ELLIPSIS AM
Kepler Cheuvreux

REPORT

Energy Climate Law

2024 edition (for the 2023 financial year)

www.ellipsis-am.com

FRAMEWORK & STRUCTURE OF THE REPORT FOR THE YEAR 2023

OUR ESG APPROACH WITHIN OUR EXPERTISES

Ellipsis AM is a management company focused on niche asset classes with added value. With over 20 years of management history, it specializes in convertible bonds, credit, and listed derivatives.

- Our expertise is organized around three specialized management divisions:
  - ✓ **The Convertibles & Credit division** combines our historical and proven expertise in convertible bonds and credit.
  - ✓ **The Alternative & Overlay Solutions division** has been developing dedicated expertise in equity portfolio hedging solutions since 2008, and more generally in risk allocation management using listed index derivatives.
  - ✓ **The Solution Funds division**, launched in 2023, enhances Kepler Cheuvreux Group's investment offering by developing structured funds for institutional investors and companies.
- Our offerings include a range of open-ended funds as well as dedicated funds and management mandates for European institutional investors.
- Research is at the core of our management processes. Therefore, stock selection is the essential driver of our ability to build a 360° view of portfolio companies. **We see our ESG (Environmental / Social / Governance) approach as an opportunity to enrich our analysis, deepen our understanding of risks, and strengthen our convictions.**

THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Since 2015, the UN has established an international benchmark for responsible investment with the creation of the Sustainable Development Goals (SDGs), which encompass 17 major challenges to transform our world, including energy transition, poverty alleviation, access to education, and gender equality.

https://www.un.org/sustainabledevelopment/sustainable-development-goals/
https://www.agenda-2030.fr/en/the-17-goals/

Ellipsis AM supports the SDGs as a lever and means of dialogue within ecosystems and is committed to making progress in actions taken to contribute to these goals.

Through its investment policies, Ellipsis AM is dedicated to working towards the SDGs. The table below provides an annual overview of the three SDGs to which our portfolios were most significantly exposed in 2023.

OUR TOP 3 EXPOSURES TO THE SDGs IN 2023	
3. GOOD HEALTH & WELL-BEING	For example, we can mention our exclusion policies for investments in the tobacco industry, palm oil, biocides, and hazardous chemicals.
7. AFFORDABLE AND CLEAN ENERGY	These sustainable themes are present in the specific investment universes where Ellipsis AM is positioned. For example, the Ellipsis Disruption Convertible Fund focuses on companies issuing convertibles that contribute to a structural change in practices, particularly environmental ones.

9. INDUSTRY, INNOVATION & INFRASTRUCTURE	The management team places particular emphasis on energy transition, especially combating global warming, in its stock selection. This theme includes activities that directly or indirectly contribute to the development of renewable energies (wind, solar, geothermal, hydro, marine, biomass), energy efficiency, low carbon footprint of buildings and industrial processes, adoption of clean transportation, and the development of infrastructure to adapt to climate change.

Source: Ellipsis AM, Bloomberg, 31/12/2023. Calculation aggregated on Fixed Income perimeter (convertibles & credit).

THE UNITED NATIONS GLOBAL COMPACT

The United Nations Global Compact offers a universal and voluntary engagement framework based on Ten Principles derived from fundamental UN texts. These principles cover human rights, labor rights, the environment, and anti-corruption. The Global Compact aligns the economic world with the 2030 Agenda and the UN's Sustainable Development Goals.

https://unglobalcompact.org/what-is-gc/mission/principles

Ellipsis AM shares the commitments of the Global Compact and makes its best efforts to promote and uphold these principles at both the corporate level and within its investments.

PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

PRI Principles for Responsible Investment

Ellipsis AM Ellipsis AM is a signatory of UN PRI (United Nations Principles for Responsible Investment) since 2019

1 We will take ESG issues into account in our investment analysis and decision-making processes.

2 We will be active investors and will consider ESG issues in our investor policies and practices.

3 We will ask the entities in which we invest to publish appropriate information on ESG issues.

4 We will promote the acceptance and implementation of the Principles within the asset management industry.

5 We will work together to enhance our effectiveness in implementing the Principles.

6 We will each report on our activities and progress towards implementing the Principles.

A PROGRESSIVE AND PRAGMATIC APPROACH FOR 10 YEARS

2013 Act	2016 Act 1	2017 Act 2	2019 Act 3	2020 Act 4	2021 Act 5	2022 Act 6	2023 Act 7
Defece exclusion policy (Oslo & Ottawa) for all our portfolios	**Strengthened governance** focus within the management processes	**Exclusion policy on sensitive** sectors via BNP Paribas investment policies	**Signing of UN PRI and integration** of ESG risk factors for convertibles funds	**Internalized analysis and and ESG rating** capacity within the convertibles division	**Art 8 - SFDR** for all of our convertible & credit funds	**Use of the "Paris Aligned Benchmark" (PAB) and "Climate Transition Benchmark" (CTB)** in an index derivatives fund	**Consideration of the Swiss exclusion list SVVK-ASIR** (anti-personnel mines, cluster munitions, nuclear weapons)

2013: For all the portfolios we manage, following the recommendations of the AFG from April 2013 (recommendations on the prohibition of financing cluster munitions and anti-personnel mines), we apply a **Defense exclusion policy**. This policy was strengthened in 2014 by incorporating BNP Paribas' Defense sector policy, resulting in a list of excluded companies based on the status of certain weapons and their potential end use.

2016: The convertible management process consolidates around the notion of business model sustainability from a financial, economic, and **governance** perspective. The resilience capacity and solvency risk are complementary for assessing the credit risk of an issuer.

2017: Ellipsis AM seizes the opportunity presented by the Energy Transition for Green Growth Act (LTECV) to initiate and structure its ESG approach. Thus, we have chosen to implement **BNP Paribas Group's sectoral investment policies** across all our investment vehicles (excluding index funds).

2019: Ellipsis AM mobilizes its teams around an **objective of integrating ESG risk factors**, meaning the consideration of environmental, social, and governance criteria within the selection process, without these being binding or predominant compared to financial criteria. Initially, this "extra-financial" shift is applied to all convertible bond portfolios (excluding the index fund).

2020: Ellipsis AM enhances its **internal capacity for ESG analysis and rating** of convertible securities and issuers held in portfolios and within the investment universe, carried out directly by portfolio managers-analysts.

2021: Ellipsis AM strengthens its **exclusion policies** regarding **country risk** by considering the FATF (Financial Action Task Force) **black and grey lists** and the European list of non-cooperative countries and territories. After convertibles, high yield management fully implements ESG integration. The **consideration of sustainability risk** is systematically included in investment decisions and, where applicable, **the risk mapping of portfolios** within the framework of SFDR (European Regulation (EU) No 2019/2088 known as Sustainable Finance Disclosure).

2022: Ellipsis AM joins the **Kepler Cheuvreux Group**, which has also been a signatory of the UN PRI since 2005. The ESG approach is at the heart of **synergies** and future developments. The first UN PRI evaluation report is produced. **Use of PAB (Paris Aligned Benchmark) and CTB (Climate Transition Benchmark)** indices in equity index derivatives. Production and dissemination of pre-contractual and periodic SFDR RTS.

2023: Ellipsis AM uses **the exclusion list of the Swiss Association for Responsible Investments SVVK-ASIR** (*anti-personnel mines, cluster munitions, nuclear weapons*) for all its actively managed portfolios. The teams continue their efforts to calculate the Taxonomy alignment of portfolios and the Principal Adverse Impacts (PAI) by fund at the entity's aggregated level.

SCOPE BY ASSET CLASS ON 2023 AUM

Total AUM managed by Ellipsis AM in 2023	**€ 3 176 354 900**
Total 2023 ESG AUM	***€ 1 054 735 415***

which represents 33% of the total AUM

1/ FIXED INCOME SCOPE

32% of total 2023 AUM

Bond portfolios classified as ARTICLE 8 - SFDR	**€ 950 167 523**

94% of FIXED INCOME AUM

Ellipsis European Convertible Fund	**€ 290 235 463**
Ellipsis Global Convertible Fund	**€ 133 071 691**
Ellipsis Disruption Convertible Fund	**€ 70 900 210**
Ellipsis High Yield Fund	**€ 101 082 484**
Ellipsis Credit Road 2028	**€ 8 953 579**
Ellipsis Optimal Allocation - Credit	**€ 81 108 374**
Mandates and dedicated convertible funds	**€ 264 815 722**

Credit mandates with an integrated ESG approach	**€ 65 054 480**

2/ LISTED DERIVATIVES & STRUCTURED FUNDS SCOPE

68% of 2023 total AUM

Alternative UCITS funds classified as ARTICLE 8 - SFDR	**€ 39 513 412**

2% of LISTED DERIVATIVES & STRUCTURED FUNDS AUM

Ellipsis Optimal Solutions - Liquid Alternative	**€ 39 513 412**

Overlay mandates & dedicated funds classified as ARTICLE 6 - SFDR	**€ 2 121 619 485**

98% of LISTED DERIVATIVES & STRUCTURED FUNDS AUM

These portfolios correspond to strategies where the ESG approach cannot be applied due to the nature of the instruments used (overlay mandates and dedicated funds based on options, structured funds).

Source: Ellipsis AM, AUM as of 31/12/2023. SFDR: European Regulation (EU) No 2019/2088 known as Sustainable Finance Disclosure.

- **This report primarily covers the "Fixed Income" scope (representing 33% of the total 2023 AUM managed by Ellipsis AM) and is detailed in Chapter 1:**

  - ✓ **100% of our Convertible & Credit portfolios integrate an ESG approach into their management process.**

  - ✓ **100% of our Convertible & Credit range is classified as Article 8 - SFDR.**

  - ✓ The dedicated funds and mandates managed on behalf of European institutional investors integrate ESG commitments into their processes, but to a customized and contractual degree based on client requirements, which may differ from SFDR requirements. They rely on a suitability analysis questionnaire prior to the implementation of the customized offer.

- **The "Listed Derivatives" scope (representing 68% of the total 2023 AUM managed by Ellipsis AM) is presented in Chapter 2:**

  - ✓ This scope represents a significant and growing portion of our total managed AUM and is mainly composed of **customized portfolios managed on behalf of European institutional investors and companies that do not apply an ESG approach due to the nature of the instruments used.** Within the Alternative & Overlay Solutions division, this corresponds to overlay mandates and dedicated funds based on listed options. Within the Solution Funds division, this corresponds to term account funds launched at the end of 2023 (Ellipsis Treasury Horizon range).

  - **The Ellipsis Optimal Solutions - Liquid Alternative fund is the only open-ended fund with an ESG approach within the "Listed Derivatives" scope**: it primarily invests in climate benchmark indices such as PAB (Paris Aligned Benchmark), CTB (Climate Transition Benchmark), Biodiversity indices, or ESG Investment Grade indices (e.g., MSCI ESG Fixed Income Solutions). Chapter 2 focuses on this fund.

- **Ellipsis AM has no fund with a sustainable investment objective classified as Article 9 - SFDR.** Ellipsis AM does not plan, in the short and medium term, to manage portfolios with sustainable development objectives as defined by Article 2 of the Sustainable Finance Disclosure Regulation (SFDR), which defines sustainable investments as investments in an economic activity that contributes to an environmental or social objective, does not cause significant harm to any of these objectives, and where the companies in which the investments are made follow good governance practices. We remain sensitive to the importance of this approach within its financial ecosystem from a long-term perspective.

- **No portfolio uses an ESG benchmark index to implement ESG characteristics within an investment strategy.**

Kepler Cheuvreux

CHAPTER 1
FIXED INCOME scope

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1. ESG GENERAL APPROACH

1.1. Summary of the general approach to taking ESG criteria into account, particularly in the investment policy and strategy

The 3 pillars of our ESG approach

AN APPROACH EMBODIED BY THE MANAGEMENT TEAM

At Ellipsis AM, we have chosen to place the management team at the centre of the ESG process.

- **The management team is in direct and regular discussion with issuers.** As such, it is best placed to interact with them and question their CSR policies and ESG commitments.
- **The management team is best placed to assess the materiality of an ESG issue and to make the link with financial analysis.** Identifying non-financial risks requires a good command of financial elements in order to assess their impact on a company's performance.
- **The management team offers conviction-based management.** The ESG approach is a way of nurturing our convictions and understanding of the issuer as a whole. This concentration of expertise in the manager's role means that we can build a 360° view of companies.

AN APPROACH FOCUSED ON RISK AND BUSINESS RESILIENCE

The ESG approach is a source of added value at the core of investment processes, enabling:

- **Prioritizing extra-financial risk management that could impact the valuation of an issuer in the short or medium term**. Considering environmental, social, and governance criteria provides real added value in assessing risks related to reputation, regulatory changes, financial sanctions, refinancing, and operations. Controversy analysis is a central tool in assessing these extra-financial risks that must be systematically taken into account when evaluating an issuer's profile.

- **Identifying investment opportunities related to ESG developments** (e.g., cybersecurity, photovoltaics). Extra-financial analysis helps evaluate business models concerning digital, demographic, and energy transitions that profoundly change the global economic landscape. In this regard, the ESG approach provides an essential perspective for assessing an issuer's resilience, the quality of its CSR policy in the face of changes, and its medium to long-term prospects.

