

Sustainability related disclosures

This sustainability-related disclosure ("**SRD**") is accurate as at: 17 July 2023

This SRD is issued by MetLife Investment Management Europe Limited (the "**Manager**") and contains information relating specifically to MetLife Emerging Markets Hard Currency Debt Fund (the "**Fund**"), a sub-fund of MetLife Investment Management UCITS ICAV (the "**ICAV**") an open-ended umbrella Irish collective asset-management vehicle with segregated liability between sub-funds governed by the laws of Ireland and authorised as a UCITS under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (the "**UCITS Regulations**") by the Central Bank of Ireland (the "**Central Bank**").

Pursuant to the Sustainable Finance Disclosure Regulation (Regulation EU/2019/2088) as amended ("**SFDR**"), the Fund meets the criteria to qualify as an "**Article 8 Financial Product**", that is a financial product which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics and provided that the companies that the financial product invests in follow good governance practices.

This SRD has been prepared for the purpose of meeting the financial product level website disclosure requirements contained in SFDR applicable to an Article 8 Financial Product.

For further details on the Fund and the ICAV, please refer to currently issued version of the ICAV's prospectus and the latest annual report which may be obtained free of charge on request.

Summary

The Fund promotes environmental and social characteristics but does not have as its objective a sustainable investment.

MetLife Investment Management, LLC (the "**Investment Manager**"), on behalf of the Fund, takes a holistic view to the integration of environmental, social and governance ("**ESG**") matters and believes sustainability risk factors should be evaluated alongside other risks to determine fair value at the issuer and issue level.

The Fund is actively managed and the Investment Manager will identify securities from issuers generally located in emerging markets that have attractive relative value in relation to other similar securities within respective sectors and/or countries or that have improving fundamentals which are not reflected in current spreads and ratings.

The Fund aims to hold a minimum of 60% of Net Asset Value in investments that are aligned with the environmental or social characteristics promoted.

The following evaluations are embedded into the Investment Manager's investment selection and on-going monitoring process pertaining to the Fund and are therefore binding elements:

1. MSCI¹ scores and ratings will be applied at the security level, where such information is available.
2. The Investment Manager will use data obtained from Clarity AI's² sustainability technology platform to evaluate mandatory and optional principal adverse impact indicators ("**Clarity AI Indicators**") to ensure it meets the binding environmental or social characteristics promoted by the Fund.
3. MSCI exclusionary screens will be applied to negatively screen certain sectors to minimize exposure to those issuers that may significantly induce harm to the Fund.
4. Where possible and deemed necessary, analysts engage in ongoing dialogue with senior leadership of issuers to assess their business model resilience and responsiveness to the environmental, social, and governance factors impacting their business.

ESG data is obtained from external vendors, MSCI and Clarity AI.

There are limitations regarding both methodologies and data. For some exposures, ESG data is unavailable due to the lack of publicly disclosed information. Disclosure of ESG data is improving year-on-year with more companies publicly disclosing data to support the assessment of the environmental or social characteristics promoted by financial products.

Due diligence on underlying assets is carried out by reference to ESG ratings and engagement.

A reference benchmark has not been designated for the purposes of assessing the environmental or social characteristics promoted by the Fund.

¹ <https://www.msci.com/our-solutions/esg-investing>

² <https://clarity.ai/>

No sustainable investment objective

The Fund promotes environmental and social characteristics but does not have as its objective a sustainable investment.

Environmental or social characteristics of the financial product

The Investment Manager, on behalf of the Fund, takes a holistic view to ESG integration and believes sustainability risk factors should be evaluated alongside other risks to determine fair value at the issuer and issue level. The cornerstone to the Investment Manager's process is understanding the relevant risks associated with each security and industry. As such, ESG factors are incorporated into the Investment Manager's credit research framework.

The environmental and social characteristics promoted by the Fund are as follows:

- Environmental – The Investment Manager identifies and evaluates environmental matters to determine each issuer's impact on the environment, climate change mitigation, climate change adaptation, and the risk that such matters present to the credit profile or business operations. The Investment Manager also assesses potential liabilities of an issuer resulting from its environmental impacts, including payments relating to penalties imposed by government agencies, litigation risk or future remediation spending requirements.
- Social – The Investment Manager considers how an issuer manages relationships with its employees, suppliers, customers, and the communities in which it operates. The Investment Manager analyses matters related to labour unrest, health and safety, compliance with labour regulations, and general labour relations and conditions. The Investment Manager also reviews risks associated with product safety and suitability to ensure investee companies have sustainable business operations.

Investment strategy

The Investment Manager employs a bottom-up, security selection focused research driven process, with a top-down macro and sovereign research overlay.

