



Pre-contractual information for financial products referred to in Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088 and the first paragraph of Article 6 of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that it does not cause significant harm to any of those objectives and that the companies receiving the investments apply good governance practices.

The **EU Taxonomy** is a classification system established by Regulation (EU) 2020/852, which lists **environmentally sustainable economic activities**. This regulation does not list socially sustainable economic activities. Sustainable investments with an environmental objective are not necessarily aligned with the Taxonomy.

Product name:
ELLIPSIS OPTIMAL ALLOCATION - CREDIT

Legal entity ID:
969500DEKQHM09GPQM16

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes **No**

<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 5% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>
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What environmental and/or social characteristics are promoted by this financial product?

The fund's objective does not specifically target environmental or social characteristics.

However, these are taken into account in investment decisions for the share of assets invested in non-index instruments : **a minimum proportion of 25% of the net assets of this fund of funds is invested in financial products promoting environmental and/or social characteristics** according to the investment strategy described in its regulatory documentation.

Thus, for transparency, this fund of funds holds Ellipsis AM convertible and credit funds, all of which are Article 8 - SFDR and take ESG characteristics into account in their investment strategy.

The SFDR pre-contractual documentation of the Ellipsis AM funds, used as underlyings by this fund of funds, is available on the website of the management company (www.ellipsis-am.com).



- **What are the sustainability indicators used to measure the achievement of each of the environmental and/or social characteristics promoted by the financial product?**

Monitoring of the fund's sustainability indicators is in place for all invested assets. It is managed by Ellipsis AM's Risk Control.

It is carried out indirectly through the underlying funds in which the portfolio is invested.

The fund is committed to the following ESG investment areas:

- **Investment in SFDR Article 8 financial products**

Minimum: 25.00 %

- **What are the objectives of the sustainable investments that the financial product intends to partially achieve and how does sustainable investing contribute to these objectives?**

The fund does not have a sustainable investment objective, but the consideration of the environmental or social characteristics of the securities in the portfolio is integrated into the investment decisions.



- **To what extent do the sustainable investments that the financial product intends to make in part not cause significant damage to an environmentally or socially sustainable investment objective?**

The **principal adverse impacts** are the most significant adverse impacts of investment decisions on sustainability factors related to environmental, social and personnel issues, respect for human rights and the fight against corruption and corruption.

The fund is not currently in a position to make a commitment from its portfolio to a minimum of activities aligned with the Taxonomy Regulation. Therefore, the "do no material harm" principle does not apply to the underlying investments of funds.

How have the indicators on adverse impacts been taken into account?

"Principal adverse impacts" (PAI) on sustainability factors, as defined in Article 7 of the SFDR Regulation, are not currently taken into account in the fund's investment decisions due to the lack of available and reliable data in the current state of the market.

To what extent are sustainable investments in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?
N/C

The EU Taxonomy establishes a 'do no significant harm' principle, according to which Taxonomy-aligned investments should not cause significant harm to the objectives of the EU Taxonomy, and which is accompanied by specific EU criteria.

The 'do no significant harm' principle applies only to investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the European Union's criteria for environmentally sustainable economic activities.

Any other sustainable investment must also not cause significant harm to environmental or social objectives.



Does this financial product take into account the main adverse impacts on sustainability factors?

Yes

No

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.



What investment strategy does this financial product follow?

- **What are the binding elements of the investment strategy used to select investments in order to achieve each of the environmental or social characteristics promoted by this financial product?**

The investment strategy of this fund of funds is based on discretionary and quantitative analyses aimed at exploiting the diversity of global bond market behaviours.

The manager therefore selects investment vehicles that allow him to implement a target allocation to the different segments of the global bond markets (government bonds, investment grade bonds, high yield bonds, convertible bonds).

To achieve its management objective, the manager invests in particular through funds managed by Ellipsis AM, while reserving the right to invest in funds managed by other management companies.

Given the fund's investment strategy, it does not seek to implement a direct ESG investment strategy: **it delegates the implementation of ESG selection to the underlying funds and is not intended to complement this selection with live securities.** Indeed, a minimum of 25% of the net assets of this fund of funds is invested in financial products promoting environmental and/or social characteristics.

- **What is the minimum commitment rate to reduce the scope of investments envisaged before the application of this investment strategy?**

Ellipsis AM's commitment policy does not apply to this fund of funds within the current framework of its management, which to date does not invest in live securities.