AN INTEGRATED CSR APPROACH WITHIN THE KEPLER CHEUVREUX GROUP

In accordance with the European Directive 2014/95/EU, **Kepler Cheuvreux publishes an annual non-financial performance statement** (the "NFRD"), which describes the main environmental, social, and societal issues of the Group, the risks related to its activities, products, and services, as well as the commitments to mitigate these risks and capitalize on these issues. The policies implemented and their results are detailed in this report to illustrate the Group's actions in 2023. As a subsidiary of the Kepler Cheuvreux Group, Ellipsis AM participates in these commitments and this annual reporting.

1.2 Content, frequency and means used to inform subscribers, members, contributors, beneficiaries or customers about the criteria relating to the ESG objectives taken into account in the investment policy and strategy

EXTERNAL INFORMATION ON OUR APPROACH AND OUR UCIs

- **ELLIPSIS AM WEBSITE**
  In addition to this ESG report, all our policies can be consulted on our website at:
  https://www.ellipsis-am.com/fra/en/pro/esg-regulatory
  o Developments in our ESG approach are published in the site's news section and can also be obtained from: **client_service@ellipsis-am.com**

  o **https://www.ellipsis-am.com/fra/en/pro/esg-regulatory**

- **Ellipsis AM does not currently produce ESG reports per fund** as none of its funds reach the threshold of €500 million in assets under management.

- **The prospectuses** mention the sustainability risk for each fund, its consideration or not in management decisions, and where applicable, how it is considered through a section on the integration of ESG criteria within the investment strategy.

- **The pre-contractual SFDR information (including the pre-contractual RTS) for funds classified as Article 8** allows investors to understand the specific environmental and social characteristics of each fund before subscribing. These publications are available on the website www.ellipsis-am.com in the Documentation section of each fund's web page.

- **The financial statements** of the funds (annual and semi-annual reports) include ESG data for the closed accounting period. The periodic SFDR RTS for funds classified as Article 8 provide this information at the end of each fiscal year. These publications are available on the website www.ellipsis-am.com in the Documentation section of each fund's web page.

CUSTOMER SERVICE FOR HOLDERS

FOR INVESTORS IN OPEN-ENDED ACTIVELY MANAGED FUNDS

- **The fund reviews** produced by the portfolio management team include, on a case-by-case basis, a focus on the ESG characteristics of one or more securities.

- **The monthly reports** systematically include an ESG focus on a particular theme, stock or sector, depending on current events. Qualitative comments on selected or excluded securities, based on ESG analysis or on themes (sector-based, for example) linked to environmental, social or governance issues, may be presented from time to time.

- **Quaterly ESG indicators for portfolios classified under Article 8 – SFDR and their benchmarks** are calculated by Independent Risk Control and are available to investors on request:
  - carbon footprints and carbon intensities
  - the ESG analysis coverage rate
  - the aggregate ESG rating and its breakdown by score range
  - the rating improvement if the fund is concerned
  - the ESG ratings of Top 5 positions, Top 5 best/worst ESG ratings

- **Ellipsis AM intends to make ESG indicators available to all investors in the near future by including them in its monthly reporting.**

FOR CLIENTS OF MANDATES AND DEDICATED FUNDS

- For dedicated funds and management mandates, Ellipsis AM can incorporate ESG criteria to meet the client's specific needs. In this context, Ellipsis AM may apply specific exclusion rules, possibly with dedicated reporting on request.

1.3. List of financial products mentioned pursuant to Article 8 and Article 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019, and the overall percentage share of assets under management taking ESG criteria into account in the total amount of assets under management

Portfolios ARTICLE 8 - SFDR	€ 950 167 523
	94% of FIXED INCOME AUM
Ellipsis European Convertible Fund	**€ 290 235 463**
Ellipsis Global Convertible Fund	**€ 133 071 691**
Ellipsis Disruption Convertible Fund	**€ 70 900 210**
Ellipsis High Yield Fund	**€ 101 082 484**
Ellipsis Credit Road 2028	**€ 8 953 579**
Ellipsis Optimal Allocation - Credit	**€ 81 108 374**
Mandates and dedicated convertible funds	**€ 264 815 722**

- **Ellipsis AM does not have any funds with a sustainable investment objective classified under article 9 - SFDR.**

- **100% of our Convertible & Credit portfolios include an ESG approach in their management process:**

  - **100% of our convertible and credit funds are classified under Article 8 - SFDR.**

  - **The following are classified under Article 6 - SFDR:** dedicated funds and mandates managed on behalf of European institutional investors that integrate ESG commitments into the investment process, but for which there is no contractual commitment by the end of 2022. They are based on a suitability analysis questionnaire prior to the implementation of the tailor-made offer.

1.4. Consideration of environmental, social and governance criteria in the decision-making process for the award of new management mandates by the entities referred to in Articles L. 310-1-1-3 and L. 385-7-2 of the Insurance Code

Not applicable to Ellipsis AM.

1.5. Adherence by the entity, or by certain financial products, to a charter, a code, an initiative or a label on the consideration of environmental, social and governance quality criteria, *as well as a brief description of these criteria, in accordance with d) of 2 of article 4 of the above-mentioned regulation.*

A signatory of the UN PRI since 2019, Ellipsis AM has not yet adhered to a charter, code, initiative, or obtained a label for any of its funds. However, this initiative is part of the study points and objectives of our action plan.

2. RESOURCES DEPLOYED

2.1. Description of the financial, human and technical resources dedicated to taking ESG criteria into account in the investment strategy, in relation to the total assets managed or held. *The description includes all or some of the following indicators: percentage share of corresponding full-time equivalents; percentage share and amount in euros of budgets devoted to environmental, social and governance quality data; amount invested in research; use of external service providers and data suppliers, etc.*

EXTRA-FINANCIAL ANALYSIS

- **Ellipsis AM allocates more than 25% of its overall external research budget to extra-financial research in 2023.**

SUSTAINALYTICS

- **Sustainalytics is the only independent 100% extra-financial research provider on which** the management team relies. It has been specialising in ESG research and ratings for listed companies for almost 30 years. In particular, the managers have access to ESG scores, corporate governance ratings and research on controversies.

CLARITY AI

- **Clarity AI is a globally recognized "sustainable" data technology platform** created in 2017 covering up to 70,000+ companies, 430,000+ funds and 400 national and sub-national governments. The platform provides access to taxonomy alignment and PAI (Principle Adverse Impacts) calculation modules.

- The majority of financial research firms to which Ellipsis AM has access (around ten in total) include **an extra-financial angle in their financial research.** Examples include Morgan Stanley, BoFA Securities Europe, Barclays, Kepler Cheuvreux, BNP Paribas Exane and JP Morgan.

- This external research enables the management team to delve deeper into cross-cutting ESG themes or to enrich their ESG analysis of a specific sector or issuer.
- The quality of the non-financial analysis proposed by a financial research provider is a criterion in its own right when selecting external research.

2023 Fixed Income AUM	€ 1 015 222 003
2023 Research Budget	€ 455 531
ESG Research Budget *(including Sustainalytics and Clarity AI)*	*€ 115 023*
Estimated part for extra-financial research within financial research	*€ 62 395*
Estimated FTE based on ESG projects distributed by department *(primarily Management/CRI/Marketing /Compliance)*	1

HUMAN RESSOURCES

The collective appropriation of ESG issues is at the core of our ambitions. Employees directly involved in the projects participate in training sessions and conferences to stay informed about best practices, experiences from other management companies, and other financial institutions. Furthermore, throughout the year and through various communication channels, internal teams are made aware of ESG issues. This lever is essential to promote ESG as an integral part of the management model and culture of Ellipsis AM.

The convertible & credit management team is composed of manager-analysts who base their investment decisions on both financial and extra-financial criteria, relying on an internal ESG rating methodology for issuers.

Other managers in different investment universes are gradually adopting the existing research and risk monitoring sources and benefit from the systems and resources already in place to enrich their own processes if ESG integration can be considered according to the instruments used and investor needs.

The sales and marketing teams contribute to advancing the system to meet investor expectations in terms of ESG through their monitoring and regular exchanges within the financial ecosystem.

2.2. Actions taken to strengthen internal capabilities. *The description includes all or part of the information relating to training, communication strategy, development of financial products and services associated with these actions.*

In 2023, internal ESG capacity was strengthened through:

- **Internal ESG training for all employees**

- **The implementation of synergies with Kepler Cheuvreux,** Ellipsis AM's shareholder since February 2022. Indeed, the Group's consistent and substantial investment in extra-financial research for over 10 years was an important factor in Ellipsis AM's decision to join them. Notable aspects include the production of written research "ESG Profiles" for more than 600 companies with increasing coverage, the use of a well-documented methodology, the production of scoring, and a strong, recognized presence in Corporate Access, including events dedicated to extra-financial themes.

3. ESG GOVERNANCE

3.1 Knowledge, skills and experience of the governance bodies, in particular the administrative, supervisory and management bodies, in taking decisions on the integration of environmental, social and governance criteria into the investment policy and strategy of the entity and any entities it controls. The information may relate in particular to the level of supervision and the associated process, the reporting of results, and the competencies

ESG GOVERNANCE BODIES

ESG working groups

These cross-functional groups are formed for each identified ESG project, covering corporate, regulatory, and investment themes. They bring together various professions within the organization to define issues and commitments, and in a very operational manner, the action plans to be implemented and the monitoring of achievements. They contribute to the overall ESG dynamic within Ellipsis AM.

As an example, we can quote:
- 2022 workshops: Production and dissemination of multilingual SDFR RTS.
- 2023 workshops: Provider overview & selection for Taxonomy/PAI data – Ellipsis's response to the first AF2I standard ESG questionnaire (Management Company questionnaire & Fund questionnaire).

Controversies & Governance Committee

Half-yearly, the Convertibles & Credit management team reviews issuers that have been the subject of controversies, based on Sustainalytics and Clarity AI data and internal alerts provided by Independent Risk Control (see section 8).

Risk Committee

This monthly meeting brings together the Independent Risk Controller, the Executive Board, the RCCI and the management team to discuss the results of the controls carried out as part of its duties, as well as any overruns. The review of ESG indicators is a separate item on the agenda.

Product Governance Committee

ESG issues are included in the Product Governance Committee meeting when a new fund is launched. For existing funds, it is included in each annual review.

Supervisory Board

Ellipsis AM's Supervisory Board is kept informed of the achievements and commitments made by the management company in terms of ESG policy.

EXPERIENCE & SKILLS

The Executive Board of Ellipsis AM has been chaired by Sébastien Caron since 2023. The members of the Executive Board are senior experts ; some of them have extensive experience in managing convertible portfolios, which have been key drivers in Ellipsis AM's ESG integration approach, initially focusing on risk factors and governance, and later adopting a broader approach to environmental and social criteria.

3.2 Inclusion, in accordance with Article 5 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019, in remuneration policies of information on how these policies are adapted to the integration of sustainability risks, including details of the criteria for linking the remuneration policy to performance indicators

Ellipsis AM's remuneration policy takes sustainability risk into account in the same way as the other risks borne by the portfolios and covered by contractual commitments. In addition, to develop an ESG culture, Ellipsis AM seeks to involve as many employees as possible in the construction and development of ESG integration. As a result, many employees have been assigned ESG development objectives.

3.3 Integrating environmental, social and governance criteria into the internal rules of the board of directors or supervisory board

Ellipsis AM's Supervisory Board does not have any rules of procedure.

4. ENGAGEMENT, STEWARDSHIP AND VOTING POLICY

4.1. Scope of companies covered by the commitment strategy

Ellipsis AM implements its commitment through an active ESG approach to issuers. This involves dialogue with companies, during interviews carried out by the analyst managers with their senior executives or CSR (Corporate Social Responsibility) managers.

This dialogue provides a clear understanding of the company's ESG commitments and challenges, which are also linked more generally to its governance. In this way, management can look further into the risks identified or detect unidentified risks, which are not yet reflected in the external ESG rating, for example. These exchanges can also help to identify opportunities linked to ESG issues.

As part of this dialogue, the manager-analysts encourage companies to demonstrate ESG transparency, for example by publishing their ESG strategy, policies and results.

This engagement approach is used in particular when the management team has doubts about an issuer, for example about its communication, an event or an ESG rating from Sustainalytics that does not seem justified.

4.2. Presentation of the voting policy

Ellipsis AM has drawn up a voting policy setting out the conditions under which it intends to exercise the voting rights attached to the securities held by the UCIs it manages:
https://www.ellipsis-am.com/publication/ComplianceDoc/En_Politique-engagement-vote.pdf

However, given our investment strategies (mainly bonds), the use of equity securities remains marginal and our role as a shareholder very limited.

4.3. Assessment of the engagement strategy implemented, which may include the proportion of companies with which the entity has initiated a dialogue, the issues covered and the actions taken to follow up this strategy.

Ellipsis AM does not produce a formal engagement report but pursues **an active dialogue policy with issuers**, which takes place through phone calls, video conferences, or emails.

As part of its management process, the convertible & credit management team regularly meets with issuers, conducting an average of about 120 meetings per year, including corporate conferences and one-on-one meetings.

Each commitment is the subject of a report in which the management team refers to ESG issues.

