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French mutual fund

**DNCA CONVERTIBLES
EUROPE**

ANNUAL REPORT

to 29 December 2023

**Management company: DNCA
FINANCE Custodian: CACEIS Bank
Statutory auditor: Mazars**

DNCA FINANCE - 19 place Vendôme - 75001 - Paris

1. CHANGES AFFECTING THE OPC

01/01/2023 :

- Compliance with PRIIPS regulations.

01/09/2023 :

- Regulatory update of the pre-contractual appendix SFDR the minimum proportion of sustainable investment for activities related to nuclear energy and fossil gas.

2. MANAGEMENT REPORT

2023 year in review

This year has been all about interest rates. The financial markets moved in line with expectations of whether or not central banks would raise rates.

From the start of the year, the markets were euphoric, buoyed by corporate profits and strong economic activity. Inflation, a cause for concern, remained high, but was neutral for companies, which maintained their margins. Then the bank failures in the United States, such as the forced takeover of Crédit Suisse by UBS, changed the trend. Rates then rose for much of the year. Investors' scenario shifted from a "soft" slowdown to an economic recession. Towards the end of the year, however, published data confirmed that inflation was falling. The central banks then announced that they were sensitive to this development and the scenarios of a pause or even an earlier-than-expected rate cut regained the upper hand. From the end of October, the financial markets reacted very positively to this situation. Equities ended 2023 up 12.73% (Stoxx600 index), with German 10-year Bunds falling to 2%, 60 ^{bp}¹ lower than at the start of the year.

In Asia, China is mired in its property slump and the measures taken by the government are failing to reassure investors.

Credit spreads narrowed overall, by 160bp for the 5-year X-Over CDS index to 313bp. Only the implied volatility of convertible bonds fell to the historically low levels of 29%.

In contrast to 2022, in 2023 the rebound in the financial markets was favourable to convertible bonds thanks to the appreciation of their main performance drivers (equities, fixed income and credit).

The primary market, with 12 billion issues, was dynamic and remains promising for 2024. In 2023,

the DNCA CONVERTIBLES EUROPE fund posted a performance of :

- R share: +5.95
- I NPF shares: +6.63%.
- ID share: +6.74
- IC share: +6.77

Compared with +5.37% for its benchmark Refinitiv Europe Focus CB hedged euro, calculated with coupons reinvested.

Past performance is no guarantee of future performance.

Over the period, the portfolio's best performers were *Nexi 0% 2028*, *Safran 0% 2028* and *Besi 1.875% 2029*. Conversely, the fund suffered from its exposure to *QIAGEN 1% 2024*, *QIAGEN 0% 2027* and *Meyer Burger 3.75% 2029*.

The three main additions to the portfolio over the period were: *Safran 0% 2028*, *QIAGEN 0% 2027* and *SPIE 2% 2028*. The three main exits were : *Atos 0% 2024*, *Cellnex 1.50% 2026* and *Safran 0.875% 2027*.

At the end of the period, cash and cash equivalents (including money market funds) represented 5.7% of the portfolio, with net assets of €302 million.

Movements in the securities portfolio during the period

Movements during the period	Movements (in amounts)
Acquisitions	134 412 713,85
Disposals	205 888 942,14

¹ Basic points

The outlook for 2024

The reaction of convertible bonds to credit and equity factors illustrates the rebound capacity of the asset class, which still incorporates an absolute and relative discount. The strength of the primary market in 2023 is a key indicator of companies' renewed appetite for the asset class. What's more, the cost differential between conventional and hybrid debt is still too wide (particularly in the high-yield and unrated segments), making the asset class indispensable when it comes to refinancing debt walls. This trend is set to intensify in 2024, with favourable conditions for investors.

In this environment, the portfolio is positioned to capture a rebound in the equity market while remaining agile. The cash component of around 10% will enable us to take advantage of any opportunities on the primary market.

Past performance is no guarantee of future performance.

Main portfolio movements during the year

Securities	Movements ("Accounting currency")	
	Acquisitions	Disposals
OSTRUM SRI MONEY PLUS IC	46 486 971,61	33 695 467,27
OSTRUM GLOBAL CONVER BONDS SIA (USD)		15 426 930,34
OSTRUM GLOBAL CONVER BONDS IA (HEUR)	10 860 000,00	3 833 550,00
SIKA AG 0.15% 06-05-23 CV		10 739 760,88
ATOS SE ZCP 06-11-24 CV		9 835 475,00
CELLNEX TELECOM 1.5% 16-01-26 CV		9 486 330,96
SAFRAN 0.875% 15-05-27 CV		8 728 545,80
JPMORGAN CHASE BANK N A ZCP 10-06-24		8 717 718,00
RAG STIFTUNG ZCP 17-06-26 CV		8 542 646,00
SAFRAN ZCP 01-04-28 CV	8 529 000,00	

3. REGULATORY INFORMATION

EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES AND DERIVATIVE FINANCIAL INSTRUMENTS (ESMA) IN EUR

a) Exposure obtained through efficient portfolio management techniques and derivative financial instruments

- **Exposure obtained through effective management techniques:**
 - o Securities lending :
 - o Securities borrowing :
 - o Pensions :
 - o Repurchase agreements :
- **Underlying exposure achieved through derivatives: 77,510,533.90**
 - o Forward exchange contracts: 50,540,305.10
 - o Future: €22,808,000.00
 - o Options: €4,162,228.80
 - o Swap :

b) Identity of the counterparty/ies to efficient portfolio management techniques and derivative financial instruments

Effective management techniques	Derivative financial instruments (*)
	GOLDMAN SACHS INTL LTD SOCIETE GENERALE PAR

(*) Except listed derivatives.

c) Financial guarantees received by the Fund to reduce counterparty risk

Types of instruments	Portfolio currency amount
Effective management techniques . Term deposits . Actions . Bonds . UCITS . Cash (*) Total	
Derivative financial instruments . Term deposits . Actions . Bonds . UCITS . Species Total	

(*) The Cash account also includes cash resulting from repurchase agreements.

d) Income and operating expenses related to effective management techniques

Operating income and expenses	Portfolio currency amount
. Income (*) . Other income Total income . Direct operating expenses . Indirect operating expenses . Other charges Total expenses	

(*) Income from loans and reverse repos.

SFTR REGULATIONS IN EUR

During the financial year, the UCI was not involved in any transactions covered by SFTR regulations.

TRANSACTION FEES

In accordance with Article 322-41 of the AMF's General Regulations relating to the rules of good conduct applicable to portfolio management on behalf of third parties, we hereby inform you that a fee is charged to the UCI for transactions involving the financial instruments in its portfolio.

It breaks down as follows:

- brokerage fees charged by the intermediary responsible for executing orders.
- no "turnover commission" is charged by the management company. This fee is not audited by the Statutory Auditor.

FINANCIAL INTERMEDIARIES

The intermediaries used by the Investment Management Department are monitored by a Broker Committee for each major asset class, which meets every six months. This committee brings together the fund managers, financial analysts and middle office staff.

Each Committee updates a restrictive list of approved intermediaries, with an overall limit as a percentage of outstandings allocated to each of them.

The list is updated by voting on a selection of criteria. Each person votes on each criterion according to the weight assigned to it by the committee. A record of decisions is drawn up and circulated.

Between two Broker Committees, a new intermediary may be used for a specific transaction, with the express authorisation of the Custody Manager. This intermediary may or may not be approved at the next Broker Committee meeting.

Every month, a monitoring table is updated and distributed to the managers. This table is used to monitor changes in the actual percentage compared with the target percentage of business done with an intermediary, and to adjust this business.

Any overrun gives rise to an instruction to return below the limit set by the Committee. The third-level ethics review is based on these controls.

BEST SELECTION PROCEDURE

In accordance with article 314-72 of the AMF General Regulations, the management company has introduced a "Best Selection/Best Execution Policy" for intermediaries and counterparties. The aim of this policy is to select, according to various predefined criteria, traders and intermediaries whose execution policy will ensure the best possible result when executing orders. The policy is available on the website <http://www.dncafinance.com>

BROKERAGE FEES

A procedure for selecting and evaluating intermediaries that takes into account objective criteria such as the quality of research, commercial monitoring and execution has been put in place within the management company. This procedure is available on the DNCA Finance website at the following address:

www.dnca-investments.com.