The Ellipsis AM Funds Engagement Policy, which applies to the underlying funds in which this fund of funds is invested, is available on the website: https://www.ellipsis-am.com/publication/ComplianceDoc/Fr_Politique-engagement-vote.pdf

Good governance practices include sound management structures, employee relations, staff remuneration and tax compliance.

- **What is the policy followed to assess the good governance practices of companies receiving investments?**

The policy of evaluating good governance practices is carried out indirectly within the underlying funds in which the portfolio is invested. The corresponding information is available from the management companies of these investment vehicles and through their pre-contractual SFDR documentation.



What is the planned asset allocation for this financial product?

The proportion of the fund's securities and instruments aligned with the environmental or social characteristics promoted, in compliance with the binding ESG commitments of the investment strategy, is at least 25%.

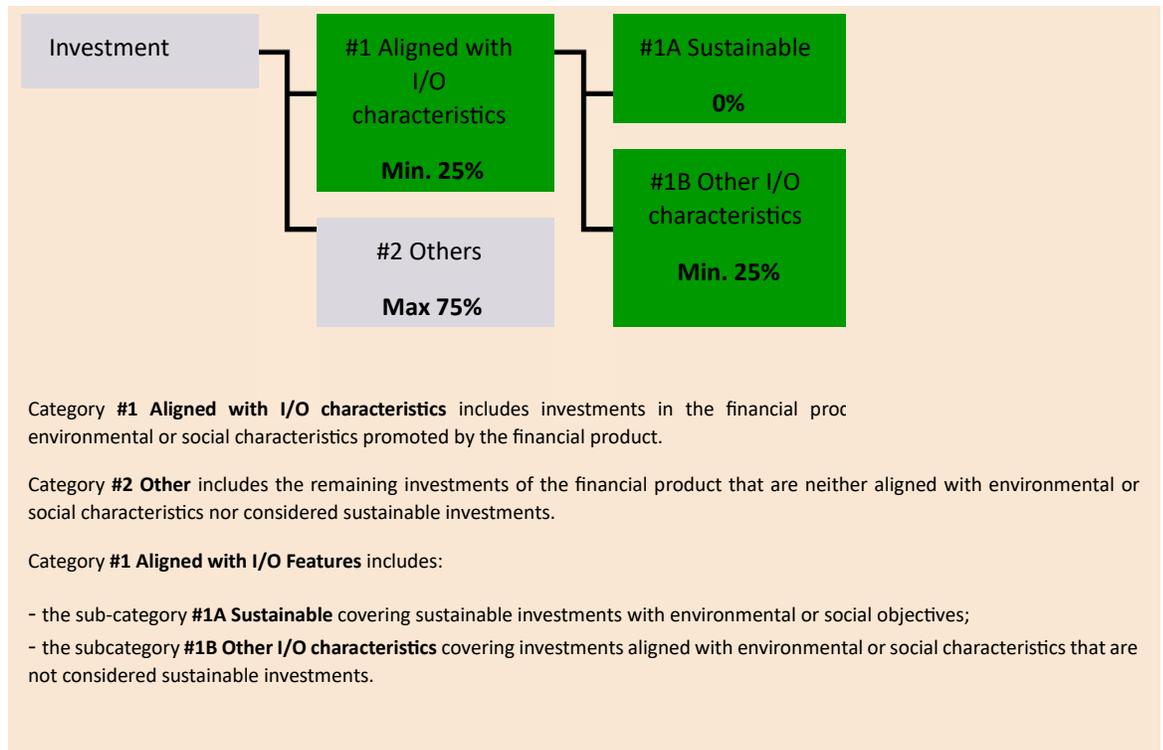
This proportion is calculated in relation to the AUM and relates to investments in the underlying funds that are all classified as Article 8 or 9 SFDR (mainly Ellipsis AM funds - Article 8 SDFR) in which the portfolio is invested.

As the fund does not make a minimum sustainable investment commitment, the proportion of these investments is presented at 0%.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as percentages:

- **turnover** to reflect the share of revenues from green activities of the investee companies;
- **capital expenditure (CapEx)** to show the green investments made by the companies benefiting from the investments, for example for a transition to a green economy;
- **operating expenses (OpEx)** to reflect the green operating activities of the investee companies.



