EALL LLP

Climate-Related Financial Disclosure in line with TCFD Recommendations

Report 2024

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Introduction

This report is made available in compliance with the requirements set out in section 2 of the FCA's Environmental, Social and Governance ("ESG") Sourcebook requiring certain FCA authorised asset managers to publish disclosures based on the Recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

The rules set out in ESG 2 (the "Rules") require UK asset managers that exceed certain assets under management (AUM) thresholds to make mandatory entity-level annual disclosures. EALL LLP (the "Firm") is in scope of these requirements and is subject to a publication requirement by 30 June 2025, relating to a 12 month reporting period for the calendar year 2024. This entity-level report will set out how the Firm takes climate-related matters into account in managing investments on behalf of its client, Elliott Investment Management L.P. ("EIM").

Separately, and only if requested by EIM, the Rules require the Firm to make additional disclosures (such as providing climate-related metrics) to EIM on the Firm's sub-investment management services and resultant investments.

Compliance statement

The managers of the Firm (the "Managers") share collective responsibility for the Firm's compliance with the requirements of the Rules. In the reasonable view of the Managers, the disclosures in this report comply with the requirements set out in section ESG 2 of the FCA's ESG sourcebook.

Christopher Leonard.

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SMF16 Compliance Oversight, Associate General Counsel, Head of European Legal and Compliance

Governance

The Managers have ultimate responsibility for the overall management of the Firm. The Firm's governance arrangements enable the Managers to deliver effective and prudent management to ensure the Firm operates in a manner that promotes the integrity of the market as a whole and the interests of the Firm's client, EIM. Investment strategies, opportunities and risk appetite are set at the Elliott group level and the Managers will have regard to the approach taken at group level in its management of investment strategies for EIM-managed funds (the "Elliott funds").

As part of its approach to identifying and managing climate-related risks and opportunities, the Firm applies its standard approaches to governance, strategy and risk management as relevant for each of the Firm's investment strategies (as described below). Accordingly, responsibility for climate-related risks and opportunities is exercised collectively by the Managers as part of their overarching responsibility for the overall management of the Firm with regard to the interests of the Elliott funds in accordance with the Firm's mandate from its client, EIM.

The Managers' responsibility includes approval and oversight of the Firm's strategic objectives and risk strategy, defining and implementing the governance framework, oversight of financial and operational controls, and compliance with applicable legal and regulatory requirements. The Managers also provide oversight over the Firm's senior management.

The Managers hold ad hoc meetings as needed to address other important topics, which could include climate-related matters if these were determined to be sufficiently material. The Firm will engage with its client, EIM, on such matters as appropriate.

The Managers are responsible for reviewing the content of this report and will keep under review on an annual basis (or more often as required in response to event-driven conditions) the matters set out herein.

The Managers are supported by the relevant investment teams in the identification, assessment and management of climate-related risks and opportunities for each of the Firm's investment strategies. The Firm's investment teams are accountable to the Managers with respect to the management of risk within the Firm's investment strategies, consistent with the investment strategy and risk appetite of the Elliott funds for which portfolio management services are provided to EIM. The Firm's investment teams make the initial determination as to the relevancy and materiality of climate-related risks and opportunities within their investment strategies, subject to higher level review.

The Elliott group's ESG policy sets out the Firm's approach to the integration of ESG matters, including as they relate to climate change, within its investment and risk management processes. The Firm approaches ESG matters with an awareness of the limits of and the opportunities afforded by its role as an investor. The Firm therefore believes it is appropriate that the Firm focuses on what it knows best, which is the relationship between these important matters and the quality and potential of a business. The Firm views these issues as part of the fundamental analysis that needs to be done before making an investment and throughout the lifecycle of its investments. The Firm views ESG issues as presenting both risks which need to be continuously monitored and addressed, as well as opportunities to add value to the enterprises in which the Firm invests.

As at the date of this report, the Firm does not manage any investment strategies that are designed to promote environmental and/or social characteristics beyond integrating climate and/or other ESG risk considerations within the Firm's broader financial risk assessment of prospective and existing investments. The Firm does not currently manage any ESG strategies. Accordingly, as at the date of this report, beyond the responsibilities of the Managers, investment teams and analysts described herein, the Firm does not employ individuals with a specific climate or ESG-related mandate.

Strategy & Risk Management

The Firm acts as sub-investment manager to EIM, which directly manages the Elliott funds, with respect to a multi-strategy investment programme.