(see "Our commitments", "Policy on selecting intermediaries/counterparties").

VOTING POLICY

The voting policy for General Meetings can be consulted at www.dnca-investments.com.

A report on the manner in which the management company has exercised its voting rights at General Meetings is drawn up within four months of the end of its financial year. This report can be consulted on the www.dnca-investments.com website and at DNCA Finance's head office.

INTEGRATION OF EXTRA-FINANCIAL CRITERIA

The fund sees extra-financial analysis as complementary to traditional financial analysis. By taking a different look at the financial statements, the fund acquires an understanding of the long-term challenges and provides a framework for anticipating both external risks to the company (new regulations, technological breakthroughs, etc.) and internal risks (accidents in the workplace, industrial unrest, etc.) and for identifying long-term growth drivers. The aim is to deepen fundamental knowledge of companies in order to select the best stocks for the portfolio.

The fund has access to research on environmental, social and governance (ESG) criteria and to the internal "ABA"² tool. In addition, important information is systematically circulated internally by email and within management committees, for example the occurrence of a serious dispute, a major change in governance, an accident in the workplace, etc.

Within this framework, the fund applies SRI management in line with the constraints of the French SRI Label and all the requirements of European regulations, depending on the fund's classification.

All the SRI-related constraints that apply to the sub-fund are available in all the legal documentation, including the prospectus, the pre-contractual appendix and the annual and periodic reports.

ESG ratings based on corporate responsibility

The analysis of corporate responsibility is broken down into four dimensions: shareholder responsibility, environmental responsibility, societal responsibility and social responsibility. Each aspect is scored independently and weighted according to its importance for the company. This in-depth analysis results in a score out of 10.

Each criterion is analysed using a combination of qualitative and quantitative criteria, some of which are presented below. In addition, the analysis and rating are based on the issues at stake in the sector and the practices of comparable companies. The responsibility score thus reflects the quality of a company's overall approach as an economic player, whatever its sector of activity.



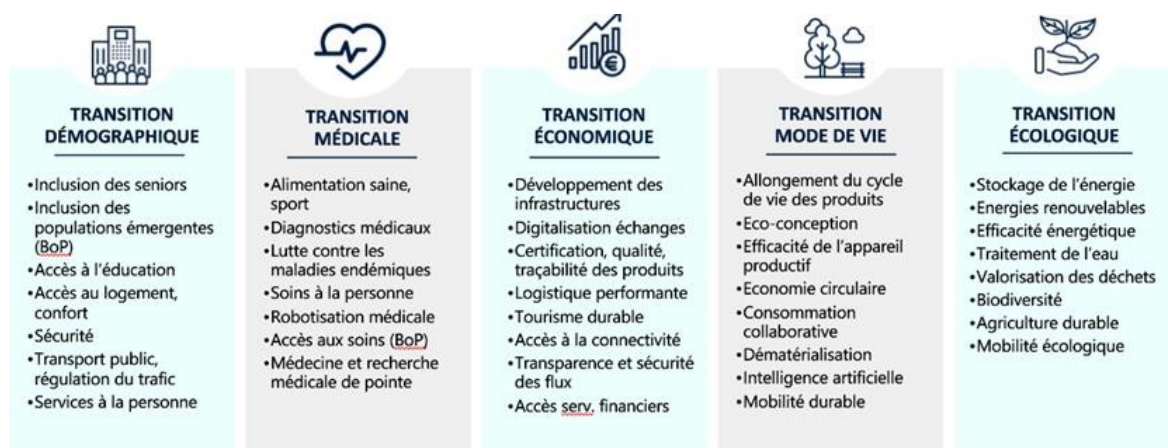
The fund's investment process is constrained by a minimum rating of 2 out of 10. Below this threshold, companies are not eligible.

Sustainable transition

This aspect analyses the positive impacts of a company through its activities, products and services. The aim is to identify whether a company is contributing to a sustainable transition, in what area(s) and to what extent. For reasons of transparency of information, the exposure criterion used so far is turnover. However, in the longer term, we would like to move towards other criteria such as net profit, research and development expenditure or industrial investment.

² "ABA" stands for Above and Beyond Analysis, a DNCA Finance brand.

The fund has a sustainable transition exposure constraint in the investment process. The fund must invest in part in companies that have exposure to the following activities:



Information on the Taxonomy Regulation (EU) 2020/852: Article 8

The principle of "not causing significant harm" applies only to those investments underlying the financial product that take into account the European Union's 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.

METHOD OF CALCULATING OVERALL RISK

The UCI uses the commitment calculation method to calculate the overall risk of the UCI on financial contracts.

REMUNERATION

1. Preamble

The remuneration policy implemented by the DNCA Group (DNCA Finance and its two branches) takes into account the "common provisions on remuneration policies within management companies" drafted by the main professional associations representing asset management as well as the provisions arising from the UCITS V, AIFM, MiFID 2 Directives, ESMA's guidance on good remuneration policies under the Undertakings for Collective Investment in Transferable Securities Directive (ESMA /2016/411 and ESMA/2016/575) dated 31 March 2016 and 14 October 2016 respectively, as well as Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosures in the financial services sector.

The requirements for integrating ESG criteria arising from Article 5 of the European SFDR Regulation (Regulation 2019/2088 of the European Parliament and of the Council on the publication of sustainability information in the financial services sector" (27 November 2019) and Article 29 of Law N°2019- 1147 of 8 November 2019 on energy and climate were also taken into account. The Policy defined and formalised by DNCA Finance's Executive Committee is approved by Natixis Investment Managers (hereinafter NIM) and by DNCA Finance's supervisory body. It is reviewed annually and submitted for a compliance opinion to DNCA Finance's Head of Compliance and Internal Control.

Its purpose is to promote sound and effective risk management and not to lead members of the Supervisory Committee, the Executive Committee or any other member of the DNCA Group staff to take excessive risks.

It is also defined in such a way as to avoid situations of conflict of interest and prevent risk-taking that is ill-considered or incompatible with the interests of clients.

This policy applies to all DNCA Group personnel and specifies the specific provisions that exist for identified personnel.

The remuneration policy is based on the assessment of skills and annual and multi-year quantitative and qualitative performance criteria. Its fundamental principles include aligning the interests of investors, employees and DNCA Group companies.

2. Scope of staff identified

The staff identified includes :

- Members of the Executive Committee
- Members of staff responsible for portfolio management
- Control function managers (risk, compliance and internal control)
- Managers of support or administrative activities
- Other risk-takers
- Employees whose total remuneration places them in the same salary bracket as the Executive Board and risk-takers are reviewed annually.

3. Types of remuneration

The remuneration structure for DNCA Group employees is identical for all employees and breaks down into :

- fixed remuneration ;
- individual variable remuneration as specified below;
- variable collective remuneration (i.e. profit-sharing).

Collective variable remuneration is not covered by the AIFM and UCITS Directives, as it is part of a general, non-discretionary policy and does not encourage risk-taking. It is therefore excluded from the definition of remuneration.

An appropriate balance is struck between the fixed and variable components of total remuneration. The fixed component may represent a sufficiently high proportion of total remuneration so that a flexible policy can be exercised with regard to the variable components of remuneration, including the possibility of paying no variable component at all.

4. Determining variable pay

Individual variable remuneration depends on the job and the level of responsibility. It is awarded on a discretionary basis according to individual performance.

It is made up as follows:

- A cash component
- A cash component indexed to a representative basket of FIAs and UCITS set up by DNCA Finance for identified staff.

The DNCA Group does not pay variable compensation using instruments or methods that would facilitate circumvention of the legislative and regulatory provisions applicable to it.

Variable remuneration is awarded on the basis of the contribution to individual performance assessed by the Executive Committee of DNCA Finance in accordance with the principles set out below.

- Variable remuneration packages are defined on the basis of the DNCA Group's annual results, but also on the basis of qualitative factors, such as the practices of competing companies, the general market conditions in which the results were achieved and factors that may have temporarily influenced the business line's performance.
- The remuneration policy figures, including the population identified and the highest remunerations, are approved successively, in detail, by the members of the DNCA Finance Supervisory Committee, then by an Intermediate Committee bringing together the DNCA Finance Supervisory Committee and NATIXIS IM General Management. NATIXIS IM then submits the above information, in a more summarised form, to NATIXIS General Management for approval, which ultimately reports to the NATIXIS Remuneration Committee.

