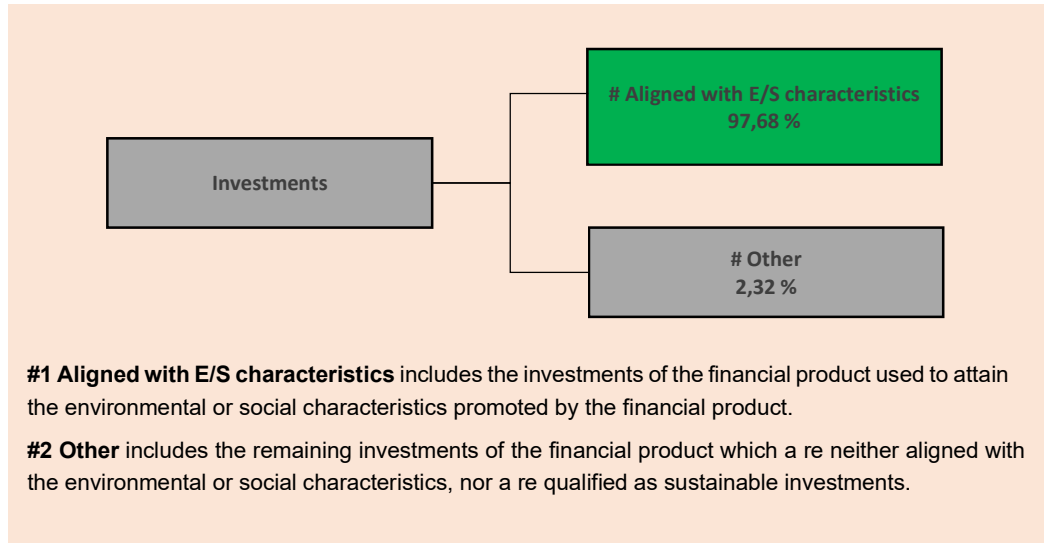
Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

97.68% of the sub-fund was aligned with E/S characteristics (#1 Aligned with E/S characteristics) and 2.32% was invested in Other (#2 Other).

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In which economic sectors were the investments made?

Sectoral level 1	Sectoral level 2	% of assets
Treasury bond	Treasury bond	27.94
State-guaranteed bonds	State-guaranteed bonds	18.00
State bonds, without guarantee	State bonds, without guarantee	4.90
Local authority bonds	Local authority bonds	9.90
Sovereign bonds	Sovereign bonds	13.25
Supranational bonds	Supranational bonds	21.57
Finance	Bank	1.37
Root industry	Chemical products	0.55
Consumer cyclicals	Retail	0.55
Technology	Technology	1.39



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

Not applicable. This sub-fund promotes environmental and social characteristics, but does not make sustainable investments.

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- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹⁰?**

Yes:

 In fossil gas

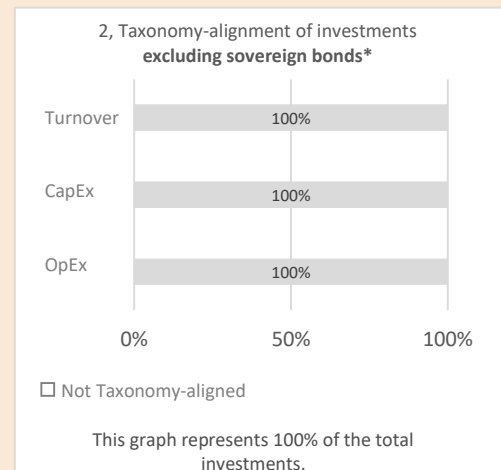
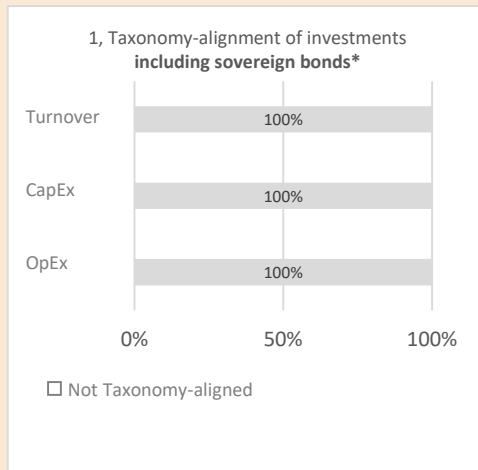
 In nuclear energy

 No

Taxonomy-aligned activities are expressed as a percentage of:

- **sales** to reflect the proportion of revenue from the green activities of the companies in which the financial product invested;
- **capital expenditure (CapEx)** to show the green investments made by the investee companies – for example, for a transition to a green economy;
- **operational expenditure (OpEx)** to reflect the green operational activities of investee companies.

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



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

- **What was the share of investments made in transitional and enabling activities?**
Not applicable.
- **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**
Not applicable.

¹⁰ Fossil gas and/or nuclear-related activities will only comply with the EU Taxonomy where they contribute to "climate change mitigation" and do no significant harm to 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.

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



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

Not applicable.



What was the share of socially sustainable investments?

Not applicable.



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

The sub-fund's "Other" investments included derivatives used for the purpose of hedging and/or sound portfolio management, as well as cash used for cash management purposes, as provided for by the sub-fund's investment policy.

None of the investments in category "Other" offer minimum environmental or social safeguards.



What actions were taken to attain the environmental and/or social aims during the reference period?

During the reference period, the environmental and/or social aims were achieved by following the investment strategy and abiding by the following constraints:

- The exclusion of issuers, in accordance with the above exclusion criteria applicable to companies and countries, including those who:
 - Are involved in nuclear weapons from countries that are not signatories to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and other controversial weapons.
 - Derive a significant proportion of their revenues from activities that are detrimental to society or the environment, such as thermal and metallurgical coal mining and the exploration and production of unconventional oil and gas. Please refer to the BCGE Group Responsible Investment Policy for more details on the exclusion thresholds applicable to the above activities.
 - Seriously breach the UN Global Compact principles on human rights, labour standards, environmental protection and anti-corruption.
 - For sovereign issuers, have a high likelihood of being affected by violent conflict, or have a high corruption perceptions index.
- Elimination of issuers classified as laggards (MSCI ESG Rating < BB).
- A better ESG profile than the market index used for comparison purposes by the investment manager, i.e. the Bloomberg U.S. Aggregate 1-3 Year.
- A rate of analysis of ESG criteria for eligible securities covering:
 - At least 90% of the net assets or number of issuers in the portfolio for debt securities and money market instruments with an investment grade credit rating and sovereign debt issued by developed countries;
 - At least 75% of the net assets or number of issuers in the portfolio for debt securities and money market instruments with a high yield credit rating and sovereign debt issued by "emerging" countries.

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How did this financial product perform compared with the reference index?

No specific reference benchmark has been chosen to measure the attainment of the environmental or social characteristics promoted by the sub-fund.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social aims that it promotes.

- ***How did the reference index differ from a broad market index?***
Not applicable.
- ***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?***
Not applicable.
- ***How did this financial product perform compared with the reference index?***
Not applicable.
- ***How did this financial product perform compared with the broad market index?***
Not applicable.