While the Firm recognises that the Elliott funds may be impacted by climate-related risks (including physical and transition risks, as well as climate-related opportunities including resource efficiency, energy sources, products and services, markets, climate resilience), the existence or the extent of such risks and opportunities will necessarily differ based on the particular investment strategy. The Firms investment strategies are as follows:

1. *Private Equity and Private Credit*

   The Firm may seek to take equity positions that result in gaining control of, or a substantial minority stake in, private companies or, on occasion, companies with a small public float. The Firm may also seek to purchase or source credit and preferred equity positions in companies. These positions may have longer investment horizons and are less liquid than listed securities. The Firm also forms and establishes from time to time certain special purpose vehicles, operating companies, joint ventures, or similar arrangements for investing in and developing opportunities related to a particular industry, sector, or strategy.

2. *Equity-Oriented*

   The Firm takes equity-oriented positions in several of its strategies, and takes on such positions in a variety of forms. It is less common for the Firm to take on long equity positions which are just driven by valuation considerations. The Firm seeks out positions in particular which are uncorrelated with other positions in the portfolio or with the risks and expected price movements of equities generally, or where value and protection against risk can be enhanced by the Firm's manual efforts.

3. *Distressed Securities*

   The Firm's distressed-securities trading strategies are rooted in complexity, either by itself or together with process, rather than business-value-driven situations. To create value in complex, dynamic situations, distressed securities are highly dependent on deep skill sets and lengthy, intensive hands-on efforts. The primary focus is uncorrelated situations governed by process, complexity, negotiations, and factors unrelated to the forces impacting stocks and bonds generally.

4. *Non-Distressed Debt*

Non-distressed debt includes first lien bank debt, unsecured corporate debt which the Firm believes will be serviced without restructuring, and structured credit products. Expertise in these products allows the Firm to identify attractive relative-value situations where securities can be mispriced significantly.

5. *Real Estate-Related Securities*

There are real estate-related securities positions in several of the Firm's other strategies, including distressed securities, non-distressed debt, event arbitrage, and equity-oriented positions. The Firm's approach is opportunistic and flexible – the Firm will invest at any part of the capital structure, as well as in non-performing loans. Unlike traditional real estate investors, the Firm is drawn to distressed or otherwise unique and complex situations. The Firm seeks to apply the same process-driven, active management philosophy that has served the firm well with other asset classes. The Firm's knowledge of the securitized commercial mortgage-backed markets (CMBS) complements real-estate-related securities efforts and enhances the Firm's ability to identify relative-value trades and hedging strategies.

6. *Hedge / Arbitrage*

This strategy is comprised of event arbitrage, related securities arbitrage, convertible arbitrage, volatility arbitrage and fixed-income arbitrage. Hedge/arbitrage are designed to take advantage of small anomalies between similar or related instruments on an opportunistic basis and to assist in achieving overall portfolio risk management goals.

7. *Commodities Trading*

The Firm's commodities trading strategy aims to exploit mispricings in the forward curves of certain commodities, as well as taking directional positions based on its views of the prices levels and trends. The Firm primarily trades crude oil and oil products, natural gas, power, precious and base metals, and agricultural commodities.

8. *Portfolio Volatility Protection*

Portfolio Volatility Protection positions are intended to hedge the investment portfolio against certain adverse market conditions; hedging individual positions against general market fluctuations as well as price volatility in various asset classes. The Firm utilizes a variety of instruments within this strategy including, without limitation: credit, equity, volatility, interest rates, gold, and currency instruments.

As highlighted in the investment strategies described above, many of the investments made by the Firm are based on identifying relative value opportunities, exploiting market mispricings, and understanding process complexity, non-correlation or other factors. The investment theses behind the positions taken by the Firm on behalf of the Elliott funds may represent special situations, tactical opportunities, or where the Firm is otherwise able to act opportunistically. During the reference period, such investment strategies continued to be assessed as having limited exposure to climate related risks (and see further below regarding scenario analysis).

The TCFD suggests for firms to make disclosures relating to physical risks with reference to the key milestones of 2030 (medium term) and 2050 (long term). However, as a result of the investment approach taken by the Firm across the different strategies described above, most of the exposures held by the Elliott funds are unlikely to be subject to time horizons beyond 2030. Accordingly, the investments made by the Firm on behalf of the Elliott funds should not be subject to significant medium or long term climate-related risks.