Criteria for determining Discretionary Variable Remuneration for identified staff Performance assessment is based on quantitative and qualitative criteria specific to the main types of business for identified staff (Management, Trading Desk, Sales and Investment Advisory staff, Compliance and Internal Control/Risk Functions). Depending on the function, it includes a time scale and takes into account compliance with risk limits and customer interests. The variable remuneration package is determined on the basis of quantitative and qualitative criteria.

Specific criteria incorporating sustainability risks, i.e. social, environmental and governance issues, have been defined for :

- DNCA General Management
- Management Department
- the SRI team (managers and analysts)
- as well as the heads of management teams.

In order to avoid any conflict of interest or compromise their objectivity, the assessment of compliance and internal control officers and risk control officers is carried out on the basis of objectives and results specific to these functions, independently of those of the business lines whose operations they validate and control.

5. Variable pay arrangements for identified staff

The proportion of variable compensation that is deferred over 3 years increases with the amount of variable compensation awarded and can reach 60% for the highest compensation packages in the DNCA Group. The deferral is currently applied as follows:

- Up to €199k in variable pay: no deferral
- Between €200K and €499K in variable pay: 50% deferred from €1
- From €500k in variable pay: 60% deferral from €1

The thresholds for triggering deferred variable remuneration are subject to change in line with regulations or changes in internal policies.

A minimum of 50% of variable remuneration is also paid in financial instruments in the form of cash indexed to the performance of a basket of products managed by DNCA Finance.

The Basket of Funds is determined in such a way as to seek to align the interests of employees as satisfactorily as possible with those of investors without, however, having a concentration of target funds. It is made up of UCI representing DNCA Finance's main management strategies.

This Basket of Funds may be adapted to reflect changes in DNCA Finance's product range and management expertise. The composition and weighting of the Basket of Funds are reviewed annually to ensure that they are representative.

Vesting of variable compensation is subject to the financial performance of the management company and the absence of non-standard behaviour that could have an impact on the risk level of the DNCA Group and/or the products managed.

This acquisition is also subject to risk and compliance obligations. Failure to comply with these obligations may result in a partial or total reduction in the acquisition. Lastly, it may be returned in whole or in part, in order to ensure that risks are adjusted after the event.

In the event that a partial or total individual reduction in variable remuneration is envisaged, the matter will be submitted to an ad hoc committee comprising the members of the DNCA Finance Executive Committee, the heads of the HR Department, the Finance Department and the Compliance and Internal Control Department, as well as any other business line manager whose participation is relevant. This ad hoc committee will be responsible for taking the decision on the proposed partial or total reduction.

This ad hoc committee reserves the right to seek the opinion of NATIXIS IM (HR and/or Compliance departments).

Accordingly, unless otherwise provided by applicable local laws and regulations, the DNCA Group reserves the right to cancel and/or reduce variable compensation payments in the event of DNCA Finance's negative financial performance over a variable compensation vesting period and, in particular, in the event that DNCA Finance's Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), established at the end of said vesting period, is zero or negative.

Such a decision would be the responsibility of DNCA Finance's Executive Committee and would have to be validated by the Supervisory Board, in consultation with NIM.

Unless otherwise provided for by applicable local laws and regulations, the DNCA Group also reserves the right to cancel and/or reduce variable remuneration payments in the event of the materialisation of a major sustainability risk (i.e. the occurrence of an environmental, social or governance event or situation that would have a significant and lasting negative impact on the value of the funds/products under management) in relation to the objectives set for staff.

In addition, unless otherwise provided for by applicable local laws and regulations, in the event that the employee's behaviour justifies dismissal for misconduct or removal for just cause, in particular because of his or her responsibility for actions resulting in significant losses for the company or in the event of failure to comply with obligations relating to good repute and competence (or in the case of an employee who is no longer an employee or corporate officer of the DNCA Group, a Natixis company or the BPCE Group in France or abroad, whose behaviour would have

The DNCA Group reserves the right to request the reimbursement of payments made in respect of variable remuneration to the employee, for a period of 5 years following the date of payment, if this behaviour was discovered while the employee was still an employee or corporate officer of the DNCA Group, a Natixis company or Groupe BPCE in France or abroad.

In addition, in the event of departure following dismissal for misconduct or removal for just cause, variable remuneration not yet earned may not be paid in full or in part.

In the event of the departure of an employee from the DNCA Group's identified population, all the financial performance conditions of the management company, the initial payment schedule and the terms of indexation to the Basket of Funds remain unchanged.

6. Ban on hedging strategies and guaranteed variable pay

Employees undertake not to use personal hedging or insurance strategies linked to remuneration or liability in order to counteract the impact of the risk alignment incorporated in remuneration agreements.

Variable salary guarantees are prohibited, except in the case of recruitment. In this case, the guarantee is strictly limited to one year.

The total amount of remuneration awarded by DNCA Finance and its branches to all its staff for the 2023 financial year was €32.2 million.

This amount breaks down as follows

- total fixed remuneration: €15.3 million ;
- total variable remuneration: €16.9 million :
 - ✓ of which deferred variable remuneration for identified staff: €4.3 million ;
 - ✓ of which non-deferred variable remuneration for identified staff and other types of staff: €12.6 million.

The number of beneficiaries of variable compensation in respect of 2023 was 170.

OTHER INFORMATION

The Fund's full prospectus and latest annual and interim documents will be sent to unitholders within one week of receipt of a written request to :

DNCA Finance
19, Place Vendôme
75001 PARIS

on the website: <http://www.dnca-investments.com>

4. STATUTORY AUDITOR'S CERTIFICATION



61, rue Henri Regnault La Défense
92400 COURBEVOIE
France
Tel: +33 (0)1 49 97 60 00
Fax: +33 (0)1 49 97 60 01
www.mazars.fr

FCP DNCA CONVERTIBLES EUROPE

Statutory auditor's report on the annual financial statements

Financial year ending 29 December 2023

Mazars

Société anonyme d'expertise comptable et de commissariat aux comptes à
directoire et conseil de surveillance (public limited company with a management
and supervisory board)

Registered office: 61, rue Henri Regnault - 92400 Courbevoie

Share capital: 8,320,000 euros - RCS Nanterre 784 824 153

FCP DNCA CONVERTIBLES EUROPE

19, Place Vendôme
75001 PARIS

Statutory auditor's report on the annual financial statements

Financial year ending 29 December 2023

To the unitholders of the DNCA CONVERTIBLES EUROPE mutual fund,

Opinion

In compliance with the assignment entrusted to us by the management company, we have audited the accompanying financial statements of DNCA CONVERTIBLES EUROPE, an undertaking for collective investment in the form of a fonds commun de placement (FCP), for the year ended 29 December 2023.

In our opinion, the financial statements give a true and fair view of the results of operations for the year ended 31 December 2008 and of the financial position and assets of the FCP at that date, in accordance with the accounting rules and principles applicable in France.

Basis of opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the following section.

The responsibilities of the statutory auditor in relation to the audit of the annual financial statements are set out in the section entitled "Responsibilities of the statutory auditor in relation to the audit of the annual financial statements" in this report.

Independence

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and in the Code of Ethics for Statutory Auditors, covering the period from 31 December 2022 to the date of issue of our report.

Justification of assessments

In accordance with the requirements of articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we hereby inform you that the most significant assessments that we made, in our professional opinion, concerned the appropriateness of the accounting principles used, particularly in respect of financial instruments held in the portfolio, and the overall presentation of the financial statements in accordance with the chart of accounts for open-ended investment companies.

These assessments were made in the context of our audit of the financial statements taken as a whole, and of the formation of our audit opinion expressed above. Accordingly, we do not express an opinion on any individual component of these financial statements.

Specific checks

In accordance with professional standards applicable in France, we have also performed the specific procedures required by law.

We have no matters to report regarding the fair presentation and the conformity with the financial statements of the information given in the management report prepared by the management company.

Responsibilities of management and those charged with governance in relation to the financial statements

It is the responsibility of the management company to prepare annual financial statements that present a true and fair view in accordance with French accounting rules and principles, and to implement the internal controls that it deems necessary for the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the annual accounts, the management company is responsible for assessing the fund's ability to continue as a going concern, for presenting in these accounts, where appropriate, the necessary information relating to going concern and for applying the going concern accounting policy, unless the fund is to be liquidated or cease trading.