Each engagement is documented with a report where the management team refers to ESG issues. All 3 pillars have been concerned in recent years, with specific issues detailed below. For instance, we can mention engagements with convertible issuers.

- **2020-2021 - Social:** Discussions about the home delivery sector with the CFOs of Delivery Hero and Just Eat Takeaway regarding employee employment. This engagement led us to significantly differentiate the ESG scores of these companies based on their implemented policies.

- **2020 - Social/Governance:** Discussions with Ubisoft's investor relations teams about measures taken to end the "policy" of harassment towards women.

- **2021 - Environment:** Engagement with the CFO of Asos to create more "sustainable" collections (entirely recycled materials).

- **2022 - Environment:** Mostly focused on renewable energy exposure. For example:
  - ✓ *Michelin:* Tire pollution
  - ✓ *TotalEnergies*: Clarification on their overall energy transition strategy

- **2023 - Governance:** Mainly governance issues at the company management level. For example:
  - ✓ *Atos:* Communication problems between management team members
  - ✓ *Bureau Veritas:* New CEO and certification division benefiting from ESG trends

4.4. Report on voting policy, in particular with regard to the tabling and voting at General Meetings of resolutions on environmental, social and governance issues

Ellipsis AM has not published an annual voting report as no voting rights were exercised in 2022, given our mainly bond investment strategies (see 4.2).

4.5. Investment strategy decisions, including sectoral disengagement. If the entity publishes a specific report on its shareholder engagement policy, this information may be included with reference to this article.

In accordance with the European regulation (EU) 2019/2088 known as the Sustainable Finance Disclosure Regulation (SFDR), **Ellipsis AM has consolidated its ESG offering by integrating sustainability risk** within its portfolios and assessing its potential impact on profitability.

Our investment policies incorporate an ESG approach for all actively managed portfolios, implementing a discretionary security selection process based on three detailed axes:

- 1st axis - systematic **exclusion policies** ;
- 2nd axis - a primary filter on the **Governance** criterion which can be eliminatory ;
- 3rd axis - the **integration of ESG criteria** (across the three axes - Environmental, Social, and Governance) in the fundamental analysis of selected securities.

A. 1st AXIS: EXCLUSION OF ISSUERS IN ESG SECTORS

Ellipsis AM applies an exclusion policy for all its portfolios under management (excluding overlay mandates).

Our exclusion policies are detailed by sector in the document below:
https://www.ellipsis-am.com/publication/ComplianceDoc/En_Politique-exclusion.pdf

NORMATIVE EXCLUSION POLICY (OSLO AND OTTAWA CONVENTIONS)

In accordance with the AFG's recommendations of April 2013 (recommendations on banning the financing of cluster munitions and anti-personnel mines), we apply a policy resulting in a list of excluded companies based on (1) the status of certain weapons and (2) their potential end use:

- (1) Controversial weapons: these weapons have indiscriminate effects and cause unjustified injuries. Certain controversial weapons, in particular cluster munitions (as covered by the Oslo Convention of 3 December 2008), anti-personnel mines (as covered by the Ottawa Convention of 3 December 1997), chemical and biological weapons and nuclear weapons are regulated by international conventions.

- (2) Potentially irresponsible end-use of non-controversial weapons: the possibility of military, security or law enforcement equipment being used irresponsibly is a key issue for this sector. It is for this reason that certain countries are subject to international monitoring, international sanctions and specific arms embargoes.

We forbid ourselves :
- invest in securities issued by these companies and gain exposure to these securities via derivatives whose sole underlying is the company concerned;
- knowingly offer an investment service to a company on the list of excluded companies.

RISK COUNTRY EXCLUSION POLICY

Since 2021, ELLIPSIS AM has enhanced its ESG methodology and specifically takes into account **country risk via the FATF** (Financial Action Task Force) **lists** and the **European list of non-cooperative countries and territories.**

Our convertible and credit portfolios are not exposed to the risk countries on the FATF lists via the country risk of the economic issuer, given our investment universes. However, they may be marginally exposed via the country risk of the legal issuer. We undertake to systematically analyse this governance risk, as the use of issuance vehicles in high-risk countries may be motivated by reasons that we consider to be non-legitimate (aggressive tax optimisation or opacity schemes) or legitimate (low legal costs, securing assets).

- No investments in countries on the FATF blacklist for all managed portfolios.

- For convertible & credit funds*:* Ellipsis AM undertakes to systematically analyse issuers (economic and legal) on the FATF grey list and the European list of non-cooperative countries and territories. The conclusion of the analysis is reflected in the ESG rating established by the management team and may lead to exclusion.

In April 2022, we implemented the measures prohibiting subscriptions against Russian or Belarusian nationals in accordance with the provisions of Article 5f of amended European Regulation 833/2014.

Blacklist / High-risk jurisdictions: *Democratic People's Republic of Korea and Iran.*
https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/call-for-action-february-2021.html

Grey list / Jurisdictions under increased surveillance: *Albania, Barbados, Botswana, Burkina Faso, Cambodia, Cayman Islands, Ghana, Jamaica, Mauritius, Morocco, Myanmar, Nicaragua, Pakistan, Panama, Senegal, Syria, Uganda, Yemen, Zimbabwe.*
https://www.tresor.economie.gouv.fr/Articles/2021/03/10/pleniere-du-gafi-retour-sur-la-pleniere-de-fevrier-2021
http://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/increased-monitoring-february-2021.html

European list of non-cooperative countries and territories: *American Samoa, Anguilla, Dominica, Fiji, Guam, Palau, Panama, Samoa, Trinidad and Tobago, US Virgin Islands, Vanuatu, Seychelles.*
https://www.consilium.europa.eu/en/policies/eu-list-of-non-cooperative-jurisdictions/

EXCLUSION POLICY IN SENSITIVE SECTORS

Ellipsis AM submits its investment vehicles to exclusion lists on sensitive sectors, with the exception of index instruments for which the choice of instruments is not discretionary.

BNP Paribas Group sectoral exclusion policies

For a number of years, Ellipsis AM has relied on the Corporate Social Responsibility (CSR) policy of BNP Paribas, a shareholder in the Exane Group to which the management company belonged until the end of January 2022. We integrate the BNP Paribas Group's sector policies, which require ESG requirements to be taken into account, into our exclusion filters. The BNP Paribas Group supports the 17 Sustainable Development Goals (SDGs) as part of its Corporate Social Responsibility (CSR) policy.

For more information, visit the BNP Paribas Group website:

https://group.bnpparibas/en/group/at-the-service-of-our-clients-and-society/supporting-transitions/financing-and-investment-policies

Areas of exclusion in BNP Paribas' sensitive sectors

Sectoral policies focus on two main areas:
- **The fight against climate change**, with an energy transition component and a deforestation component
- **The defence of human rights** through the defence of human rights.

8 sensitive sectors are concerned:

Defence: While recognising the right of states to defend themselves and protect their national security, the Group takes into account the fact that the defence sector presents specific ESG risks linked to the status of certain weapons, their potential end use and the risk of corruption.

Palm oil: This activity is an essential source of income and provides a livelihood for millions of people in developing countries. However, the exploitation of palm oil plantations can have various harmful effects on local communities, climate change and ecosystems.

Pulp: Pulp production is a major source of income, providing a standard of living for millions of people in both developed and emerging countries. However, demand for paper-based products is set to increase over the next decade, and this is likely to have an impact on the global environment.

Agriculture: Accounting for 6% of global GDP and 30% of jobs, agriculture is a key sector of the economy. However, if it is not properly managed, its development could have many harmful consequences for local communities, ecosystems and climate change.

Coal-fired power generation: Coal, as a major source of CO_2 emissions, plays a key role in climate change. In line with the objectives of the Paris Agreement, BNP Paribas wishes to support companies in their strategy to move away from coal, while at the same time accompanying its clients actively engaged in the transition required by the climate emergency.

Mining: The mining sector extracts mineral resources, which are the basic building blocks for most sectors of the economy. It also represents a significant proportion of gross domestic product in many countries. However, these considerations must be set against the environmental, social and governance risks associated with the mining industry, including the Group's strategy to exit the thermal coal value chain.

Oil and gas: Following the adoption of the Universal Paris Climate Agreement in December 2015, BNP Paribas, a long-standing partner of the energy sector, joined the international effort to limit global warming to less than 2°C above pre-industrial levels. Since then, the Group has made a strong commitment to the energy transition and has announced a new global policy for financing the exploration, production and transportation of unconventional hydrocarbons.

Nuclear energy: Countries that have chosen to develop their nuclear industry consider that it has positive impacts, particularly on economic development, security of energy supply and the reduction of greenhouse gases. By publishing this policy, BNP Paribas wishes to ensure that the projects it helps to finance comply with the principles of environmental and social impact control and mitigation for the nuclear energy sector.

These policies go further than the regulations in force in the various countries. They contain both mandatory and exclusionary criteria and result in the identification of excluded issuers and issuers under watch for issuers that are making progress but have not reached the level of the sector policies. The aim is not to achieve a significant reduction in the investment universe, nor to penalise companies that are positioned in sensitive sectors, but rather to **identify 'bad performers'** and issuers that are reluctant to implement the transition that is so necessary.

SVVK-ASIR exclusion policies

From 2023 onwards, Ellipsis AM will include the list of the Swiss Association for Responsible Investment SVVK-ASIR (https://svvk-asir.ch/en/exclusion-list) for all its actively managed UCIs. This list covers the exclusion of cluster munitions, nuclear weapons and anti-personnel mines, as well as conduct.

For more information, visit: **https://svvk-asir.ch/en/exclusion-list**

A. 2nd AXIS: FILTER ON THE G CRITERION AND CONTROVERSIES

ELIMINATORY FILTER ON GOVERNANCE

Since its creation, Ellipsis AM has always paid particular attention to corporate governance. The criteria analysed relate to the management structure, accounting and tax practices, the integrity of management, the composition of the board of directors (independence, dispersion, expertise), the aggressiveness of financial communication and the probity of the corporate culture.

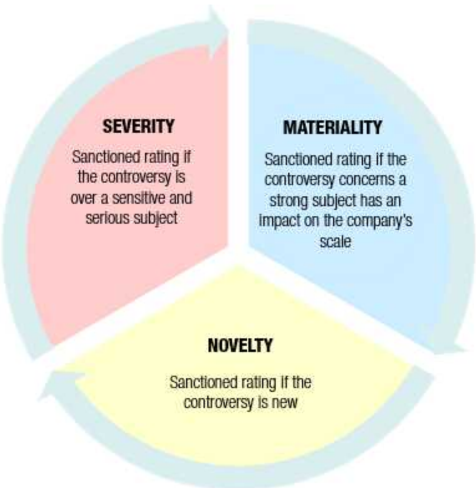
The quality of governance, i.e. the way in which the company is managed and controlled, is often a leading indicator of risk, but also an indicator of the sustainability of the business model. This area of analysis within our process is a mandatory pre-requisite that can trigger an issuer's exclusion, as poor governance cannot be offset by another positive factor.

Companies with poor governance have a higher level of operational, fraud, corruption and reputational risks, and are less able to deal with them when they occur (less resilience). Poor governance can therefore have a major impact on the performance of a company's assets. This is why, as a credit investor, this G criterion comes into play in our stock selection process as early as the credit quality analysis, both to assess the reputational risk that could call into question the viability of the business model and to generate credit stress.

ANALYSIS OF CONTROVERSIES

Controversy analysis is a central tool for assessing financial and non-financial risks. In practical terms, it involves identifying incidents and events likely to have a negative impact on stakeholders, the environment or a company's activities, and assessing the company's exposure to ESG risks.

Ellipsis AM's management is based on Sustainalytics' analyses and ratings in this area. Events are classified into 10 topical areas and rated on a scale of one to five, depending on the reputational risk for the company and the potential impact on stakeholders and the environment.



The Convertibles & Credit management team relies daily on ESG research from Sustainalytics and Clarity AI, and also reviews the issuers concerned at the Controversies & Governance Committee.

To evaluate a controversy, Ellipsis AM takes into account 3 areas of analysis: its seriousness (does the controversy concern a sensitive and serious subject?), its materiality (does the controversy concern a subject with a high impact at company level?) and its novelty.

As from 2024, Ellipsis AM commits to partial monitoring and exclusion of issuers based on their compliance with UN and OECD guidelines: our convertible & credit portfolios aim for a 90/95% alignment with these guidelines. More broadly, Ellipsis AM conducts enhanced vigilance on companies held in portfolios identified by Clarity AI as violating the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.

B. 3E INTEGRATION OF ESG CRITERIA

The ESG integration policy means taking environmental, social and governance criteria into account when selecting securities. This approach contributes to the overall assessment of a security's risk/return profile: it is fully integrated into the investment process insofar as it is an integral part of the selection stage and the analysis is carried out directly by the management team.

This ESG integration approach is in place for all our actively managed convertible and credit portfolios.

COVERAGE IN ESG ANALYSIS

For the convertible and credit portfolios: management ensures overall ESG analysis coverage of more than 90% of the securities held in the portfolios and in their respective benchmarks, across all credit risk categories (investment grade/high yield).