During the relevant reporting period, Elliott continued to apply its mandate to produce strong returns for its investors by finding situations in which its efforts, independent of market factors, can produce positive returns. By adopting appropriate hedging strategies for its positions, the Firm continued successfully to avoid circumstances where broader macro-economic factors (which may include climate-related risks), could have a negative impact on the value of the positions taken for the Elliott funds. As a result, external market conditions such as price volatility, regulatory changes, increased costs from carbon taxes or environmental levies and unfavourable financial conditions resulting from climate risks (which are usually considered over a medium to long period of time and typically of impact to the whole market or a particular market sector) are less likely to have a material impact on the value of the Elliott funds' positions.

Notwithstanding the above, the Firm takes a deep and detailed approach to research for each of its investment positions. Where climate-related risks and opportunities are identified as being likely to have a material financial impact on the investments made by the Firm, the investment teams have access to the Firm's substantial resources for the purposes of conducting thorough diligence on such risks or opportunities. This may include access to external consultants and research providers, engagement with policy makers, collaboration with trade associations, and advice from external legal counsel. Where the Firm determines that climate-related considerations are relevant and material to a particular investment strategy or position, the Firm will take appropriate steps to manage and mitigate its exposure. The Firm has examined and will continue to examine environmental factors, including climate change, as a source of risk, where appropriate.

In particular, the Firm recognises that portfolio companies held within the Firm's private equity investment strategy may be exposed to a greater risk of climate-related impacts as a result of the longer ownership period in which physical and transition climate-related risks have longer to manifest. The Firm views environmental issues within the overall context of a business and seeks to ensure that a given company's approach to the environment is sensible and appropriate given its business. The Firm considers that what is appropriate in one business or industry may not be possible in the context of another, or at a minimum will require a longer transition.

The Firm actively monitors the financial performance of its investee companies by reviewing financial and other information provided by such companies and third parties. Where appropriate, the Firm will engage with investee companies on certain matters, which may include climate change. At times, the Firm has advocated for companies to control the environmental costs of their operations or to utilise alternative sources of energy. The Firm spends considerable time working with companies in public and private settings to improve governance in ways that enhance profitability. The Firm believes that the primary responsibility of a board of directors is to hold management accountable for its performance with respect to the creation of long-term sustainable shareholder value and to ensure that management teams have the right incentives to maximize shareholder value in a sustainable way. Where relevant, the Firm will seek to implement this approach to corporate governance.

The Firm believes that a company should be as efficient as possible within the context of its industry and its business. In general, where companies do not deploy their capital resources, assets and people with an eye toward long-term growth and sustainable profitability, they tend to have a more adverse impact on the environment. Over time, the environmental impact can be costly and can limit the ability of a company to adapt and thrive, especially if investors and customers reject the company's environmental stewardship plan.

Notwithstanding the foregoing, the Firm currently considers the overall exposure of the Elliott funds' investment portfolio to climate-related risks to be low. As at the date of this disclosure, relative to the Elliott funds' total assets under management, the Elliott funds currently have limited sectoral exposure to companies in high climate impact sectors that are most vulnerable to transition risks.

As a further corollary, the Firm does not consider it to be proportionate to undertake formal qualitative climate-related scenario analyses for its investment strategies. Scenario analysis is not currently used to inform strategic and financial planning processes. The Firm does not currently regard the general resilience of its investment strategies as having a material exposure to climate-related scenarios.

The Firm does not rely on third party delegated investment managers. However, the Firm does outsource certain operational activities with respect to its London office. At present the Firm does not seek to incorporate climate-related factors in the selection or ongoing monitoring of such service providers as these are ancillary services that are not core to the Firm's business.

Metrics & Targets

The Firm is continuously focused on the current and future financial performance (including impact thereto due to climate-related factors, if any) of its investments. In general, the Firm does not consider that non-financial performance is currently material for its investment decisions. Accordingly, non-financial metrics are not included in the Firm's risk management and monitoring processes.

In particular, the Firm considers that climate-related risks to the Firm's investments and operations are considered negligible. Therefore, the Firm has not yet implemented specific climate-related targets nor relevant performance indicators as these do not meaningfully affect the Firm's ability to deliver financial returns and manage risks.

The Firm does not have a transitional plan nor a net zero commitment, and has not considered the UK national commitment. With respect to the Firm's sub-investment management of the Elliott funds, these matters would be dependent on the mandate given to the Firm by EIM, at EIM's sole discretion.