The annual accounts have been drawn up by the management company.

Responsibilities of the statutory auditor in relation to the audit of the annual accounts

Our responsibility is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement. Reasonable assurance refers to a high level of assurance, but does not guarantee that an audit conducted in accordance with professional standards will identify all material misstatements. Misstatements may be the result of fraud or error and are considered material when it is reasonable to expect that they could, individually or in the aggregate, influence the economic decisions that users of the financial statements make on the basis of the financial statements.

As specified in article L.821-55 of the French Commercial Code, our role in certifying the accounts is not to guarantee the viability or quality of the management of your mutual fund.

In an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit. In addition :

- it identifies and assesses the risks of material misstatement of the annual accounts, whether due to fraud or error, designs and performs audit procedures to address those risks, and obtains audit evidence that it believes to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, because fraud may involve collusion, falsification, deliberate omission, misrepresentation or circumvention of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- it assesses the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as the related disclosures in the financial statements ;
- it assesses the appropriateness of the management company's application of the going concern accounting policy and, based on the information gathered, whether or not there is any significant uncertainty related to events or circumstances that could call into question the fund's ability to continue as a going concern. This assessment is based on information gathered up to the date of the report, bearing in mind that subsequent events or circumstances could call into question the fund's ability to continue as a going concern. If the auditor concludes that there is a material uncertainty, he draws the attention of the readers of his report to the information provided in the annual financial statements about this uncertainty or, if such information is not available, to the financial statements themselves.

If the information is not provided or is not relevant, it will issue a qualified certification or a refusal to certify;

- it assesses the overall presentation of the annual accounts and whether the annual accounts give a true and fair view of the underlying transactions and events.

The Statutory Auditor

Mazars

*Courbevoie, date of electronic signature Document
authenticated and dated by electronic signature*

A handwritten signature in black ink, appearing to read 'Bertrand Desportes', with a long horizontal stroke extending to the right.

Digital signature of
Bertrand DESPORTES
Date: 2024.04.24
09:41:14 +02'00'

Bertrand DESPORTES

BALANCE SHEET ASSETS AT 29/12/2023 IN EUR

	29/12/2023	30/12/2022
NET FIXED ASSETS	0,00	0,00
DEPOSITS	0,00	0,00
FINANCIAL INSTRUMENTS	298 654 235,14	354 355 463,32
Equities and similar securities	3 805 340,15	5 953 469,20
Traded on a regulated or similar market	3 805 340,15	5 953 469,20
Not traded on a regulated or similar market	0,00	0,00
Bonds and similar securities	273 593 635,60	327 600 575,89
Traded on a regulated or similar market	273 593 635,60	327 600 575,89
Not traded on a regulated or similar market	0,00	0,00
Debt securities	0,00	0,00
Traded on a regulated or similar market	0,00	0,00
Not traded on a regulated or similar market	0,00	0,00
Collective investment schemes	20 453 089,64	18 016 558,33
General UCITS and FIAs for non-professionals and equivalents from other countries	20 453 089,64	18 016 558,33
Other Funds for non-professionals and equivalents from other EU Member States	0,00	0,00
General-purpose professional funds and equivalents from other EU Member States and listed securitisation undertakings	0,00	0,00
Other professional investment funds and equivalents from other EU Member States and unlisted securitisation undertakings	0,00	0,00
Other non-European organisations	0,00	0,00
Temporary securities transactions	0,00	0,00
Receivables on securities received under resale agreements	0,00	0,00
Receivables on securities lent	0,00	0,00
Borrowed securities	0,00	0,00
Securities sold under repurchase agreements	0,00	0,00
Other temporary transactions	0,00	0,00
Forward financial instruments	802 169,75	2 784 859,90
Transactions on a regulated or similar market	802 169,75	2 784 859,90
Other transactions	0,00	0,00
Other financial instruments	50 619 984,01	75 444 857,59
RECEIVABLES	50 540 305,10	74 583 961,37
Forward foreign exchange transactions	79 678,91	860 896,22
Other	0,00	0,00
FINANCIAL ACCOUNTS	4 577 870,58	16 407 301,07
Cash and cash equivalents	4 577 870,58	16 407 301,07
TOTAL ASSETS	353 852 089,73	446 207 621,98

BALANCE SHEET LIABILITIES AT 29/12/2023 IN EUR

	29/12/2023	30/12/2022
SHAREHOLDERS' EQUITY		
Capital	303 808 181,74	386 245 386,25
Undistributed net capital gains (a) Retained earnings (a)	0,00	0,00
Net capital gains and losses for the year (a,b)	0,00	0,00
Net profit for the year (a,b)	56 726,40	-12 945 139,99
TOTAL SHAREHOLDERS' EQUITY *	-1 071 584,18	-1 763 550,53
<i>* Amount representing net assets</i>	302 793 323,96	371 536 695,73
FINANCIAL INSTRUMENTS		
Sales of financial instruments Temporary transactions	160 989,72	1 184 559,88
in securities	0,00	0,00
Liabilities on securities sold under repurchase	0,00	0,00
agreements Liabilities on securities borrowed	0,00	0,00
Other temporary transactions	0,00	0,00
Forward financial instruments	0,00	0,00
Transactions on a regulated or similar market Other	160 989,72	1 184 559,88
transactions	160 989,72	1 184 559,88
DEBTS	0,00	0,00
Forward foreign exchange transactions Other	50 897 135,17	73 486 366,37
FINANCIAL ACCOUNTS	50 658 738,82	73 198 876,86
Bank overdrafts Borrowings	238 396,35	287 489,51
	640,88	0,00
	640,88	0,00
	0,00	0,00
TOTAL LIABILITIES	353 852 089,73	446 207 621,98

(a) Including accruals

(b) Less interim payments made in respect of the year

OFF-BALANCE SHEET AT 29/12/2023 IN EUR

	29/12/2023	30/12/2022
HEDGING OPERATIONS		
Commitments on regulated or similar markets		
Futures contracts		
EURO BOBL 0323	0,00	28 937 500,00
FGBL BUND 10A 0323	0,00	3 987 900,00
EURO BUND 0324	13 722 000,00	0,00
EURO STOXX 50 0324	9 086 000,00	0,00
OTC market commitments		
Other commitments		
OTHER OPERATIONS		
Commitments on regulated or similar markets		
Options		
IBERDROLA SA 06/2023 CALL 10.5	0,00	10 690 086,50
KERING 06/2023 CALL 520	0,00	3 290 460,00
LVMH 03/2024 CALL 920	343 324,80	0,00
KERING 03/2024 CALL 560	38 902,50	0,00
IBERDROLA SA 06/2025 CALL 11.5	3 780 001,50	0,00
OTC market commitments		
Other commitments		

INCOME STATEMENT AT 29/12/2023 IN EUR

	29/12/2023	30/12/2022
Income from financial transactions		
Income from deposits and financial accounts	143 719,61	22 899,51
Income from equities and similar securities	0,00	123 249,23
Income from bonds and similar securities	1 669 257,22	1 284 104,94
Income from debt securities	0,00	0,00
Income from temporary purchases and sales of securities	0,00	0,00
Income from forward financial instruments	0,00	0,00
Other financial income	0,00	0,00
TOTAL (1)	1 812 976,83	1 430 253,68
Expenses on financial transactions		
Expenses on temporary purchases and sales of securities	0,00	570,45
Expenses on forward financial instruments	0,00	0,00
Charges on financial debts	15 395,00	39 637,25
Other financial expenses	0,00	0,00
TOTAL (2)	15 395,00	40 207,70
NET INCOME ON FINANCIAL TRANSACTIONS (1 - 2)	1 797 581,83	1 390 045,98
Other products (3)	0,00	0,00
Management expenses and depreciation (4)	3 069 069,49	3 367 167,22
NET PROFIT FOR THE YEAR (L. 214-17-1) (1 - 2 + 3 - 4)	-1 271 487,66	-1 977 121,24
Adjustment of income for the year (5)	199 903,48	213 570,71
Interim profits paid in respect of the year (6)	0,00	0,00
RESULT (1 - 2 + 3 - 4 + 5 - 6)	-1 071 584,18	-1 763 550,53

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting rules and methods

The annual financial statements are presented in the form prescribed by ANC regulation 2014-01, as amended.