SELECTIVE APPROACH BASED ON THE 3 ESG CRITERIA

For convertible portfolios: management takes sustainability risk into account in its investment decisions. It seeks to favour companies with good ESG practices **by systematically eliminating at least 50% of the stocks in the lowest-rated 15% of the investment universe,** represented by the benchmark index.

RATING IMPROVEMENT APPROACH

For convertible and credit portfolios*:* in addition to the individual selective approach aimed at eliminating the lowest-rated securities, management ensures that the overall sustainability risk of the portfolio is reduced. **The average ESG rating of the convertible portfolio concerned must be better than that of its benchmark.**

2023 overview of ESG focuses in monthly convertible reports

The contents of this document should not be understood as an investment recommendation either within the meaning of the European Market Abuse Regulation (MAR n°596/2014 of 16 April 2014) or within the meaning of MiFID2 Directive n°2014/65/EU of 15 May 2014. Any instrument or issuer mentioned is intended only to illustrate past situations and, as such, developments in this context should not be understood as forward-looking. These opinions are based on the expertise of Ellipsis AM's fund managers, as applied in their management of funds and mandates. These portfolios may be exposed to the sectors, strategies and instruments mentioned in this document and future management decisions are not constrained by the statements and analyses reported and may even be reversed.

ESG Commentary focused on Environmental and/or Social and/or Governance Criteria

JANUARY 2023
E. In response to the U.S. Inflation Reduction Act published this summer, the European Commission announced its intention to launch its own plan, a Green Deal Industrial Plan, at Davos. Although no official announcement has been made yet, leaks indicate a diversion of existing pandemic funds toward new tax breaks and subsidies for green industries, an acceleration of permits, and subsidies auctions for renewable hydrogen. We do not expect significant changes for renewable energy developers who already have access to funding. In our view, the true beneficiaries of such a plan would be hydrogen and battery players.

FEBRUARY 2023
E. Following the Inflation Reduction Act (IRA), European politicians urged the Commission to implement a similar program. The IRA is very straightforward and primarily relies on tax credits. The problem is that it would be unthinkable to try to replicate it in Europe, as taxes are always a national matter, excluding continent-wide tax incentives. Therefore, the EU plan will be based on subsidy schemes that can sometimes be very bureaucratic (i.e., once an application is submitted, it can take months or even years before a decision is made). The draft "Green Deal Industrial Plan" aims to simplify and streamline the approval of national green financing tools in Brussels. For example, it proposes an "administratively light" auction for green hydrogen producers: the winners will receive a premium, based on their bids, for each kilogram of gas produced over ten years.

MARCH 2023
E. Following a 2020 study highlighting that 53% of environmental claims examined in the EU were vague, misleading, or unfounded, and 40% were not substantiated, the European Commission is launching its much-anticipated law to crack down on greenwashing. This law requires companies that voluntarily make environmental claims for their products or operations to use scientific evidence and obtain third-party verification to attach environmental claims or labels to their products and services. Bureau Veritas, which issued a new high-value convertible bond (€750 million in nominal value) this month, will undeniably benefit. Among other activities, Bureau Veritas helps its clients measure their environmental claims, making them traceable and reliable.

APRIL 2023

E. The bankruptcy of Silicon Valley Bank has highlighted segments that rely most heavily on regional bank financing. The U.S. residential solar energy segment is one of them. While the market was concerned about the health of some installers, the U.S. Department of Energy reacted and showed its support by offering a $3.1 billion guarantee for solar loan securitization (April 20) to Sunnova, one of the solar installers that had a credit line with SVB. In our view, this gesture from the DOE, in addition to the tax credit granted by the IRA, shows how seriously the U.S. is taking the green transition.

MAY 2023

E. On May 14, the U.S. Department of the Treasury issued initial guidance on domestic content requirements under the Inflation Reduction Act, bringing some clarity to clean technology equipment manufacturers investing in U.S. production. If the manufacturing process complies with the requirements, companies will be able to benefit from an enhanced tax credit of 10 percentage points (increasing from 30% to 40%). The main beneficiaries will be companies that have already begun to establish or build capacities in the U.S. In the convertible bond universe, Meyer Burger will be one of them, as well as players in the microinverter sector (Solaredge, Enphase).

JUNE 2023

E. Whether in transportation, industry, or energy, semiconductors are the key to decarbonizing the economy. To convert a direct signal from a battery into an alternating signal necessary for domestic electricity or to power vehicle motors, an inverter is needed, and inside each inverter is a semiconductor chip. Semiconductors are therefore integral to electric vehicles and are a key element of the energy transition through grid connection, storage optimization, and high-efficiency appliances such as heat pumps. Many of these semiconductor sector players use convertible bonds to finance themselves, including ST Micro, SOITEC in Europe, and ON Semi in the U.S. The growing need for semiconductors for decarbonization could lead to a revaluation of these names.

JULY 2023

E. We are increasingly hearing that hydrogen is becoming promising. Unlike 20 years ago, when the excitement was due to enthusiasm for hydrogen-powered cars, this time the focus is on high-emission industries such as cement or long-distance transport, which are difficult to decarbonize through electrification alone. Governments are trying to help the industry through generous subsidies, as demonstrated by the IRA in the U.S. While few pure players are publicly traded, two small players exist in the U.S., both of which have issued convertible bonds to finance their hydrogen investments (Bloom Energy and Plug Power).

AUGUST 2023

E. As renewable energy production becomes increasingly crucial, offshore wind turbine developers are radically modifying turbines. They are becoming larger, with blades now reaching 250m in length, making new wind towers almost as tall as the Eiffel Tower. This poses engineering challenges. Some European companies have reported significant delays due to engineering difficulties, resulting in profit warnings. Therefore, while we remain optimistic about renewable energy expansion, we are cautious regarding offshore wind and solar farms.

SEPTEMBER 2023

E. Rising financing rates and construction costs are significantly impacting the renewables sector. The S&P Global Clean Energy Index, composed of the 100 largest companies in solar, wind, and other renewables, has lost around 20% over the past two months, while fossil fuel companies have risen. The time gap between securing long-term fixed-price contracts and executing them impacts profitability. Moreover, the influx of cheap Chinese products in the solar segment in Europe is pushing local companies out of their market. After having invested heavily in the sector, Western governments will undoubtedly need to step in again to support the sector.

OCTOBER 2023

E. The third quarter of 2023 highlighted another segment that, despite benefiting from strong ESG trends, is not immune to rising capital costs: electric vehicles. With increased price competition, slower ramp-up, rising labor costs, supply chain disruptions, and other execution issues, automakers' profitability has been tested. Some have had to reduce or even suspend investments as they rethink their electric vehicle strategy. Several players in the EV sector are mentioned, noting that most of them have strong credit profiles, such as Tesla, Ford, Mercedes, and Li Auto.

NOVEMBER 2023

S. In mid-November, the UK Supreme Court delivered a landmark decision for Deliveroo, with significant implications for the rest of the gig economy. Since Deliveroo couriers are not classified as "workers" under UK law, the Supreme Court excluded them from being represented by unions for collective wage negotiations. The gig economy, now representing a growing share of the workforce, poses new challenges regarding how the law should apply to independent workers. Although they cannot benefit from the same advantages as those classified as workers, some European countries are acting in their favor so that they at least benefit from social security and retirement benefits.

DECEMBER 2023
E. After a weak year in 2022, ESG fund flows continued to deteriorate throughout 2023 despite a rebound in performance in Q4. Part of this movement can be attributed to the higher interest rate environment that penalized the deployment of green initiatives requiring financing. Another explanation is that regulatory complexity and lack of consistency continued to increase with new regulations, frameworks, and amendments to existing ones. This has become a hurdle for attracting new ESG funds. This could prompt regulators to finally focus on simplicity and capability. On the other hand, falling interest rates could prove beneficial, leading to outperformance by ESG favorites.

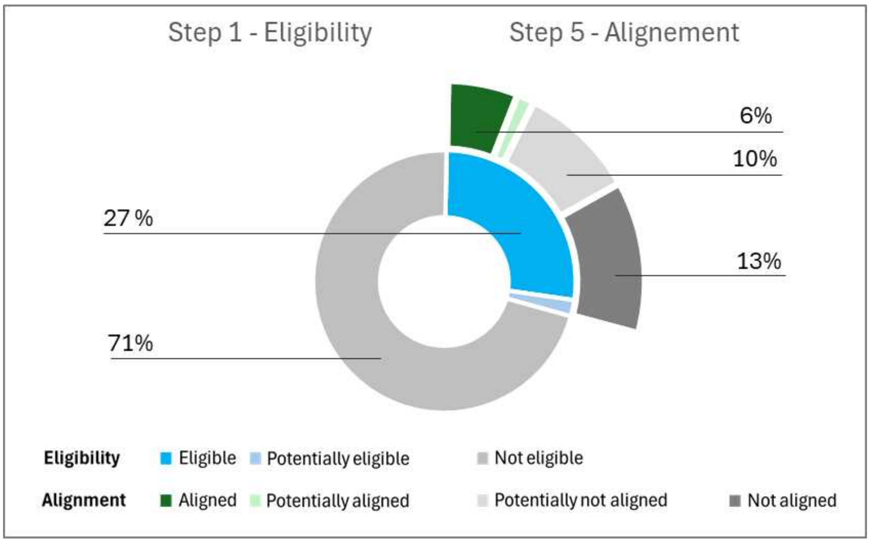
5. EUROPEAN TAXONOMY AND FOSSIL FUELS

5.1. Share of outstanding amounts relating to activities in compliance with the technical review criteria defined within the delegated acts relating to Articles 10 to 15 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to stimulate sustainable investment and amending Regulation (EU) 2019/2088, in accordance with the delegated act adopted under Article 8 of that Regulation

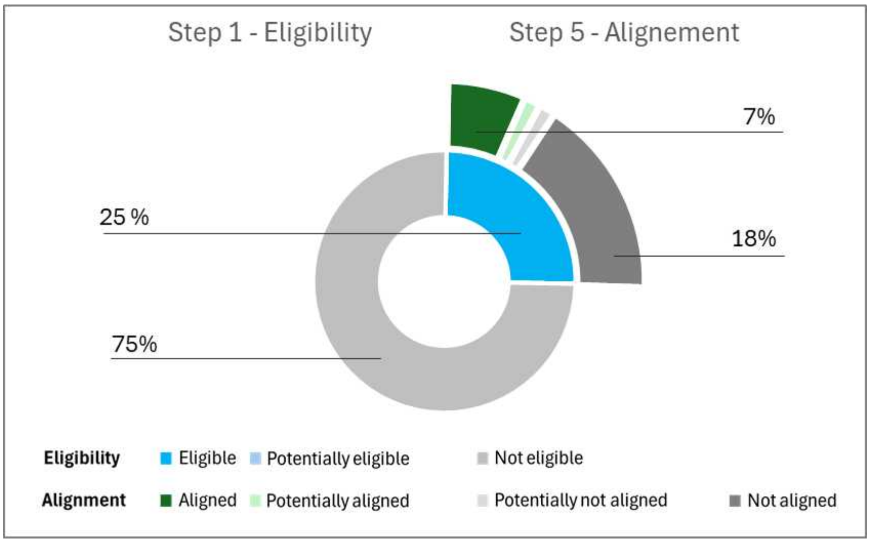
Our portfolios are currently unable to commit to a minimum level of activities aligned with the Taxonomy Regulation. Indeed, the underlying investments of our funds do not take into account the European Union's criteria for environmentally sustainable economic activities as defined by Regulation (EU) 2020/852 (the "Taxonomy Regulation"). The percentage of assets aligned with the Taxonomy Regulation should be considered as 0%. Consequently, the principle of "do no significant harm" does not apply to the underlying investments of our funds.
Ellipsis AM has selected Clarity AI as a provider to calculate data at the portfolio and entity level by the end of 2023. Our 2025-2026 roadmap aims to assess the relevance of the results obtained to define possible commitments in terms of minimum alignment with the Taxonomy Regulation.

AGGREGATED PORTFOLIO	**% OF ELIGIBLE ACTIVITIES**		**% OF ALIGNED ACTIVITIES**	
Data as of 31/12/2023 *Source: Clarity AI*	**% Revenue**	**% Capex**	**% Revenue**	**% Capex**
Objective 1 - **Climate Change Mitigation**	19%	22%	5%	6%
Objective 2 - **Climate Change Adaptation**	< 0,5%	< 0,5%	< 0,5%	< 0,5%
Objective 3 - **Sustainable Use and Protection of Water and Marine Resources**	< 0,5%	NA	< 0,5%	NA
Objective 4 - **Transition to a Circular Economy**	4%	< 0,5%	< 0,5%	< 0,5%
Objective 5 - **Pollution Prevention and Control**	2%	< 0,5%	< 0,5%	< 0,5%
Objective 6 - **Protection and Restoration of Biodiversity and Ecosystems**	< 0,5%	NA	< 0,5%	NA

Share of eligible and aligned activities in revenue for the 6 environmental objectives of the taxonomy: *Nearly 2362 companies out of the total 3051 are covered (including nearly 531 through NFRD). Source: 31/12/2023, Clarity AI, scope of convertible, credit & diversified funds art.8 SFDR, excluding mandates.*



Share of eligible and aligned activities in capex for the 6 environmental objectives of the taxonomy: *Nearly 594 companies out of the total 3051 are covered (including nearly 531 through NFRD). Source: 31/12/2023, Clarity AI, scope of convertible, credit & diversified funds art.8 SFDR, excluding mandates.*



For fossil fuels, see section 4.5. ENGAGEMENT STRATEGY in the focus on exclusion policies for sensitive ESG sectors and the specific exclusion policy on coal.

