

Citi Global Transformation Portfolio

Summary of website disclosure

The Sustainable Finance Disclosure Regulation requires that we summarise information provided in our pre-contractual disclosure in respect of a financial product which promotes environmental and/or social characteristics and certain other information published on a website. This disclosure is made for these purposes by Citibank Europe plc, in relation to clients of its Luxembourg branch in relation to the Citi Global Transformation Portfolio

No sustainable investment objective

These financial products promote environmental or social characteristics, but do not have as their investment objective sustainable investment.

Environmental or social characteristics of the financial product

The financial products promote a positive contribution to the advancement of the United Nations' Sustainable Development Goals (UN SDGs) by investing in companies that have meaningful exposure to one or more sustainability themes selected by us (Citi GTP Themes) that are aligned to one or more UN SDGs. The financial products also seek to support the UN Global Compact (UNGC) Principles and avoid investments in certain activities with the potential to cause harm to human health and wellbeing, by applying binding exclusions.

Investment Strategy

The following binding ESG elements are applied in the investment selection process:

(i) We use positive screening to only invest in global publicly traded companies with a minimum of 30% revenue for their last completed fiscal year attributed to one or more of the Citi GTP themes. Any companies that do not meet this threshold, but where we have sufficient conviction that they may meet the threshold within three years, can be considered for inclusion; companies included based on this criterion can comprise up to 20% of the financial products' value; and

(ii) We use negative screening based on third-party data to exclude: (a) companies that derive any revenue from the production, sale and/or transfer of antipersonnel landmines or cluster bombs or from the production and/or manufacturing of tobacco, (b) companies that are regarded as UNGC violators.

The good governance practices of investee companies are also considered in the investment due diligence process based upon a third-party ESG data rating. Please see the full website disclosure for further details.

Proportion of investments

The financial products commit to a minimum proportion of 80% of investments to attain the characteristics promoted by the financial products. The remaining portion of the investment of the financial products may include cash and cash equivalents, including securities issued by money market mutual funds, held for the purposes of efficient portfolio management. The financial products do not intend to make any sustainable investments and do not take into account the EU Taxonomy, and, as such, 0% of the financial products are Taxonomy aligned. All exposure to investee companies is expected to be direct.

Monitoring of environmental or social characteristics

Potential investments will only be included in the financial products if they comply with the binding ESG elements summarised above. The data used for the purposes of measuring revenue exposures is updated annually, and that for the exclusions is updated quarterly.

Methodologies for environmental or social characteristics

The financial products' investment universe is initially narrowed using positive screens, to include global publicly traded companies with a minimum of 30% revenue for their last completed fiscal year attributed to one or more Citi GTP themes. Any companies that do not meet this threshold, but where we have sufficient conviction that they may meet the threshold within three years, can be considered for inclusion; companies included based on this criterion can comprise up to 20% of the financial products.

Third party data is used to apply negative screening to further define the investment universe. We apply a revenue-based exclusion, consistent with the UNGC, to exclude companies that derive any revenue from the production, sale and/or transfer of antipersonnel landmines or cluster bombs or from the production and/or manufacturing of tobacco.

We also apply negative screens to exclude companies that are regarded as UNGC violators. The third party data provider methodology is subjective, and may be viewed by us as incomplete. We will also discuss and review specific companies that have been flagged by us as compliant with the UN Global Compact despite the third-party data provider subjective opinion resulting in a non-compliant rating, and may consider them for investments. Exceptions based on this criterion can comprise up to 20% of the portfolio. Please see the full website disclosure for further details.

Data sources and processing

Revenue attribution to Citi GTP themes is assessed using direct public company disclosures. This data is sourced directly from the companies, or through Bloomberg and/or Factset. As this information will be based on publicly disclosed company data, we do not expect it to be estimated. The exclusions are applied using data provided by Sustainalytics. The relevant data is accessed through the provider's platform or a data feed we receive from the provider monthly, and used in the initial steps of the investment process, where the investment universe is defined and for periodic monitoring (see above). We understand that Sustainalytics estimates some of the ESG data we receive because of the lack of available data.

Limitations to methodologies and data

There are general challenges associated with ESG data, that we expect also apply to the data we leverage from our data providers and from the market – these include (among others) data gaps, data lags in terms of reporting timelines, divergent methodologies between data providers and data sources for the calculation or estimation of the data and discrepancies between estimated and reported data. As these are general limitations in the market that are not specific to the financial products or our selected data providers, we consider that we are still able to appropriately meet the characteristics promoted by the financial products. We also maintain an internal vendor review and approval process which involves reviewing the data provider's approach to data management, data coverage and methodologies.

Due diligence

Potential investments will only be included in the financial products if they comply with the binding ESG elements summarised above, that are implemented in the investment process as binding screens. Additionally, our ESG-dedicated investment team engages in ongoing internal discussions related to the investments in the financial products.

Engagement policies

Engagement is not directly part of the environmental or social investment strategy promoted by the financial products. We do not have any procedures applicable to sustainability-related controversies in investee companies. However, we engage with investee companies through our proxy voting preferences, which may direct votes to issues aligned to some sustainability matters.

Designated reference benchmark

The financial products have not designated a reference benchmark for the purpose of attaining its environmental or social characteristics.

Important information

At Citi Private Bank we take your data privacy seriously. To learn more please visit our website:

<https://www.privatebank.citibank.com/privacy>

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Citibank Europe plc is regulated by the Central Bank of Ireland. It appears on the Central Bank register with reference number C26553 and supervised by the European Central Bank. Its registered office is at 1 North Wall Quay, Dublin 1, Ireland. Citibank Europe plc is registered in Ireland with company registration number 132781. It is regulated by the Central Bank of Ireland under reference number C26553.

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