General accounting principles apply:

- fair presentation, comparability, going concern,
- regularity, sincerity,
- caution,
- consistency of methods from one financial year to the next.

Income from fixed-income securities is recorded as interest received.

The reference currency for portfolio accounting is the euro. The financial year runs for 12 months.

Asset valuation rules Securities

portfolio

Additions to the portfolio are recorded at acquisition cost, excluding costs, and disposals at disposal cost, excluding costs.

Securities and futures and options held in the portfolio are valued as follows:

Obligations :

Bonds are valued on the basis of an average of contributed prices obtained daily from market makers and converted, if necessary, into euros at the WMR rate for the currency on the valuation day.

French values :

- Cash, deferred settlement system: On the basis of the last price
- Open market O.T.C.: On the basis of the last known price.

Foreign values :

- Listed and filed in Paris on the basis of the last trading price.
 - Unlisted and not filed in Paris on the basis of the last known price for those on the continent.
- European on the basis of the last known price for the others.

Transferable securities whose price has not been recorded on the valuation day or whose price has been corrected are valued, under the responsibility of the management company, at their probable trading value.

OATs :

Are valued on the basis of the mid-range price of a contributor (primary dealer selected by the French Treasury), supplied by an information server. This price is checked for reliability by comparing it with the prices of several other primary dealers.

The O.P.C.V.M./FIA :

They are valued at the last known redemption price or net asset value.

Negotiable debt securities :

Negotiable debt securities are valued according to the following rules:

- BTANs and BTFs are valued on the basis of an average of contributed prices obtained from market makers,

- unlisted variable-rate debt securities are valued at cost, adjusted for any changes in the credit spread.
- other fixed-rate negotiable debt securities: short-term negotiable securities (certificates of deposit, commercial paper) issued by financial institutions are valued on the basis of their market price,

In the absence of an indisputable market price, negotiable debt securities are valued by applying a yield curve, possibly corrected by a margin calculated according to the characteristics of the security (the issuer).

Forward and conditional transactions Forward

market transactions :

On the basis of the clearing price.

Transactions on conditional futures markets :

Based on last price.

Swaps :

Asset swaps are marked to market on the basis of issuer credit spreads indicated by market makers. In the absence of a market maker, spreads will be recovered by any means from available contributors.

Other swaps are marked to market on the basis of observed yield curves.

Complex instruments such as CDSs, SESs and complex options are valued according to their type using an appropriate method.

Forward exchange contracts :

They are marked to market on the basis of observed forward exchange rates.

Off-balance sheet commitments

Off-balance sheet commitments are valued as follows:

Commitments on futures markets :

- Future

Commitment = clearing price x contract nominal x quantities

With the exception of the commitment on the EURIBOR contract traded on MATIF, which is recorded at its nominal value.

- Swap commitments

a) Rates

Interest rate swaps with a maturity of 3 months or less

Backed bonds: nominal amount + accrued interest (interest differential)

Non-backed: nominal + accrued interest (interest differential)

Interest rate swaps with a maturity of more than 3 months

Backed by :

Fixed rate / Variable rate

Valuation of the fixed-rate leg at the market price

Variable rate / Fixed rate

Valuation of the variable-rate leg at the market price Non-backed :

Fixed rate / Variable rate

Valuation of the fixed-rate leg at the market price

Variable rate / Fixed rate

Valuation of the variable-rate leg at the market price

b) Other swap contracts

They will be valued at market value.

Commitments on conditional futures markets :

The commitment is equal to the translation of the option into the underlying equivalent.

Foreign exchange rates are converted into *euros* using the exchange rate on the valuation date.

Swing pricing mechanism with trigger threshold (from 27 July 2015)

On 27 July 2015, the management company introduced a net asset value (NAV) adjustment method with a trigger threshold.

This mechanism consists of passing on to investors, who subscribe or redeem their units, the costs associated with transactions carried out on the fund's assets as a result of movements (subscriptions/redemptions) on the fund's liabilities. The aim of this mechanism, which is governed by a policy, is to protect unitholders who remain in the fund by ensuring that they bear these costs as little as possible. The result is an adjusted NAV known as a "swung NAV".

Thus, if, on a NAV calculation day, the total of investors' net subscription/redemption orders for all of the fund's unit classes exceeds a pre-established threshold determined as a percentage of net assets by the management company on the basis of objective criteria, the NAV may be adjusted upwards or downwards to take account of the readjustment costs attributable to the net subscription/redemption orders respectively. If the fund issues several classes of units, the NAV of each class of units is calculated separately, but any adjustment has an identical percentage impact on all the NAVs of the fund's unit classes.

The readjustment cost and trigger threshold parameters are determined by the management company and reviewed periodically. These costs are estimated by the management company on the basis of transaction costs, buy-sell spreads and any taxes applicable to the fund.

It is not possible to predict exactly whether the adjustment mechanism will be applied at any given time in the future, or how often the management company will make such adjustments.

Investors are informed that the volatility of the fund's NAV may not solely reflect that of the securities held in the portfolio due to the application of the adjustment mechanism.

The "swung" NAV is the fund's only net asset value and the only one communicated to the fund's unitholders. However, if a performance fee is charged, it is calculated on the NAV before application of the adjustment mechanism.

Management fees

Management fees are calculated on the net assets at each valuation.

These costs are charged to the Fund's profit and loss account.

Management fees are paid in full to the management company, which bears all the operating costs of the UCIs.

Management fees do not include transaction costs.

Fees charged to the Fund	Plate	Rate scale
Financial management fees	Net assets	R units: 1.60% incl. tax Maximum rate I NPF units: 1% incl. tax Maximum rate IC and ID units: 0.85% incl. tax Maximum rate N share: 0.90% incl. tax Maximum rate
Administrative expenses external to the management company		
Fees indirect maximum (commission and management fees)	Net assets	Not significant
Movement commission	Deduction from each transaction according to the distribution key between the various service providers	None
Outperformance fee	Net assets	For R, IC, ID and N shares 20% (incl. tax) of the fund's positive outperformance relative to its benchmark index. IC-NPF units: None

Outperformance fee :

Calculation method :

The performance fee applicable to a given unit category is calculated using the indexed method.

20% incl. tax represents the difference between the fund's assets before taking into account the performance fee provision and the value of a benchmark asset that has achieved a performance equal to that of the ECI - Europe EUR-H index (Exane Convertible Index Europe), net dividends reinvested (DNR) over the calculation period and that has recorded the same variations linked to subscriptions/redemptions as the fund.

Reference period :

The reference period is the period during which the fund's performance is measured and compared with that of the benchmark index. It is set at 5 years. The management company ensures that any underperformance of the Fund relative to the benchmark index is offset before performance fees become payable. The first 5-year reference period starts on 1 January 2022.

Observation period and frequency of crystallisation :

The observation period corresponds to the financial year from 1 January to 31 December each year. The frequency of crystallisation consists of considering the performance fee for which provision has been made to be definitive and payable.

The performance fee is crystallised (paid) once a year at the end of each financial year if, over an observation period, the Fund's valued assets exceed those of the reference asset and if the Fund records a positive performance. The variable portion of the management fee will represent 20% (inclusive of tax) of the difference. This difference will be covered by a provision for variable management fees when the net asset value is calculated, after deducting fixed management fees. If this is not the case, the provision made previously will be readjusted by a write-back of provisions. Reversals of provisions are capped at the amount of previous allocations.

This performance fee is deducted annually at the end of the financial year.

In the event of redemptions during the period, the portion of the provision set aside corresponding to the number of units redeemed will be definitively acquired and will be deducted by the management company at the end of the financial year.

Allocation of distributable sums

Definition of distributable sums :

The distributable sums are made up of :

The result:

Net income for the financial year is equal to the amount of interest, arrears, premiums and prizes, dividends, directors' fees and all other income relating to the securities in the portfolio, plus the proceeds of sums temporarily available, less the amount of management fees and borrowing costs.

It is increased by retained earnings and increased or decreased by the balance of the income equalisation account.

Capital gains and losses :

Realised capital gains, net of costs, less realised capital losses, net of costs, recorded during the financial year, plus net capital gains of the same nature recorded during previous financial years which have not been distributed or capitalised, less or increased by the balance of the adjustment account for capital gains.