● **How does the use of derivatives achieve the environmental or social characteristics promoted by the financial product?**

The use of derivatives is limited in the fund's strategy. The choice to trade derivatives rather than securities is conditioned by financial parameters (volatility, credit, liquidity). It is in no way done to circumvent the wrong ESG characteristics of a security or to hedge exposures to issuers selected for their ESG characteristics.

Enabling **activities** directly enable other activities to contribute substantially to the achievement of an environmental objective.

Transient **activities** are activities for which low-carbon alternatives do not yet exist and, among other things, for which the levels of greenhouse gas emissions correspond to the best achievable performance.



What is the minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund is not currently in a position to make a commitment from its portfolio to a minimum of activities aligned with the Taxonomy Regulation. Indeed, the underlying investments of this financial product do not take into account the European Union's criteria for environmentally sustainable economic activities within the meaning of Regulation (EU) 2020/852 (the "Taxonomy Regulation"). The percentage of assets aligned with the Taxonomy Regulation should be considered to be 0%. Therefore, the principle of "do no significant harm" does not apply to the underlying investments of funds.

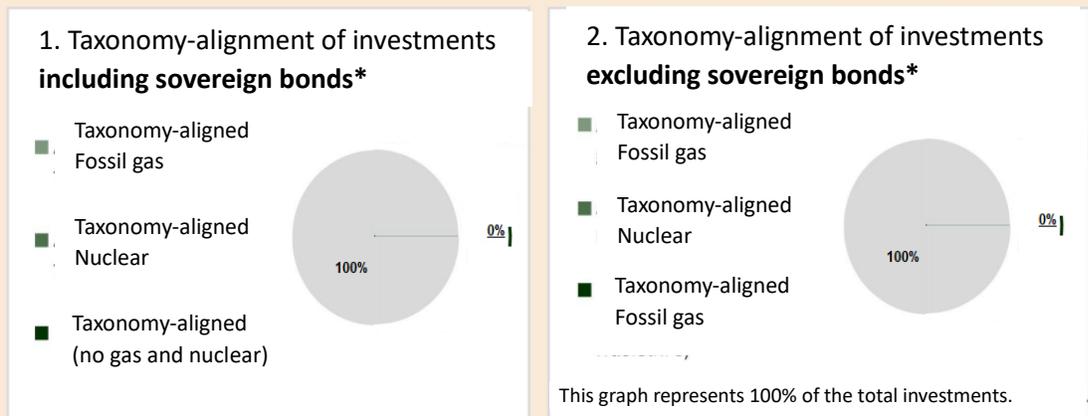
Does the Financial Product invest in fossil gas and/or nuclear energy related activities that are in line with the EU Taxonomy1?

Yes

In fossil gas In nuclear energy

No

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



*For the purposes of these charts, "sovereign bonds" include all sovereign exposures.



- **What is the minimum proportion of investments in transitional and enabling activities? N/C**



The symbol represents sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



- **What is the minimum proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy? N/C**



- **What is the proportion minimum of socially sustainable investments? N/C**



- **Which investments are included in the "#2 Other" category, what is their purpose and do minimum environmental or social guarantees apply to them?**

The expected proportion of the fund's securities and instruments that are not aligned with the environmental or social characteristics promoted is a maximum of 10%.

This proportion corresponds to instruments that are not included in the overall coverage ratio of the extra-financial analysis, and to short derivatives, even if their underlying is rated. More specifically, these are investments in cash (money market funds and ETFs), index derivatives and TRS (Total Return Swap).



- **Is a specific index designated as a benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics it promotes?**

The management team does not use an ESG benchmark to implement the ESG characteristics of the fund.

Benchmarks are indices that measure whether the financial product achieves the environmental or social characteristics it promotes.

- ***How is the benchmark permanently aligned with each of the environmental or social characteristics promoted by the financial product? N/C***
- ***How is the alignment of the investment strategy with the index methodology ensured at all times? N/C***
- ***How does the designated index differ from a relevant broad market index? N/C***
- ***Where can I find the method used to calculate the designated index? N/C***



Where can I find more product-specific information online?

More information on the OPC is available on the website:

<https://www.ellipsis-am.com/fra/fr/pro/fonds/gamme>

For more information, you can consult the ESG page of the Ellipsis AM website, including the latest LEC (Energy and Climate Law) report from Ellipsis AM:

https://www.ellipsis-am.com/publication/ComplianceDoc/Fr_Rapport-LEC-Ellipsis-AM.pdf

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