As part of this research driven process, the Investment Manager will use qualitative and quantitative analysis to determine which debt securities are chosen for inclusion in the Fund's portfolio. The Investment Manager employs a research process that is focused on identifying investment opportunities which demonstrate both the quality and value characteristics it believes can deliver investment returns in line with the investment objective. The Investment Manager bases its investment decisions on proprietary bottom-up research by seeking to identify securities from issuers generally located in emerging markets that have attractive relative value in relation to other similar securities within respective sectors and/or countries or that have improving fundamentals which are not reflected in current spreads and ratings. As part of the Investment Manager's top-down process, the Investment Manager seeks to exploit mispriced credit risk in the fixed income market driven by market technicals and misunderstood opportunities, by considering the global economic environment and how these impact on emerging markets, by country, currency, and credit risk.

The Investment Manager focuses on the potential value of a security across the credit spectrum by considering the value of debt securities on a global basis and then seeks to construct a diversified investment portfolio. The Investment Manager compares similarly rated credits across regions and countries, as well as versus Developed Market issuers. The Investment Manager will select securities based on its analysis of relevant factors including the global market environment, the economic environment of the relevant countries and the valuations within the relevant asset class.

The Fund is actively-managed and the Investment Manager will purchase and sell securities without regard to the length of time held as the Investment Manager seeks to make investment decisions based on anticipated yield, spread and currency movements in response to changes in economic conditions, sector fundamentals and issuer specific factors such as cash flow and management.

The Fund is actively managed by reference to the Reference Index. The Reference Index is a U.S. Dollar-denominated emerging markets sovereign index which employs a distinct diversification scheme, allowing an even weight distribution among the countries in the Reference Index. The Reference Index has been selected on the basis that it is expected to largely reflect the investment universe and risk characteristics that are relevant to the Fund's investment policies (for example, expected return, liquidity characteristics and volatility profile of returns).

Proportion of investments

The Fund aims to directly hold a minimum of 60% of Net Asset Value in investments that are aligned with the environmental or social characteristics promoted. The Fund does not commit to holding sustainable investments and aims to hold a maximum of 40% of Net Asset Value in investments that are not aligned with the environmental or social characteristics. Please note that while the Investment Manager aims to achieve the asset allocation targets outlined, these figures are dependent on coverage and ratings provided by MSCI, may fluctuate, and as with any investment target, may not be attained.

Monitoring of environmental or social characteristics

In monitoring the environmental and social characteristics promoted by the Fund, the Investment Manager considers a number of sustainability indicators to measure the attainment of each of those characteristics. Details of the methodologies used to measure how the environmental and social characteristics promoted by the Fund are met are set out below under "Methodologies".

Day-to-day monitoring of the Fund's sustainability indicators is achieved via pre-trade compliance controls embedded in the trading systems used by the Investment Manager in managing the Fund's portfolio, as well as by the compliance and risk management checks conducted by the Investment Manager using internal and external software.

Methodologies

The Investment Manager uses the following methodologies to measure how the social and environmental characteristics promoted by the Fund are met:

Score and Ratings

MSCI scores and ratings will be applied at the security level, where such information is available. All scores and ratings are dependent on MSCI coverage of the assets of the Fund.

By using the Clarity AI Indicators, the Investment Manager seeks to ensure that the weighted average greenhouse gas intensity of the sovereign issuers within the Fund (weighted by invested amount) will be lower than the sovereign greenhouse gas intensity of the Reference Index. However, as such Clarity AI Indicators may not be available in respect of all securities held by the Fund, there is no assurance that the Investment Manager will achieve this objective. The Investment Manager's ability to achieve this objective is subject to the availability of data in respect of the relevant securities and such data may not always be available due to, for example, the Fund's emerging markets focus.

Exclusionary Screens

MSCI exclusionary screens will be applied to negatively screen certain sectors to minimize exposure to those issuers that may significantly induce harm to the Fund. The integration of screens is intended to evaluate issuers based on their potential positive or negative contribution to the Fund.

The Fund will not invest in corporate issuers with ties to controversial weapons, including cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments or incendiary weapons.

The Investment Manager will not invest in sovereign issuers that are subject to social violations as referred to in international treaties and conventions, United Nations principles, and, where applicable, national law (as determined in accordance with data provided by Clarity AI).

Any decision to exclude an issuer under the above restrictions and exclusions is dependent on data available for each issuer and remains entirely at the discretion of the Investment Manager.