Allocation of distributable income :

<i>Share(s)</i>	<i>Appropriation of net profit</i>	<i>Allocation of net realised gains or losses</i>
Units DNCA CONVERTIBLES EUROPE NPF	Capitalisation	Capitalisation
Units DNCA CONVERTIBLES EUROPE R	Capitalisation	Capitalisation
Units DNCA CONVERTIBLES EUROPE ID	Capitalisation, and/or Distribution, and/or Deferral by decision of the Management Company	Capitalisation, and/or Distribution, and/or Deferral by decision of the Management Company
Units DNCA CONVERTIBLES EUROPE IC	Capitalisation	Capitalisation

2. CHANGE IN NET ASSETS AT 29/12/2023 IN EUR

	29/12/2023	30/12/2022
NET ASSETS AT BEGINNING OF YEAR	371 536 695,73	307 348 707,56
Subscriptions (including subscription fees paid to the Fund)	28 590 134,85	216 103 353,99
Redemptions (less redemption fees paid to the Fund)	-119 512 710,03	-90 906 417,32
Realised capital gains on deposits and financial instruments	8 010 862,15	5 240 670,99
Realised losses on deposits and financial instruments	-10 009 497,02	-18 956 219,17
Realised gains on forward financial instruments	10 171 271,62	8 887 747,87
Realised losses on forward financial instruments	-8 521 525,38	-12 484 415,42
Transaction fees	-52 310,51	-32 538,71
Exchange rate differences	-2 012 707,95	4 041 127,68
Changes in valuation differences on deposits and financial instruments	27 847 536,10	-46 754 607,08
<i>Estimated difference year N</i>	1 120 130,73	-26 727 405,37
<i>Estimated difference N-1</i>	26 727 405,37	-20 027 201,71
Changes in valuation differences on forward financial instruments	-1 982 937,94	1 026 114,44
<i>Estimated difference year N</i>	-956 823,50	1 026 114,44
<i>Estimated difference N-1</i>	-1 026 114,44	0,00
Distribution of prior year net capital gains and losses	0,00	0,00
Distribution of prior year's profit	0,00	0,00
Net profit for the year before deferred charges and accrued income	-1 271 487,66	-1 977 121,24
Interim payments made during the year on net capital gains and losses	0,00	0,00
Interim payments made during the year against net profit	0,00	0,00
Other items	0,00	292,14 (*)
NET ASSETS AT YEAR-END	302 793 323,96	371 536 695,73

(*) 30/12/2022: merger balance with the DNCA CONVERTIBLES EURO mutual fund for 251.07 euros on 02/06/2022 and merger balance with the FRUCTI CONVERTIBLES EUROPE mutual fund for 41.07 euros on 11/08/2022.

3. FURTHER INFORMATION

3.1. BREAKDOWN BY LEGAL OR ECONOMIC NATURE OF FINANCIAL INSTRUMENTS

	Amount	%
ASSETS		
BONDS AND SIMILAR SECURITIES		
Convertible bonds traded on a regulated or similar market	273 593 635,60	90,36
TOTAL BONDS AND SIMILAR SECURITIES	273 593 635,60	90,36
DEBT SECURITIES		
TOTAL DEBT SECURITIES	0,00	0,00
LIABILITIES		
SALES OF FINANCIAL INSTRUMENTS		
TOTAL SALES OF FINANCIAL INSTRUMENTS	0,00	0,00
OFF-BALANCE SHEET		
HEDGING OPERATIONS		
Actions	9 086 000,00	3,00
Rates	13 722 000,00	4,53
TOTAL HEDGING TRANSACTIONS	22 808 000,00	7,53
OTHER OPERATIONS		
Actions	4 162 228,80	1,37
TOTAL OTHER TRANSACTIONS	4 162 228,80	1,37

3.2. BREAKDOWN BY TYPE OF INTEREST RATE OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS

	Fixed rate	%	Variable rate	%	Adjustable rate	%	Other	%
ASSETS								
Deposits	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Bonds and similar securities	273 593 635,60	90,36	0,00	0,00	0,00	0,00	0,00	0,00
Debt securities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Temporary securities transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Financial statements	0,00	0,00	0,00	0,00	0,00	0,00	4 577 870,58	1,51
LIABILITIES								
Temporary securities transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Financial statements	0,00	0,00	0,00	0,00	0,00	0,00	640,88	0,00
OFF-BALANCE SHEET								
Hedging transactions	13 722 000,00	4,53	0,00	0,00	0,00	0,00	0,00	0,00
Other operations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

3.3. BREAKDOWN BY RESIDUAL MATURITY OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS(*)

	< 3 months	%]3 months - 1 year]	%]1 - 3 years]	%]3 - 5 years]	%	> 5 years	%
ASSETS										
Deposits	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Bonds and similar securities	9 992 312,82	3,30	5 688 923,38	1,88	107 372 352,59	35,46	127 107 389,98	41,98	23 432 656,83	7,74
Debt securities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Temporary securities transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Financial statements	4 577 870,58	1,51	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
LIABILITIES										
Temporary securities transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Financial statements	640,88	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
OFF-BALANCE SHEET										
Hedging transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	13 722 000,00	4,53
Other operations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

(*) Forward interest rate positions are presented according to the maturity of the underlying.

3.4. BREAKDOWN BY LISTING CURRENCY OR VALUATION CURRENCY OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS (EXCLUDING EUR)

	Currenc y 1 USD		Currenc y 2 GBP		Currenc y 3 CHF		Currenc y N Other(s)	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Equities and similar securities	0,00	0,00	0,00	0,00	0,00	0,00	3 805 340,15	1,26
Bonds and similar securities	31 103 388,00	10,27	6 830 173,07	2,26	7 015 202,01	2,32	0,00	0,00
Debt securities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
OPC	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Temporary securities transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Receivables	1 596 690,77	0,53	0,00	0,00	0,00	0,00	0,00	0,00
Financial statements	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
LIABILITIES								
Sales of financial instruments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Temporary securities transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Debts	31 638 980,67	10,45	6 716 288,73	2,22	6 948 478,00	2,29	3 750 280,71	1,24
Financial statements	0,00	0,00	0,00	0,00	640,88	0,00	0,00	0,00
OFF-BALANCE SHEET								
Hedging transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other operations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Type of debit/credit	29/12/2023
RECEIVABLES		
	Forward currency purchases	1 596 690,77
	Funds receivable on forward currency sales	48 943 614,33
	Cash deposits	79 213,10
	Collateral	310,13
	Other receivables	155,68
TOTAL RECEIVABLES		50 619 984,01
DEBTS		
	Forward currency sales	49 054 028,11
	Funds payable on forward currency purchases	1 604 710,71
	Redemptions payable	19 134,42
	Fixed management fee	219 236,40
	Variable management fee	25,53
TOTAL LIABILITIES		50 897 135,17
TOTAL LIABILITIES AND RECEIVABLES		-277 151,16

3.6. SHAREHOLDERS' EQUITY

3.6.1. Number of shares issued or repurchased

	In shares	By amount
DNCA CONVERTIBLES EUROPE IC units		
Shares subscribed during the year	1 285,2722	12 843 950,54
Units redeemed during the year	-3 595,3780	-35 693 389,19
Net balance of subscriptions/redemptions	-2 310,1058	-22 849 438,65
Number of units outstanding at end of year	13 839,8629	
DNCA CONVERTIBLES EUROPE ID units		
Shares subscribed during the year	0,00	0,00
Units redeemed during the year	0,00	0,00
Net balance of subscriptions/redemptions	0,00	0,00
Number of units outstanding at end of year	4 120,0000	
DNCA CONVERTIBLES EUROPE NPF units		
Shares subscribed during the year	94,1961	15 251 606,70
Units redeemed during the year	-513,4629	-82 531 506,17
Net balance of subscriptions/redemptions	-419,2668	-67 279 899,47
Number of units outstanding at end of year	649,2062	
DNCA CONVERTIBLES EUROPE R units		
Shares subscribed during the year	3 085,9084	494 577,61
Units redeemed during the year	-8 046,6061	-1 287 814,67
Net balance of subscriptions/redemptions	-4 960,6977	-793 237,06
Number of units outstanding at end of year	50 343,9895	