5.2. Share of exposure to undertakings active in the fossil fuel sector, within the meaning of the delegated act pursuant to Article 4 of this Regulation

Share of total assets in companies active in the fossil fuel sector at 31/12/2023:

6.29 % *if we take into account any entity deriving even insignificant income from this sector - see PAI 4 SFDR and on the basis of all open funds (convertible & credit)*

0.59% *if we consider for each company the % of its economic activities (turnover) linked to fossil fuels, weighted by its weight in the total assets of the management company*

6. STRATEGY FOR ALIGNMENT WITH THE PARIS AGREEMENT

At the end of 2023, Ellipsis AM does not have a strategy for alignment with the Paris Agreement for Fixed Income. We find it difficult to construct an alignment strategy applicable to our convertible & credit investment universes, due to the lack of reliable data available to identify issuers that are aligned with the objective of increasing global temperature to below 2 degrees.

We remain committed to taking this objective into account when analysing the environmental criteria of issuers in our portfolios, and to identifying new sources of information and research that would make it possible to integrate this commitment into our analysis criteria.

7. STRATEGY FOR ALIGNMENT WITH LONG-TERM BIODIVERSITY OBJECTIVES

As of the end of 2023, Ellipsis AM does not have a strategy for alignment with long-term biodiversity objectives. We find it challenging to construct an alignment strategy applicable to our convertible & credit investment universes due to the lack of reliable data available to identify issuers concerned with biodiversity.

It is important to note that the materiality of biodiversity can be twofold: on one hand, the dependence of a company or sector on the ecosystem services provided by nature, and on the other hand, the impact of their activities on natural capital.

Over the next three years, we plan to further develop our approach by engaging with tool and data providers (e.g., Sustainalytics, Clarity AI, CDC Biodiversité, Carbon 4 Finance) to assess the impact of our investments.

Within the classification derived from the European taxonomy, we identify a related axis applicable for considering biodiversity commitments: the sustainable use and protection of water and sustainable resources.

8. ESG CRITERIA IN RISK MANAGEMENT

8.1. The process for identifying, assessing, prioritising and managing risks relating to the consideration of environmental, social and governance quality criteria, the way in which risks are integrated into the entity's conventional risk management framework, and the way in which this process meets the recommendations of the European supervisory authorities of the European System of Financial Supervisors.

ESG risk management is integrated into every stage of the portfolio lifecycle.

AS PART OF PRODUCT GOVERNANCE

- **When the portfolio is designed**, its ESG profile and objectives are defined by the Product Governance Committee, which brings together the management team and all the management company's business lines.
- **At the annual review of the fund or mandate,** the ESG investment strategy is assessed. The strategy may be re-evaluated or enhanced on the basis of proposals from the various business lines, approved by the Executive Board.

AS PART OF RISK CONTROL

Independent Risk Control (IRC) includes risk monitoring and ESG indicators.

Monitoring issuers excluded from pre-trade

The CRI is responsible for setting pre-trade bans on all issuers affected by exclusion policies (Oslo & Ottawa conventions, BNP Paribas Group sectoral financing and investment policies, FATF lists, SVVK-ASIR list).

- **Excluded issuers are parameterised in our front-end information system** (SimCorp Dimension) by Independent Risk Control (IRC).
- They **cannot be invested in pre-trade control**: orders are systematically blocked by the fund managers.

ESG contractual firm limits

On a daily basis, the CRI monitors the contractual limits in place for actively managed bond portfolios, such as the minimum ESG analysis coverage rate, as well as those specific to convertible portfolios, such as reducing the investment universe or improving the rating compared with the benchmark.

Internal ESG risk rating

The internal ratings workflow enables the management team to define a rating when an issuer is not rated or to revise an existing Sustainalytics rating. The CRI validates the rating proposals so that they can be taken into account in the information systems.

ESG risk score and corporate governance

The CRI calculates an aggregate ESG risk score and Corporate Governance score for the convertible portfolios and their benchmarks, with details of absolute and relative contributions per line. These data are calculated on the basis of raw data from the extra-financial data provider Sustainalytics, supplemented by internal ratings carried out by the managers (additional ratings where no rating exists and revised ratings based on their own assessment). The results of these calculations are monitored and made available to the management teams through dedicated daily reports.

In addition, overweight positions in companies with a low ESG risk rating or corporate governance score are reviewed and justified at the Risk Committee meeting.

Monitoring controversies

The CRI has implemented monitoring of controversies for portfolio issuers whose level of criticality is deemed high or increasing. The reputational risk score aims to identify companies involved in incidents that could negatively impact the environment or the company's activities. Two levels of monitoring are communicated to the management teams:

- Daily Alert: Companies whose controversy level (at the issuance and underlying level) has deteriorated, for information to convertible and credit managers.
- Weekly Alert: Companies whose controversy level (at the issuance and underlying level) is deemed at least significant according to the Sustainalytics score and are held in the convertible portfolios.
- Quarterly Alert: Companies held in the convertible & credit portfolios and identified by Clarity AI as violating the UN Global Compact and OECD Guidelines for Multinational Enterprises. This involves monitoring the levels of the 2 PAIs M10 (Violations of UNGC principles and OECD-GME) and M11 (Lack of processes and compliance mechanisms to monitor compliance with UNGC and OECD-GME) for issuers with levels above 0%.

EXTERNAL AUDITS

The periodic RTS SFDR is approved by the Statutory Auditor as an appendix to the fund's annual report.

8.2. A description of the main environmental, social and governance risks taken into account and analysed, which includes, for each of these risks :

i) A characterisation of these risks, in particular whether they are current or emerging, exogenous or endogenous to the entity, their occurrence, their intensity, and the time horizon which characterises them;

ii) A segmentation of these risks according to the following typology, as well as a descriptive analysis associated with each of the main risks, including the associated risk factors, such as public policies, market behaviour or technological developments:

-Physical risks, defined as exposure to the physical consequences of environmental factors such as climate change or loss of biodiversity;

-transition risks, defined as exposure to changes brought about by the ecological transition, in particular the environmental objectives defined in article 9 of the above-mentioned regulation;

-Risks of litigation or liability linked to environmental factors;

iii) An indication of the economic sectors and geographical areas concerned by these risks, whether they are recurring or one-off, and their weighting, if any;
iv) An explanation of the criteria used to select significant risks and the choice of any weighting;

Sustainability risks are included in portfolio risk mapping and are monitored and controlled in accordance with Ellipsis AM's risk policy. They are integrated into the governance and control framework already in place for monitoring other risks. In this report, Ellipsis AM has endeavoured to define the various risks mentioned.

Physical risks are defined as exposure to the physical consequences of environmental factors, such as climate change or biodiversity loss. They refer to the financial effects of climate change (such as an increase in extreme weather events or gradual changes in climate) and environmental degradation (such as pollution, water stress, loss of biodiversity or deforestation). These are the direct effects of climate change on the company.

Transition risks are defined as exposure to changes brought about by the ecological transition. They refer to the financial loss that a company may incur, directly or indirectly, as a result of the process of adapting to a low-carbon and more environmentally sustainable economy. This risk includes, in particular, regulatory risk (linked to a change in public policy: prohibition or restriction of certain activities, changes in taxation), technological risk (linked to innovations and technological breakthroughs favourable to the fight against climate change) and market risk (changes in supply and demand on the part of companies, households or financial players). Overall, these are the effects of a company on climate change.

These two types of risk are complemented by the risks of litigation or liability linked to climate change and biodiversity.

RISKS	SUB-RISKS	PROBABILITY INTENSIVE	HORIZON	IMPACT
PHYSICAL RISKS	- Carbon emissions - Carbon intensity - Water stress - Preserving biodiversity *Sectors: all* *Zone : World*	Strong to medium depending on sector & company Current character, exogenous & endogenous to the company	CT: 1 year MT: 2030 LT: 2050	
TRANSITION RISKS	- Financing **environmental** impact - Exposure to renewable energies - Pollution risks - Risk of waste - Recycling - Exclusion of emitters involved in coal - Risk of exceeding the temperature trajectory °C *Sectors: all* *Zone : World*	Strong to medium depending on the sector & company Current character, exogenous & endogenous to the company	CT: 1 year MT: 2030 LT: 2050	Risks that could lead us not to invest in/exclude the issuer from our portfolios

BIODIVERSITY RISKS	- Risk of deforestation - Risk of disruption to biodiversity - Exposure to areas of high water stress - Exposure to geographical areas highly vulnerable to climate change *Sectors: all* *Zone : World*	Strong to medium depending on the sector & company Current character, exogenous & endogenous to the company	LT: 2050	

SOCIAL RISKS	- Risks linked to the lack of diversity and equal opportunities for all - Risks associated with the lack of continuous training and professional development - Work management risks - Employee health risks - Employee safety risks - Risks relating to labour standards in the supply chain - Product safety and quality risks - Confidentiality and data security risks - Demographic risks - Risks linked to opportunities in terms of nutrition and health - Risks relating to compliance with the United Nations Global Compact *Sectors: all* *Zone : World*	Strong to medium depending on sector & company Current & emerging character, exogenous & endogenous to the company	MT: 2030	Risks that could lead us not to invest in/exclude the issuer from our portfolios

GOVERNANCE RISKS	- Risks relating to the governance structure, - Risks relating to the independence of the Board - Risks relating to executive remuneration, - Risks relating to regulated agreements, - Risks of instability and corruption, - Risks relating to business ethics - Risks associated with anti-competitive practices - Risks associated with tax transparency - Compliance with the United Nations Global Compact - Risks associated with employee turnover *Sectors: all* *Zone : World*	Strong to medium depending on sector & company Current & emerging character, exogenous & endogenous to the company	MT: 2030	Risks that could lead us not to invest in/exclude the issuer from our portfolios
LIABILITY RISKS	- Controversies - Exclusion of transmitters involved in controversial weapons *Sectors: all* *Zone : World*	Strong to medium depending on sector & company Current & emerging character, exogenous & endogenous to the company	CT: 1 year	Risks that could lead us not to invest in/exclude the issuer from our portfolios

8.3. An indication of the frequency of review of the risk management framework ;

See details of the risk management framework in 8.1.

- Product governance: at least **annually**
CRI internal controls (monitoring of issuers excluded in pre-trade, firm ESG contractual limits, controversies, internal ESG risk ratings, ESG and Corporate Governance risk scores): **daily**
- External control (audit, CAC, etc.): periodic, at least **annually**

8.4. An action plan to reduce the entity's exposure to the main environmental, social and governance risks taken into account

As a reminder, no portfolio managed by Ellipsis AM reaches the threshold of €500 million in assets under management. Therefore, the question pertains to the risk management policy of the management company to mitigate identified and assessed sustainability risks.

To date, Ellipsis AM has not yet established a comprehensive strategy to reduce its exposure to major ESG risks (which may impact both assets and liabilities). To define this strategy, Ellipsis AM has determined that the first preliminary step is to obtain sustainability indicators, both quantitative and qualitative.

1/ **Mapping of Principal Adverse Impacts (PAI)** has been identified as a significant issue in the management company's roadmap. Ellipsis AM has selected Clarity AI as the provider to calculate data at the entity and portfolio levels by the end of 2023.

At the entity level:
Ellipsis AM has established a 2023 report on the principal adverse impacts on sustainability factors at the entity level as defined in European regulations. To view the latest PAI report:
https://www.ellipsis-am.com/publication/ComplianceDoc/En_PAI_Ellipsis_AM.pdf

At the portfolio level:

Principal adverse impacts on sustainability factors, as defined in Article 7 of the SFDR, are not currently taken into account in our funds' investment decisions, with the first data becoming available in early 2024.

SUSTAINABILITY RISK Impact of events related to ESG factors on the value of an investment

ADVERSE IMPACTS on sustainability factors Negative consequences of investments on ESG factors

Our 2025-2026 roadmap aims to assess the relevance of the results obtained to inform the construction of an action plan.

2/ Ellipsis AM, as part of Kepler Cheuvreux, continues **to invest in synergies with its Group in the analysis and consideration of ESG risks.**

8.5. A quantitative estimate of the financial impact of the main environmental, social and governance risks identified and the proportion of assets exposed, as well as the time horizon associated with these impacts, at the level of the entity and the assets concerned, including in particular the impact on the valuation of the portfolio. If a qualitative statement is published, the entity should describe the difficulties encountered and the measures envisaged to quantitatively assess the financial impact of these risks.