Engagement

The Investment Manager's approach to engagement is detailed in the MetLife Investment Management Engagement Policy (which is available on request). Where possible and deemed necessary, analysts engage in ongoing dialogue with senior leadership of issuers to assess their business model resilience and responsiveness to the environmental, social, and governance factors impacting their business. As engagement is a dynamic process, the Investment Manager reserves the right to adapt its engagement strategy at any time.

Data sources and processing

Data sources used

ESG data is obtained from external data providers, MSCI and Clarity AI. MSCI provide ESG research data, by way of ESG scores, ratings and exclusionary screens.

Clarity AI is the data provider for the purposes of meeting the reporting requirements under SFDR.

This is in addition to data sourced from direct engagement with issuers.

Measures taken to ensure data quality

The Investment Manager takes due care in selecting ESG data providers as well as underlying ESG research models and ESG datapoints to anticipate and, where possible, mitigate limitations in the ESG data quality and availability.

How data is processed

The data referred to above is fed into Investment Manager's trading system. Exclusionary rules are also fed into the Investment Manager's trading system as pre-trade compliance rules to prevent the Fund from trading in the securities of excluded issuers.

Data is processed in accordance with applicable local laws on processing of data and in accordance with the Investment Manager's policies on data processing.

Proportion of data that is estimated

The Investment Manager only uses data as provided from the relevant sources in selecting relevant investments and in applying exclusion criteria. In some cases, the data provided by relevant sources may be estimated.

Limitations to methodologies and data

There are limitations regarding both methodologies and data. For some exposures ESG data is unavailable due to the lack of publicly disclosed information. Disclosure of ESG data is improving year-on-year with more companies publicly disclosing data to support the assessment of the environmental or social characteristics promoted by financial products.

The data used is provided by external data providers, which may contain inaccurate or incomplete data. In case of insufficient data, these data providers may rely on estimates and approximations using internal methodologies that may be subjective. These methodologies may also vary for each data provider. As the Investment Manager relies in part on this data when making investment decisions, this might have a negative impact on the performance of the Fund.

However, these challenges may be mitigated by issuer engagement and the Investment Manager does not expect these constraints to have a material impact on its ability to achieve the environmental or social characteristics promoted by the Fund.

SFDR seeks to achieve more transparency on how financial market participants integrate sustainability risks into their investment decisions and consideration of adverse sustainability impacts in the investment process. Data constraint is one of the biggest challenges when it comes to providing sustainability related information to end-investors, especially in the case of principal adverse impacts of investment decisions. There are also limitations on sustainability and ESG-related data provided by market participants on comparability. This SRD may develop and be subject to change due to ongoing improvements in the data provided to, and obtained from, financial market participants and financial advisers to achieve the objectives of SFDR in order to make sustainability-related information available.

Due diligence

Due diligence on underlying assets is carried out by reference to:

Score and Ratings

The Investment Manager will use the MSCI scores and ratings at the security level, where such information is available. All scores and ratings are dependent on MSCI coverage of the assets of the Fund.

The Investment Manager will use the Clarity AI Indicators to ensure it meets the binding environmental or social characteristics promoted by the Fund.

Exclusionary Screens

MSCI exclusionary screens will be applied to negatively screen certain sectors to minimize exposure to those issuers that may significantly induce harm to the Fund. The integration of screens is intended to evaluate issuers based their potential positive or negative contribution to the Fund.

Any decision to exclude an issuer under the above restrictions and exclusions is dependent on data available for each issuer and remains entirely at the discretion of the Investment Manager.

Engagement

Where possible and deemed necessary, analysts engage in ongoing dialogue with senior leadership of issuers to assess their business model resilience and responsiveness to the environmental, social, and governance factors impacting their business.

Engagement policies

The Investment Manager's approach to engagement is detailed in the MetLife Investment Management Engagement Policy (which is available on request). Where possible and deemed necessary, analysts engage in ongoing dialogue with senior leadership of issuers to assess their business model resilience and responsiveness to the environmental, social, and governance factors impacting their business. As engagement is a dynamic process, the Investment Manager reserves the right to adapt its engagement strategy at any time.

Designated reference benchmark

A reference benchmark has not been designated for the purposes of assessing the environmental or social characteristics promoted by the Fund.

FURTHER INFORMATION

This SRD is issued for information purposes only in accordance with the requirements of SFDR. It is not intended as investment advice and is not an offer or a recommendation about managing or investing assets.

The information contained herein is current as of the date of issuance and is subject to change without notice.

Past performance is not a guarantee or a reliable indicator of future results and an investment could lose value. All investments involve risk, including the possible loss of capital.

The Manager's registered office at 20-on-Hatch, Hatch Street Lower, Dublin 2, Ireland.

The Manager is authorised in Ireland and regulated by the Central Bank.