3.6.2. Subscription and/or redemption fees

	By amount
DNCA CONVERTIBLES EUROPE IC units	
Total subscription and/or redemption fees paid	0,00
Accrued subscription fees	0,00
Accrued redemption fees	0,00
DNCA CONVERTIBLES EUROPE ID units	
Total subscription and/or redemption fees paid	0,00
Accrued subscription fees	0,00
Accrued redemption fees	0,00
DNCA CONVERTIBLES EUROPE NPF units	
Total subscription and/or redemption fees paid	0,00
Accrued subscription fees	0,00
Accrued redemption fees	0,00
DNCA CONVERTIBLES EUROPE R units	
Total subscription and/or redemption fees paid	0,00
Accrued subscription fees	0,00
Accrued redemption fees	0,00

3.7. MANAGEMENT FEES

	29/12/2023
Units DNCA CONVERTIBLES EUROPE IC	
Guarantee fees	0,00
Fixed management fees	1 249 167,39
Percentage of fixed management fees	0,85
Provisioned variable management fees	0,00
Percentage of variable management fees provisioned	0,00
Earned variable management fees	25,53
Percentage of variable management fees earned	0,00
Management fee rebates	0,00
DNCA CONVERTIBLES EUROPE ID units	
Guarantee fees	0,00
Fixed management fees	381 265,90
Percentage of fixed management fees	0,85
Provisioned variable management fees	0,00
Percentage of variable management fees provisioned	0,00
Earned variable management fees	0,00
Percentage of variable management fees earned	0,00
Management fee rebates	0,00
Units DNCA CONVERTIBLES EUROPE NPF	
Guarantee fees	0,00
Fixed management fees	1 303 004,84
Percentage of fixed management fees	1,00
Provisioned variable management fees	0,00
Percentage of variable management fees provisioned	0,00
Earned variable management fees	0,00
Percentage of variable management fees earned	0,00
Management fee rebates	0,00
Units DNCA CONVERTIBLES EUROPE R	
Guarantee fees	0,00
Fixed management fees	135 605,83
Percentage of fixed management fees	1,60
Provisioned variable management fees	0,00
Percentage of variable management fees provisioned	0,00
Earned variable management fees	0,00
Percentage of variable management fees earned	0,00
Management fee refunds	0,00

"The amount of variable management fees shown above corresponds to the sum of provisions and reversals of provisions that impacted net assets during the period under review".

3.8. COMMITMENTS RECEIVED AND GIVEN

3.8.1. Guarantees received by the UCI :

None

3.8.2. Other commitments received and/or given :

None

3.9. OTHER INFORMATION

3.9.1. Present value of temporarily acquired financial instruments

	29/12/2023
Securities purchased under resale agreements	0,00
Borrowed securities	0,00

3.9.2. Present value of financial instruments representing security deposits

	29/12/2023
Financial instruments pledged as collateral and maintained in their original position	0,00
Financial instruments received as collateral and not recognised in the balance sheet	0,00

3.9.3. Financial instruments held, issued and/or managed by the Group

	ISIN code	Wording	29/12/2023
Actions			0,00
Bonds			0,00
TCN			0,00
OPC			20 453 089,64
	LU2595402327	DNCA INV-GLOB CONVRT-CLIEUR	7 534 800,00
	FR0010885236	OSTRUM SRI MONEY PLUS IC	12 918 289,64
Forward financial instruments			0,00
Total Group shares			20 453 089,64

3.10. TABLE OF ALLOCATION OF DISTRIBUTABLE SUMS

Table of allocation of the share of distributable sums relating to income

	29/12/2023	30/12/2022
Amounts remaining to be allocated		
Retained earnings	0,00	0,00
Results	-1 071 584,18	-1 763 550,53
Prepayments out of net profit for the year	0,00	0,00
Total	-1 071 584,18	-1 763 550,53

	29/12/2023	30/12/2022
Units DNCA CONVERTIBLES EUROPE IC		
Assignment		
Distribution	0,00	0,00
Retained earnings for the year	0,00	0,00
Capitalisation	-398 396,64	-431 687,25
Total	-398 396,64	-431 687,25

	29/12/2023	30/12/2022
Units DNCA CONVERTIBLES EUROPE ID		
Assignment		
Distribution	0,00	0,00
Retained earnings for the year	0,00	0,00
Capitalisation	-130 422,58	-200 652,82
Total	-130 422,58	-200 652,82

	29/12/2023	30/12/2022
Units DNCA CONVERTIBLES EUROPE NPF		
Assignment		
Distribution	0,00	0,00
Retained earnings for the year	0,00	0,00
Capitalisation	-458 959,54	-1 024 484,58
Total	-458 959,54	-1 024 484,58

	29/12/2023	30/12/2022
Units DNCA CONVERTIBLES EUROPE R		
Assignment		
Distribution	0,00	0,00
Retained earnings for the year	0,00	0,00
Capitalisation	-83 805,42	-106 725,88
Total	-83 805,42	-106 725,88

Allocation of the share of distributable sums relating to net capital gains and losses

	29/12/2023	30/12/2022
Amounts remaining to be allocated		
Undistributed previous net capital gains and losses	0,00	0,00
Net capital gains and losses for the year	56 726,40	-12 945 139,99
Interim payments on net capital gains and losses for the year	0,00	0,00
Total	56 726,40	-12 945 139,99

	29/12/2023	30/12/2022
Units DNCA CONVERTIBLES EUROPE IC		
Assignment		
Distribution	0,00	0,00
Undistributed net capital gains and losses	0,00	0,00
Capitalisation	25 970,17	-853 856,48
Total	25 970,17	-853 856,48

	29/12/2023	30/12/2022
Units DNCA CONVERTIBLES EUROPE ID		
Assignment		
Distribution	0,00	0,00
Undistributed net capital gains and losses	0,00	0,00
Capitalisation	9 211,59	-2 406 484,75
Total	9 211,59	-2 406 484,75

	29/12/2023	30/12/2022
Units DNCA CONVERTIBLES EUROPE NPF		
Assignment		
Distribution	0,00	0,00
Undistributed net capital gains and losses	0,00	0,00
Capitalisation	19 669,11	-9 205 504,92
Total	19 669,11	-9 205 504,92

	29/12/2023	30/12/2022
Units DNCA CONVERTIBLES EUROPE R		
Assignment		
Distribution	0,00	0,00
Undistributed net capital gains and losses	0,00	0,00
Capitalisation	1 875,53	-479 293,84
Total	1 875,53	-479 293,84

3.11. TABLE OF RESULTS AND OTHER CHARACTERISTICS OF THE ENTITY OVER THE LAST FIVE FINANCIAL YEARS

	31/12/2019	31/12/2020	31/12/2021	30/12/2022	29/12/2023
Global net assets in EUR	333 150 999,60	308 437 315,93	307 348 707,56	371 536 695,73	302 793 323,96
DNCA units CONVERTIBLE S EUROPE IC in EUR					
Net assets	0,00	0,00	0,00	154 254 766,70	141 145 325,46
Number of shares	0,00	0,00	0,00	16 149,9687	13 839,8629
Net asset value per unit	0,00	0,00	0,00	9 551,39	10 198,46
Capitalisation unit over +/- net values	0,00	0,00	0,00	-52,87	1,87
Capitalisation unit on result	0,00	0,00	0,00	-26,72	-28,78
DNCA units CONVERTIBLE S EUROPE ID in EUR					
Net assets	48 905 301,69	53 671 599,42	52 131 786,22	43 298 396,82	46 217 916,01
Number of shares	4 120,0000	4 305,0000	4 120,0000	4 120,0000	4 120,0000
Net asset value per unit	11 870,21	12 467,27	12 653,34	10 509,31	11 217,94
Capitalisation unit over +/- net values	285,31	191,51	392,61	-584,09	2,23
Capitalisation unit on result	-35,98	-55,43	-65,07	-48,70	-31,65
DNCA units CONVERTIBLE S EUROPE NPF in EUR					
Net assets	284 134 642,18	254 633 427,17	254 920 812,37	165 415 759,41	107 167 376,27
Number of shares	1 617,6847	1 382,3002	1 365,5646	1 068,4730	649,2062
Net asset value per unit	175 642,78	184 209,93	186 677,95	154 815,10	165 074,48
Capitalisation unit over +/- net values	4 218,87	2 829,22	5 801,64	-8 615,57	30,29
Capitalisation unit on result	-914,94	-1 067,49	-1 237,09	-958,83	-706,95
DNCA units CONVERTIBLE S EUROPE R in EUR					
Net assets	111 055,73	132 289,34	296 108,97	8 567 772,80	8 262 706,22
Number of shares	620,4787	709,0030	1 575,5412	55 304,6872	50 343,9895
Net asset value per unit	178,98	186,58	187,94	154,91	164,12
Capitalisation unit over +/- net values	4,30	2,86	5,86	-8,66	0,03
Capitalisation unit on result	-1,97	-2,14	-2,38	-1,92	-1,66