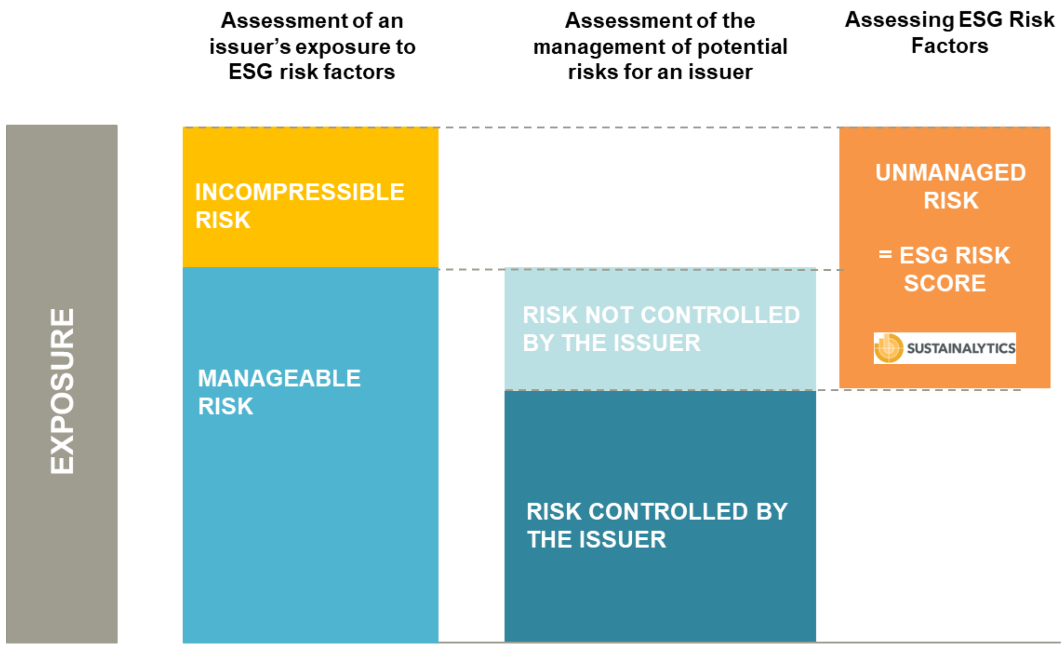
At the end of 2023, Ellipsis AM is not in a position to quantify the overall financial impact of ESG risks on its portfolio assets. This calculation is difficult to carry out because it requires sophisticated models based on numerous assumptions that can vary greatly from one player to another for the same risk in the absence of standardised data. The impact can be estimated qualitatively on a case-by-case basis when analysing an issuer for a specific identified risk (see table in 8.2.).

8.6. An indication of changes in methodological choices and results

A. FRAMEWORK FOR USING EXTERNAL ESG RESEARCH

Since 2018, Ellipsis AM has relied on Sustainalytics ESG scores (see section 2. MEANS USED). Sustainalytics covers more than 95% of convertible issuers (Europe and Worldwide). Through this research, Ellipsis AM managers have access to ESG risk analysis by issuer, ESG risk scoring with granularity by risk factor, a governance analysis module and a controversy alert engine.

Contribution of Sustainalytics research our 360° fundamental analysis



Access to Sustainalytics research enables managers to focus their analysis time on the risk factors for a company. In a second phase, dialogue with financial analysts and the company itself enables them to delve deeper into cross-cutting ESG themes or to enrich their ESG analysis of a specific sector or issuer.

External research also relies on financial research providers who have added an in-depth extra-financial angle to their qualitative analysis. The financial analysts of these companies focus on a very limited number of companies (often no more than 10), giving them a good understanding of the issues facing the company they are following.

B. LIMITATIONS OF ESG METHODOLOGIES AND DATA AND POSSIBLE AVENUES FOR DEVELOPMENT

External ESG research does not cover the entire investment universe for niche asset classes or specific financial instruments (indices, derivatives, etc.).

➔ We closely monitor the emergence of appropriate research and ESG indices in our main investment areas: convertible bonds and listed derivatives.

Ellipsis AM has identified the following structural limitations inherent in ESG 'big data':

- Asymmetry of information - Company publications are drawn up on a declaratory basis. Although reporting requirements are becoming more stringent, they still vary from one geographical area to another.

- Past data - Publications relate a past situation. The governance and policies pursued by a company require a more dynamic approach, which can be based on a range of clues when discrimination is not sufficiently efficient. This means that the analysis is not necessarily based on established certainty.

- Dissemination of non-financial information - It is impossible to take account in real time of the impact of events affecting companies and of instant controversies. There are long delays between the announcement of a controversy and the company's change of view/rating, because some research providers offer companies the right to reply. For example, it can take up to several months to adjust a rating following a new risk identified during a controversy.

- Risk of offsetting and dilution - The aggregation of data used to compile a rating entails the risk of offsetting criteria or diluting priority criteria.

In conclusion, qualitative ESG analysis, applied to a hybrid asset class such as convertible bonds or high yield, requires an appropriate methodology.

➔ We have sought to develop a complementary and contrarian approach through our internal rating methodology, which has naturally become a necessity for the management team, given the current limitations of ESG "big data". The introduction of the CSRD (Corporate Sustainability Reporting Directive) should make it possible to standardize data for greater transparency and comparability.

➔ Our medium-term objective is to make the most of possible synergies with ESG analysts within the Kepler Cheuvreux Group, in terms of thematic approach, data and scoring.

➔ We are continuing our efforts to see how we can develop a policy of active dialogue with issuers, given the nature of our fixed income & derivatives asset classes. In 2024, we are enriching our sources of extra-financial data, notably on Principle Adverse Impacts (PAI) metrics on issuers held in the portfolio, with the selection of Clarity AI.

8° bis-For the publication of the information referred to in 8°, the entity shall ensure that the environmental, social and governance criteria taken into account in risk management comply with the following methodological criteria, concerning :

a) The quality of the data used :
A reference to the use, as soon as possible, of methodologies based on prospective data, and an indication, where appropriate, of the relevance of using methodologies based on historical data

A. SELECTION PROCESS FOR THE CONVERTIBLES & CREDIT DIVISION WITH ESG INTEGRATION

ESG analysis enriches the stock selection process at various stages:

1. **Qualitative analysis of credit risk**, aimed at ensuring the sustainability of the issuer's business and financial model. This analysis is based on an assessment of credit quality enhanced by a systematic assessment of the quality of governance (e.g. integrity of management, independence of the board of directors, accounting and tax practices, etc.), reputational risks and regulatory risks. In this way, each criterion contributes to the qualitative assessment of credit risk without necessarily being disqualifying on its own. The aim is to avoid issuers that could be penalised by the market in the short or medium term for their default risk, their governance practices or the impact of a regulatory change on their business model. This first level of analysis may lead to the exclusion of a security.

2. **A 360° multi-criteria analysis (financial and ESG) is used to** select and calibrate positions.

   Compromises" between financial and extra-financial arguments are possible because ESG issues are not the only discriminating factors. They contribute to the overall assessment of an instrument's risk/return profile.

B. ESG RATING METHODOLOGY ELLIPSIS AM

Internal ESG ratings are established by the manager-analysts in the Convertibles & Credit division on the basis of external extra-financial research - mainly Sustainalytics scores - and internal discretionary assessment.

They were introduced from 2020 on convertible portfolios and then gradually on credit portfolios. The methodology is now applied to all portfolios managed by the Convertibles & Credit division and addresses the 3 criteria: Environmental, Social and Governance.

Internal ratings meet 2 objectives:

- broaden the scope of coverage to meet our commitments on ESG analysis coverage (e.g. minimum 90% of securities held in convertible portfolios, all credit risk categories combined (investment grade, high yield)).

- to refine the quality of our extra-financial analyses and make our selection process more discriminating in order to strengthen the relevance of our stock investment choices.

The scope of securities eligible for internal rating primarily concerns :

- case 1 - assign a rating to securities that are not tracked by Sustainalytics and do not yet have a score. This is particularly the case for unlisted or recently listed companies but represents a marginal proportion of the investment universe (<3%).

- case 2 - revise Sustainalytics' initial scores upwards or downwards. The decision to upgrade or downgrade is the result of an internal process identifying securities for which the issuer's rating is not consistent with the ESG risk of the security. To date, our approach has enabled us to re-evaluate around 10% of Sustainalytics scores.

Below is a 3-year review of the ESG ratings carried out by the Convertibles & Credit division:

Internal ratings	2020	2021	2022	2023
No note	7	8	1	3
Supplier note review	8	14	15	7
Green bond issues	-	7	2	4
Linked to a thematic bias	8	4	2	3
TOTAL	15	22	16	10

Controversy analysis is a central tool in sustainability risk assessment. It is an important trigger for the management team in the ESG rating review process, upstream of the scores provided by Sustainalytics.

In fact, the decision to revise an ESG score is taken by the management team, and may be linked to the need to quickly take into account the emergence of a controversy in the overall analysis of an issuer, or in the event of doubt about a specific environmental, social or governance issue.

To assess a controversy, Ellipsis AM takes into account 3 axes of analysis: its seriousness (does the controversy concern a sensitive and serious subject?), its materiality (does the controversy concern a subject with a high impact on the scale of the company?) and its novelty.

Our management is based on analyses and scorings by Sustainalytics, with events classified into 10 topical areas and rated on a scale of one to five, depending on the reputational risk for the company and the potential impact. Risk Control has set up a daily alert system for controversial developments concerning issuers in the convertible and credit portfolios.

However, it is impossible for the research provider to take into account the impact of events affecting companies and instant controversies in real time. There are long delays between the announcement of a controversy and a change in the company's view/rating, as some research providers offer companies a right of reply. It can take up to several months to adjust a rating in response to a new risk identified during a controversy. This is why we have developed an internal rating methodology to make our selection process more responsive and more discriminating, so as to reinforce the relevance of our investment choices.

b) Risks associated with climate change :
-for physical and transition risks, a use of several scenarios, including at least one 1.5°C or 2°C scenario and at least one trend or disorderly transition scenario, taking into account the national climate contributions of the Parties to the United Nations Framework Convention on Climate Change : if the scenario is public, by giving its name; describing the main characteristics of the scenarios chosen where the information is not otherwise publicly available, in particular concerning the descriptive analysis referred to in b of 8°, the reference

trajectory of the scenario, the scale and nature of the sectoral and macroscopic impacts, compatibility with a given climate objective and the main assumptions of the scenario on technologies and structural changes in the economy ; where appropriate, justifying the reasons why the entity uses individualised scenarios; and explaining how the scenarios used are adapted to the entity's financial risk management modelling capabilities;
-for physical risks, a description of how the entity plans to include information specific to its counterparties on its exposure, sensitivity, adaptation and capacity to adapt in the value chain;

Cf. section 6: at the end of 2023, Ellipsis AM has no strategy to align its Fixed Income activities with the Paris Agreement.

Unfortunately, we are unable to answer this question because we do not believe that there is sufficient data at present to develop a methodology that would enable precise and quantifiable identification of physical and transition risks by portfolio and the implementation of scenarios. We are continuing our investigations with research providers with a medium-to-long-term objective.

It should be noted that climate change risks are addressed on a case-by-case basis during the ESG analysis of a bond issuer or in the event of controversy.

c) Biodiversity-related risks :
-a clear distinction between the main risks arising from the impacts caused by the investment strategy and the main risks arising from the dependence on biodiversity of the assets and activities in which the entity has invested. For each risk identified, the entity indicates the perimeter of the value chain used;
-an indication of whether the risk is specifically linked to the sector of activity or geographical area of the underlying asset.
For the credit institutions and investment firms referred to in Article L. 511-4-3, the information referred to in b to f of 8° and in 8° bis shall apply to the activity of discretionary management, where this is possible.

Cf. section 7: at the end of 2023, Ellipsis AM does not have a strategy for alignment with long-term biodiversity objectives.

Unfortunately, we are unable to answer this question because we do not believe that there is sufficient data to date to develop a methodology that would enable precise and quantifiable identification of biodiversity-related risks by portfolio. We are continuing our investigations with research providers with a medium- to long-term objective.

It should be noted that biodiversity-related risks can be addressed on a case-by-case basis during the ESG analysis of a bond issuer or in the event of controversy.

ELLIPSIS AM
Kepler Cheuvreux

CHAPTER 2
LISTED DERIVATIVES scope

www.ellipsis-am.com

The **Alternative & Overlay division** has been developing expertise in equity portfolio hedging solutions and risk allocation using listed derivatives since 2008. The Funds Solutions division, launched in 2023, develops structured funds.

- ✓ The scope of "listed derivatives" primarily consists of **customized portfolios (comprising 68% of Ellipsis AM's total AUM in 2023) that do not apply an ESG approach due to the nature of the instruments used.** This includes mandates and dedicated overlay funds based on listed options and futures, managed on behalf of European institutional investors, representing a growing portion of Ellipsis AM's AUM.

- ✓ The OPC Ellipsis Optimal Solutions – Liquid Alternative is the only open fund within this scope. It primarily invests in climate benchmark indices such as the PAB (Paris Aligned Benchmark), CTB (Climate Transition Benchmark), biodiversity indices, and ESG Investment Grade indices (e.g., MSCI ESG Fixed Income Solutions). Chapter 2 therefore focuses on this fund.

This management expertise benefits transversally from the ESG approach, resources, and governance within the investment policies of the Convertibles & Credit division, as well as from the existing resources and governance bodies presented in Chapter 1.

1. GENERAL ESG APPROACH

1.1. Summary of the general approach to taking ESG criteria into account, particularly in the investment policy and strategy

See chapter 1

1.2 Content, frequency and means used to inform subscribers, members, contributors, beneficiaries or customers about the criteria relating to the ESG objectives taken into account in the investment policy and strategy

See chapter 1

1.3. List of financial products mentioned pursuant to Article 8 and Article 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019, and the overall percentage share of assets under management taking ESG criteria into account in the total amount of assets under management

Classified UCIs ARTICLE 8 - SFDR	€ 39 513 412

2% of "LISTED DERIVATIVES & STRUCTURED FUNDS" AUM

Ellipsis Optimal Solutions – Liquid Alternative	**39 513 412 €**

- **Ellipsis AM does not have any funds with a sustainable investment objective classified under article 9 - SFDR.**

1.4. Consideration of environmental, social and governance criteria in the decision-making process for the award of new management mandates *by the entities referred to in Articles L. 310-1-1-3 and L. 385-7-2 of the Insurance Code*

See chapter 1

1.5. Adherence by the entity, or by certain financial products, to a charter, a code, an initiative or a label on the consideration of environmental, social and governance quality criteria, *as well as a brief description of these criteria, in accordance with d) of 2 of article 4 of the above-mentioned regulation.*

See chapter 1

2. MEANS DEPLOYED

2.1. Description of the financial, human and technical resources dedicated to taking ESG criteria into account in the investment strategy, in relation to the total assets managed or held. *The description includes all or some of the following indicators: percentage share of the corresponding full-time equivalents; percentage share and amount in euros of the budgets devoted to environmental, social and governance quality data; amount of investment in research; use of external service providers and data suppliers, etc.*

See chapter 1

2023 AUM Derivatives	€ 1 902 307 815
2023 Research Budget	€13 343
ESG Research Budget *(including Sustainalytics and Clarity AI)*	*€ 5 848*
Estimated part for extra-financial research within financial research	*€ 0*
Estimated FTE based on ESG projects distributed by department *(primarily Management/CRI/Marketing /Compliance)*	-

2.2. Actions taken to strengthen internal capabilities. ***The description includes all or part of the information relating to training, the communication strategy, the development of financial products and services associated with these actions.***

See chapter 1

3. ESG GOVERNANCE

3.1 Knowledge, skills and experience of the governance bodies, in particular the administrative, supervisory and management bodies, in taking decisions on the integration of environmental, social and governance criteria into the investment policy and strategy of the entity and any entities it controls. The information may relate in particular to the level of supervision and the associated process, the reporting of results, and the competencies

See chapter 1

3.2 Inclusion, in accordance with Article 5 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019, in remuneration policies of information on how these policies are adapted to the integration of sustainability risks, including details of the criteria for linking the remuneration policy to performance indicators

See chapter 1

3.3 Integrating environmental, social and governance criteria into the internal rules of the Board of Directors or the Supervisory Board

See chapter 1

4. ENGAGEMENT STRATEGY AND VOTING POLICY

4.1. Scope of companies covered by the commitment strategy

Not applicable to listed derivatives

4.2. Presentation of the voting policy

Not applicable to listed derivatives

4.3. Assessment of the engagement strategy implemented, which may include the proportion of companies with which the entity has initiated a dialogue, the issues covered and the actions taken to follow up this strategy.

Not applicable to listed derivatives

4.4. Report on voting policy, in particular with regard to the tabling and voting at General Meetings of resolutions on environmental, social and governance issues

Not applicable to listed derivatives

4.5. Investment strategy decisions, including sectoral disengagement. If the entity publishes a specific report on its shareholder engagement policy, this information may be included with reference to this article.

See chapter 1

COVERAGE IN ESG ANALYSIS

For Ellipsis Optimal Solutions - Liquid Alternative: The management commits to an ESG analysis covering at least 90% of Investment Grade securities and 75% of speculative grade securities. This analysis aims to exclude issuers for whom sustainability risk – particularly governance risk – could jeopardize the long-term viability of the company's or state's economic and financial model, significantly impact its market value, or lead to a substantial downgrade by rating agencies. The objective is to contribute to a multi-criteria analysis without requiring the manager to base investment decisions solely on ESG criteria.

5. EUROPEAN TAXONOMY AND FOSSIL FUELS

5.1. Share of outstanding amounts relating to activities in compliance with the technical review criteria defined within the delegated acts relating to Articles 10 to 15 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to stimulate sustainable investment and amending Regulation (EU) 2019/2088, in accordance with the delegated act adopted under Article 8 of that Regulation

See chapter 1

5.2. Share of exposure to undertakings active in the fossil fuel sector, within the meaning of the delegated act pursuant to Article 4 of this Regulation

Not applicable to listed derivatives

6. STRATEGY FOR ALIGNMENT WITH THE PARIS AGREEMENT

With Ellipsis Optimal Solutions – Liquid Alternative, Ellipsis AM has initiated a first step towards an investment strategy in line with the Paris Agreement. The investment strategy focuses on climate benchmark indices. These indices have been developed to offer investors simple and constructed solutions that allow direct investment in indices that limit the carbon consumption/emissions of invested companies or those engaged in a decarbonization trajectory. They are constructed from a base investment universe of equities or bonds, with an additional quantitative construction associated with an exclusion list of certain companies or sectors not meeting defined environmental ratings.

A primary investment strategy within the equity universe of OECD member countries, comprising 0% to 50% maximum of the fund's net assets, is exposed to the following sustainability indices:

- ✓ **PAB (Paris Aligned Benchmark) indices** aim to select only securities that contribute to achieving the 2°C target set in the Paris Agreement on climate change, adopted on December 12, 2015, in Paris during the United Nations Climate Change Conference (the "Paris Agreement").

- ✓ **CTB (Climate Transition Benchmark) indices** aim to reduce the carbon footprint of a standard portfolio. Specifically, this type of index must be defined by including companies that follow a scientifically measurable decarbonization trajectory, considering the long-term warming objective determined in the Paris Agreement.

- ✓ **Biodiversity indices** (limited within the fund to the Stoxx Biodiversity and MSCI Biodiversity indices) select securities of issuers aiming to maintain ecosystem balance by allowing different species to coexist and interact with one another.

A secondary investment strategy within the Investment Grade credit universe, comprising 0% to 50% of the fund's net assets, is entirely invested in indices or underlying securities belonging to the following ESG Investment Grade indices:

- ✓ **Investment Grade ESG indices** (e.g., MSCI ESG Fixed Income Solutions).

For more information:
https://qontigo.com/solutions/climate-indices/
https://qontigo.com/biodiversity-indices/
https://www.msci.com/our-solutions/climate-investing/biodiversity-sustainable-finance

7. STRATEGY FOR ALIGNMENT WITH LONG-TERM BIODIVERSITY OBJECTIVES

See chapter 1

As mentioned in section 6 on the strategy for alignment with the Paris Agreement, the investment strategy within the equity universe of OECD member countries (from 0% to a maximum of 50% of the fund's net assets), may be exposed to **Biodiversity indices** (limited within the fund to the Stoxx Biodiversity and MSCI Biodiversity indices). These indices select securities from issuers that aim to maintain the balance of ecosystems by enabling different species to coexist and interact with each other. At the end of 2023, exposure to these Biodiversity indices has not yet been activated.

8. ESG CRITERIA TAKEN INTO ACCOUNT IN RISK MANAGEMENT

See chapter 1

CHAPTER 3
2023-2024 Plan for Continuous improvement

Reminder of the 6 UN PRI commitments

1 We will incorporate ESG issues into investment analysis and decision-making processes.

Possible actions:

- Address ESG issues in investment policy statements
- Support development of ESG-related tools, metrics, and analyses
- Assess the capabilities of internal investment managers to incorporate ESG issues
- Assess the capabilities of external investment managers to incorporate ESG issues
- Ask investment service providers (such as financial analysts, consultants, brokers, research firms, or rating companies) to integrate ESG factors into evolving research and analysis
- Encourage academic and other research on this theme
- Advocate ESG training for investment professionals

2 We will be active owners and incorporate ESG issues into our ownership policies and practices.

Possible actions:

- Develop and disclose an active ownership policy consistent with the Principles
- Exercise voting rights or monitor compliance with voting policy (if outsourced)
- Develop an engagement capability (either directly or through outsourcing)
- Participate in the development of policy, regulation, and standard setting (such as promoting and protecting shareholder rights)
- File shareholder resolutions consistent with long-term ESG considerations
- Engage with companies on ESG issues
- Participate in collaborative engagement initiatives
- Ask investment managers to undertake and report on ESG-related engagement

3 We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Possible actions:

- Ask for standardised reporting on ESG issues (using tools such as the Global Reporting Initiative)
- Ask for ESG issues to be integrated within annual financial reports
- Ask for information from companies regarding adoption of/adherence to relevant norms, standards, codes of conduct or international initiatives (such as the UN Global Compact)
- Support shareholder initiatives and resolutions promoting ESG disclosure

4 We will promote acceptance and implementation of the Principles within the investment industry.

Possible actions:

- Include Principles-related requirements in requests for proposals (RFPs)
- Align investment mandates, monitoring procedures, performance indicators and incentive structures accordingly (for example, ensure investment management processes reflect long-term time horizons when appropriate)
- Communicate ESG expectations to investment service providers
- Revisit relationships with service providers that fail to meet ESG expectations
- Support the development of tools for benchmarking ESG integration
- Support regulatory or policy developments that enable implementation of the Principles

5 We will work together to enhance our effectiveness in implementing the Principles.

Possible actions:

- Support/participate in networks and information platforms to share tools, pool resources, and make use of investor reporting as a source of learning
- Collectively address relevant emerging issues
- Develop or support appropriate collaborative initiatives

6 We will each report on our activities and progress towards implementing the Principles.

Possible actions:

- Disclose how ESG issues are integrated within investment practices
- Disclose active ownership activities (voting, engagement, and/or policy dialogue)
- Disclose what is required from service providers in relation to the Principles
- Communicate with beneficiaries about ESG issues and the Principles
- Report on progress and/or achievements relating to the Principles using a 'Comply or Explain' approach
- Seek to determine the impact of the Principles
- Make use of reporting to raise awareness among a broader group of stakeholders

PRI Principles for Responsible Investment

https://www.unpri.org/

1. Integrate ESG issues into investment analysis and decision-making processes

DECISIONS	ACHIEVEMENTS 2021-2022	ACHIEVEMENTS 2023	MEDIUM-TERM OBJECTIVES
ESG GOVERNANCE			
Developing our ESG strategy in as part of the Ellipsis AM's global strategy	Monitoring (client needs, labels, market practices) to enhance our ESG strategy Collaboration with an independent expert SFDR compliance	Calculation of the 2023 carbon footprint at the management company level with the support of an external provider	Strengthen our regulatory, peer, and ecosystem monitoring Engage external experts and ESG consultants
	Consideration of potential ESG synergies in advance within the framework of the merger process between Ellipsis AM and the Kepler Cheuvreux Group Recruitment of a credit manager	Continuation of ESG synergies with the Kepler Cheuvreux Group (ESG research, collaborative implementation of the Group's non-financial performance statement, Foundation, etc.) Integration of the Swiss SVVK-ASIR exclusion list into the processes of the fund range Recruitment of a structured funds manager	Leverage synergies with ESG Research within the Kepler Cheuvreux Group Develop/enhance our exclusion policies and ODD integration Maintain balanced representation with one-third women in the teams responsible for investment decisions (Rixain Law)
Involving the supervisory body	Presentation of the ESG report to the Supervisory Board, the action plan, and the monitoring of commitments	Presentation of the LEC report to the Supervisory Board	Participate in the ESG Committee of the Kepler Cheuvreux Group to raise awareness of our asset management issues.

ESG INVESTMENT PROCESS			
Convertible funds process	Formalization of our ESG analysis methodology Implementation of the workflow for monitoring ESG commitments Launch of the Ellipsis Disruption Convertible Fund, focused on disruptive values, including the theme of combating climate change Prospecting for Taxonomy / PAI data providers	Selection of Clarity AI to calculate Taxonomy / PAI alignment at the aggregated and portfolio levels Dedicated fund converted to Article 8 SFDR	Contract with a provider to enhance periodic RTS on Paris Agreement alignment / Taxonomy / Biodiversity Expand our list of KPIs (tracking collective commitments, contribution to SDGs, UN Global Compact violations, biodiversity, etc.) to define minimum long-term commitments
Credit funds process	Enhanced ESG integration (improved rating) for Ellipsis High Yield Fund Recruitment of a credit manager with ESG expertise Launch of Ellipsis Credit Road 2028, a dated fund under Article 8 SFDR	Same as convertible funds (same division) for Taxonomy / PAI data	Same as convertible funds (same division) for contracting with providers and KPIs Continue progressing on ESG integration for credit portfolios
Process of the Alternative & Overlay Solutions division	Consideration of ESG integration in the universe of listed derivatives Repositioning of Ellipsis Optimal Solutions - PA Balanced: Article 8 SFDR fund with equity exposure through PAB (Paris Aligned Benchmark) and CTB (Climate Transition Benchmark) indices	Repositioning of Ellipsis Optimal Solutions – Liquid Alternative: integration of "sustainability" indices, Biodiversity indices, and Investment Grade ESG indices within the investment strategy	Continue monitoring ESG indices and instruments that could be incorporated into these specific management strategies Initiate the ESG approach within the new Solutions Funds division, particularly for new offerings

DEVELOPING AN ESG CULTURE			
Integrating ESG indicators into the risk control system	Systematic inclusion of ESG risks in the risk mapping Development of internal tools for monitoring ESG risks and a workflow for internal management ratings	Increase the number of KPIs, particularly those related to regulatory obligations: sourced externally but integrated and archived in our systems; calculated internally.	Develop and enhance the mapping of ESG KPIs and their monitoring by Risk Control & IT.
Reinforcing ownership of ESG by all employees	Integration of sustainability risk into the remuneration policy 2021-2022 ESG training by the RCCI for all employees	2023 ESG training for all employees by an external provider (No Ralp) AMF Sustainable Finance Certification Inclusion of ESG objectives in the 2023 goals for all employees	Continue the ESG training plan open to all employees, including internal training sessions or those provided by AMF and AFG Encourage AMF certification on ESG
STRENGTHENING ESG RESOURCES			
Strengthening external resources	Renewal of services from an independent extra-financial research provider Enhancement of the periodic review of research providers with a specific assessment of extra-financial research providers	Selection of Clarity AI to calculate Taxonomy / PAI alignment at the aggregated and portfolio levels	Structure the contracting of external ESG research services as "best execution," particularly within the framework of the Research Committee Engage more appropriate providers for our specific asset classes

Strengthening internal resources	Consider ESG experience in the recruitment process for management team members	Creation of a position for ESG Coordination Manager	

2./3 Encourage issuers to take ESG into account and to be transparent about ESG issues

DECISIONS	ACHIEVEMENTS 2021-2022	ACHIEVEMENTS 2023	MEDIUM-TERM OBJECTIVES
Systematic dialogue with management	Systematize the ESG focus in questionnaires and address it in case of management doubts Formalize and systematically archive meeting reports that address ESG aspects during issuer dialogues	Annual review in this report, both quantitative and qualitative, of the engagement actions undertaken	Explore possible avenues for collective engagement as an alternative to individual engagement, which is limited in terms of voting, considering our predominantly bond-focused strategies.
Raising managers' awareness of investors' expectations in terms of non-financial information	Refer to the point above.		

4. Promoting the UN PRI and its implementation by the financial industry

DECISIONS	ACHIEVEMENTS 2021-2022	ACHIEVEMENTS 2023	MEDIUM-TERM OBJECTIVES
Raising awareness of PRIs in our ecosystem	Integration of the ESG scope into the due diligence processes addressed to distributors		

Promoting inclusion ESG criteria to customers of mandates and dedicated funds	Integration of the ESG scope into the suitability analysis questionnaire for custom offerings	Systematic inclusion of sustainability risk in the management agreements for mandates and dedicated funds.	

5. Cooperate to improve the effectiveness of our implementation of UN PRIs

DECISIONS	ACHIEVEMENTS 2021-2022	ACHIEVEMENTS 2023	MEDIUM-TERM OBJECTIVES
Sharing experience with our peers	Annual hosting of the ESG Club to facilitate exchanges with investors on ESG issues.	Annual hosting of the ESG Club Participation in UN PRI workshops (progression track, Francophone group) and discussions with the UNGC France network Analysis and monitoring of the SFDR consultation	Host the annual ESG Club meeting Identify relevant initiatives in which Ellipsis AM could participate

6. Communicating our activity and progress in implementing the UN PRI

DECISIONS	ACHIEVEMENTS 2021-2022	ACHIEVEMENTS 2023	MEDIUM-TERM OBJECTIVES
Gradually improving communication on our approach	Production of the 2021 ESG annual report (covering 2020) and the 2022 LEC report (covering 2021) Revamp of the dedicated ESG web page during the 2022 redesign of the public website	LEC Report 2023 (covering 2022) and submission to the AMF Response to the first 2023 ESG Af2I market questionnaire	Improve the readability of reports and encourage their dissemination and readership.
	Production of our first annual UN PRI report in 2021: First evaluation received in H2 2022	2023 UN PRI evaluation available	Continue to rely on the UN PRI to enhance transparency in our approach

Gradually improving communication on the inclusion of ESG criteria in investments	Since 2021: Ex post ESG review in the Product Governance Committees (funds and mandates) Since 2022: Transparency on our Taxonomy alignment and consideration of PAI in prospectuses Pre-contractual and periodic SFDR RTS and regulatory EET (European ESG Template) documentation Since 2023: Quarterly ESG reports on the three open convertible funds	Update SFDR RTS and promote the dissemination of the EET Respond to specific ESG questionnaires from investors (around ten in 2023)	Establish the mapping of PAI by portfolio and at the entity level for data evaluation Provide quarterly ESG reports for all holders of convertible and credit funds Include Scope 3 in the calculation of the carbon footprint of the portfolios

APPENDICE: MATRIX OF ESG AXES BY FUND

AXES ESG ELLIPSIS AM		CONVERTIBLE FUNDS	CREDIT FUNDS
		Ellipsis European Convertible Fund; Ellipsis Global Convertible Fund; Ellipsis Disruption ConvertibleFund	Ellipsis High Yield Fund; Ellipsis Credit Road 2028
DURABILITY RISK			
Sustainable investment objective	**SFDR - art 9**	NON	NON
Factoring sustainability risk into management decisions	**SFDR - art 8**	YES, funds belonging to the category of "products promoting environmental and/or social characteristics".	
1st AXIS - EXCLUSION OF Sectorial/Country Issuers			
Normative exclusion on controversial weapons	**Oslo and Ottawa Conventions**	YES	YES
Exclusion of high-risk countries	**FATF black and grey lists**	YES	YES
Exclusion of sensitive sectors unless it is justified by an internal analysis of the environmental characteristics of the the instrument or issuer	**- BNP Paribas investment and financing policies:** exclusions related to the fight against climate change and the defence of human rights **- List of** the **Swiss Association for Responsible Investment SVVK-ASIR**: exclusions linked to cluster munitions, nuclear weapons and anti-personnel mines, conduct	YES	YES
2e AXE - FILTRE SUR LE CRITERE G ET LES CONTROVERSES			
Analysis of controversies	**External research (including Sustainalytics) + Ellipsis AM manager-analysts**	YES	YES
Eliminatory filter on governance		YES	Non-binding filter
3rd PRIORITY - INTEGRATION OF ESG CRITERIA			
ESG analysis coverage of the portfolio	**External research (including Sustainalytics) + Ellipsis AM manager-analysts**	More than 90% of the securities held in portfolios are covered, across all credit risk categories (investment grade, high yield) combined.	
Selective approach to the 3 criteria, integrated into the overall multi-criteria analysis		*European & Global Funds: A minimum of 50% of the securities among at least the bottom 15% in the reference universe are systematically excluded.* *Disruption Fund: Priority given to the theme of combating climate change.*	ESG criteria can guide management decisions but are not binding.
Note improvement" approach	**Ellipsis AM Management**	The average ESG rating of the portfolio must be better than that of its benchmark indicator. *(except Disruption)*	

AXES ESG ELLIPSIS AM		FUNDS	FUNDS COMPOSED OF LISTED DERIVATIVES
		Ellipsis Optimal Allocation Credit	Ellipsis Optimal Solutions -Liquid Alternative
RISQUE DE DURABILITE			
Sustainable investment objective	**SFDR - art 9**	NO	NO
Factoring sustainability risk into management decisions	**SFDR - art 8**	YES, funds belonging to the category of "products promoting environmental and/or social characteristics" for the portion of assets invested in non-index instruments	**SFDR - art 8**
1er AXE - EXCLUSION D'EMETTEURS SECTORIELLE/PAYS			
Normative exclusion on controversial weapons	**Oslo and Ottawa Conventions**	Yes, by transparency, funds of funds holding Ellipsis AM convertible and credit funds	YES
Exclusion of high-risk countries	**FATF black and grey lists**		YES
Exclusion of sensitive sectors unless it is justified by an internal analysis of the environmental characteristics of the the instrument or issuer	**- BNP Paribas investment and financing policies:** exclusions related to the fight against climate change and the defence of human rights **- List of** the **Swiss Association for Responsible Investment SVVK-ASIR**: exclusions linked to cluster munitions, nuclear weapons and anti-personnel mines, conduct		YES
2nd AXIS - FILTER ON CRITERION G AND CONTROVERSES			
Analysis of controversies	**External research (including Sustainalytics) + Ellipsis AM manager-analysts**	Yes, by transparency, funds of funds holding Ellipsis AM convertible and credit funds	NO
Eliminatory filter on governance			NO
3rd PRIORITY - INTEGRATION OF ESG CRITERIA			
ESG analysis coverage of the portfolio	**External research (including Sustainalytics) + Ellipsis AM manager-analysts**	Yes, by transparency, funds of funds holding Ellipsis AM convertible and credit funds	Min. 90% of investment grade securities and 75% of high yield securities hedged
Selective approach to the 3 criteria, integrated into the overall multi-criteria analysis			Exposure to the Paris-Aligned Benchmark and Climate Transition Benchmark indices up to a minimum of 67.5% of the Fund's net assets
Note improvement" approach	**Ellipsis AM Management**	NO	NO

GLOSSARY

ESG: Environmental, Social and Governance criteria. The acronym is used by extension to mean the corresponding criteria.

Governance criteria: The quality of governance is assessed on the basis of 6 pillars: the integrity and independence of the board of directors, the management structure, shareholders' rights, remuneration, financial communication and the rules of good conduct adopted by the company. [*source governance Sustainalytics]*.

Social criteria: the criteria taken into account relate in particular to human rights, personal data, corruption and ethics *[source ESG Sustainalytics]*.

Environmental criteria: the environmental criteria taken into account include those relating to carbon impact, waste production, biodiversity and resource use. [*source ESG Sustainalytics]*.

Principal adverse sustainability impact: the medium- or long-term risk of an investment in an activity having a negative impact from an environmental, social or good governance point of view (non-financial risk).

Exclusion policy: methodology based on the exclusion either of sectors of activity for ethical reasons or for their negative contribution to sustainable development, or of certain players in these sectors of activity, this second option making it possible to accompany the transformation of the sector.

OECD: Organisation for Economic Cooperation and Development
OECD Guidelines for Multinational Enterprises :
https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_fr.pdf

SDGs: Sustainable Development Goals
https://www.un.org/sustainabledevelopment/fr/objectifs-de-developpement-durable/
https://www.agenda-2030.fr/17-objectifs-de-developpement-durable/?

ILO: International Labour Organisation
ILO Declaration on Fundamental Principles and Rights at Work, adopted in 1998 and amended in 2022
https: *//www.ilo.org/fr/declaration-de-loit-relative-aux-principes-et-droits-fondamentaux-au*

United Nations Global Compact (UNGC)
United Nations Guiding Principles for Business and Human Rights:
https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_fr.pdf
https://pactemondial.org/decouvrir/dix-principes-pacte-mondial-nations-unies/

Resilience: the ability to survive, particularly by adapting to external events.

Non-financial risks: risks related to the perception of the company's position with regard to the environment, social values, social commitment and governance.

Sustainability risk: an event and/or situation in the environmental, social or governance field which, if it occurs, could have a significant actual or potential negative impact on the value of the investment" (financial risk).

Corporate social responsibility (CSR): Corporate social responsibility refers to the way in which companies take account, on a voluntary and sometimes legal basis, of environmental, social, economic and ethical issues in their activities.

SFDR ("Sustainable Finance Disclosure Regulation"): "Disclosure" is the European regulation (EU) 2019/2088 on the publication of sustainability information in the financial services sector.

UN PRI ("United Nations Principles for Responsible Investment") : The United Nations Principles for Responsible Investment are based on six voluntary investment principles that propose a range of possible actions to incorporate environmental, social and governance (ESG) issues into investment practices. Developed by investors under the guidance of the United Nations, they have won the support of a global base of signatories representing the majority of professionally managed assets.

Reminder of the risks associated with convertible funds: convertible bonds are more particularly exposed to a risk associated with changes in their value, which depends on several factors: the level of interest rates, changes in the price of the underlying shares, or changes in the price of the derivative embedded in the convertible bond. In addition, they are exposed to credit risk, liquidity risk, counterparty risk and risk associated with the use of forward financial instruments. These risks may lead to a fall in the net asset value of the fund, which is not guaranteed or protected in any way.

Risks associated with credit funds: the fund is not guaranteed or protected in any way. In particular, it is exposed to credit risks, risks linked to the low liquidity of certain securities, risks linked to forward financial instruments and counterparty risks.

Reminder of the risks associated with Liquid Alternative fund: the fund is likely to generate a negative performance during slow and continuous falls in risky assets or during periods of low volatility. The Fund is exposed to model risk linked to its hedging strategy, which is based on a systematic management process. There is a risk that this model may not be efficient. The Fund is also exposed to volatility risk, counterparty risk and risk associated with the use of forward financial instruments. These risks may lead to a fall in the net asset value of the fund, which is not guaranteed or protected in any way.

Additional information for Switzerland: the fund's country of origin is France. In Switzerland, the representative is ACOLIN Fund Services SA, Leutschenbachstrasse 50, CH-8050 Zurich, and the paying agent is Banque Cantonale de Genève, 17 quai de l'Ile, CH-1204 Geneva. The prospectus, the basic information sheets and the key investor information, the regulations and the annual and semi-annual reports may be obtained free of charge from the representative.

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