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS IN EUR

Designation of values	Currency	Qty No. or nominal	Current value	Net Assets
Equities and similar securities				
Shares and similar securities traded on a market regulated or similar				
SWEDEN				
VOLVO AB-B-	SEK	161 876	3 805 340,15	1,25
TOTAL SWEDEN			3 805 340,15	1,25
TOTAL Shares and similar securities traded on a regulated or similar market			3 805 340,15	1,25
TOTAL equities and similar securities			3 805 340,15	1,25
Bonds and similar securities				
Bonds and similar securities traded on a market regulated or similar				
GERMANY				
DELIVERY HERO SE 0.25% 23-01-24	EUR	8 000 000	7 976 753,04	2,63
DEUTSCHE LUFTHANSA AG 2.0% 17-11-25 CV	EUR	4 200 000	4 530 655,15	1,50
DEUTSCHE POST AG 0.05% 30-06-25	EUR	8 000 000	7 838 669,51	2,59
MTU AERO ENGINES GMBH 0.05% 18-03-27	EUR	3 500 000	3 128 886,39	1,03
RAG STIFTUNG 2.25% 28-11-30 CV	EUR	3 000 000	3 136 395,82	1,04
RAG STIFTUNG ZCP 17-06-26 CV	EUR	6 500 000	6 100 802,50	2,01
TOTAL GERMANY			32 712 162,41	10,80
AUSTRIA				
AMS AGA 2.125% 03-11-27 CV	EUR	6 500 000	5 188 274,82	1,72
VOESTALPHOL AG 2.75% 28-04-28	EUR	2 000 000	1 979 248,31	0,65
TOTAL AUSTRIA			7 167 523,13	2,37
BELGIUM				
GROUPE BRUXELLES LAMBERT 2.125% 29-11-25	EUR	4 000 000	3 900 588,42	1,29
TOTAL BELGIUM			3 900 588,42	1,29
DENMARK				
GN GREAT NORDIC LTD AS ZCP 21-05-24	EUR	2 000 000	1 959 710,00	0,65
TOTAL DENMARK			1 959 710,00	0,65
SPAIN				
AMADEUS CM 1.5% 09-04-25 CV	EUR	8 000 000	9 893 436,72	3,26
CELLNEX TELECOM 0.5% 05-07-28 CV	EUR	11 300 000	12 103 501,63	4,00
INTL CONSOLIDATED AIRLINES GROU 1.125% 18-05-28	EUR	6 500 000	5 801 066,07	1,92
TOTAL SPAIN			27 798 004,42	9,18
FRANCE				
ACCOR 0.7% 07-12-27 CV	EUR	160 000	7 683 360,00	2,53
BNP PAR ZCP 13-05-25 CV	EUR	5 000 000	6 016 175,00	1,99
EDENRED ZCP 14-06-28 CV	EUR	63 000	4 173 718,50	1,37
ELIS EX HOLDELIS 2.25% 22-09-29	EUR	6 300 000	8 159 646,39	2,69
FNAC DARTY 0.25% 23-03-27 CV	EUR	60 000	4 218 150,00	1,40
NEOEN 2.875% 14-09-27 CV	EUR	4 200 000	3 962 100,12	1,31
NEXITY 0.875% 19-04-28 CV	EUR	40 000	1 594 360,00	0,53
SAFRAN 0.875% 15-05-27 CV	EUR	20 000	3 272 950,00	1,08
SAFRAN ZCP 01-04-28 CV	EUR	90 000	16 841 070,00	5,56
SCHNEIDER ELECTRIC SE 0.0% 15-06-26	EUR	36 000	7 053 390,00	2,33
SCHNEIDER ELECTRIC SE 1.97% 27-11-30 CV	EUR	3 000 000	3 248 722,42	1,07
SELENA SARL ZCP 25-06-25 CV	EUR	40	3 775 540,00	1,25
SOITEC ZCP 01-10-25 CV	EUR	37 000	6 978 829,00	2,31

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS IN EUR

Designation of values	Currency	Qty No. or nominal	Current value	Net Assets
SPIE 2.0% 17-01-28 CV	EUR	6 800 000	7 138 247,11	2,36
VEOLIA ENVIRONNEMENT ZCP 01-01-25	EUR	294 000	9 176 916,00	3,03
VOLTALIA 1.0% 13-01-25 CV	EUR	88 174	2 616 387,10	0,87
TOTAL FRANCE			95 909 561,64	31,68
IRELAND				
GLANBIA CO OPERATIVE SOCIETY 1.875% 27-01-27	EUR	1 600 000	1 638 139,48	0,54
TOTAL IRELAND			1 638 139,48	0,54
ITALY				
ENI 2.95% 14-09-30 CV EMTN	EUR	3 000 000	3 182 945,16	1,06
NEXI ZCP 24-02-28 CV	EUR	14 700 000	12 769 816,50	4,22
PIRELLI C ZCP 22-12-25 CV	EUR	6 500 000	6 432 855,00	2,12
PRYSMIAN 0.0000010% 02-02-26	EUR	10 300 000	11 397 516,50	3,76
SAIPEM 2.875% 11-09-29 CV	EUR	2 500 000	2 715 610,30	0,90
TOTAL ITALY			36 498 743,46	12,06
LUXEMBOURG				
LAGFIN SCA 3.5% 08-06-28 CV	EUR	5 000 000	4 928 856,69	1,62
TOTAL LUXEMBOURG			4 928 856,69	1,62
MEXICO				
FOMENTO ECONOMICO MEXICANO SAB DE 2.625% 24-02-26	EUR	2 000 000	2 046 460,55	0,68
TOTAL MEXICO			2 046 460,55	0,68
NETHERLANDS				
BASIC FIT NV 1.5% 17-06-28 CV	EUR	5 500 000	4 987 959,47	1,64
BE SEMICONDUCTOR INDUSTRIES NV 1.875% 06-04-29	EUR	2 200 000	2 989 336,74	0,99
DUFREY ONE BV 0.75% 30-03-26 CV	CHF	4 600 000	4 679 721,95	1,54
JUST EAT TAKEAWAYCOM NV 0.625% 09-02-28	EUR	2 700 000	2 043 796,33	0,67
JUST EAT TAKEAWAYCOM NV 2.25% 25-01-24	EUR	2 000 000	2 015 559,78	0,67
MERRILL LYNCH BV ZCP 30-01-26	EUR	2 000 000	2 048 470,00	0,68
QIAGEN NV 1.0% 13-11-24 CV	USD	4 000 000	3 729 213,38	1,23
QIAGEN NV ZCP 17-12-27 CV	USD	16 600 000	13 603 389,31	4,50
TOTAL NETHERLANDS			36 097 446,96	11,92
UNITED KINGDOM				
JET2 1.625% 10-06-26 CV	GBP	4 500 000	5 042 853,94	1,66
WH SMITH 1.625% 07-05-26 CV	GBP	1 700 000	1 787 319,13	0,59
TOTAL UNITED KINGDOM			6 830 173,07	2,25
SWITZERLAND				
STMICROELECTRONICS NV ZCP 04-08-25	USD	3 400 000	3 720 286,06	1,23
STMICROELECTRONICS NV ZCP 04-08-27	USD	9 200 000	10 050 499,25	3,32
SWISS PRIME SITE AG 0.325% 16-01-25	CHF	2 200 000	2 335 480,06	0,77
TOTAL SWITZERLAND			16 106 265,37	5,32
TOTAL Bonds and similar securities traded on a regulated or similar market			273 593 635,60	90,36
TOTAL bonds and similar securities			273 593 635,60	90,36
Collective investment schemes				
General UCITS and FIAs intended for non professionals and equivalents from other countries				
FRANCE				
OSTRUM SRI MONEY PLUS IC	EUR	122	12 918 289,64	4,27
TOTAL FRANCE			12 918 289,64	4,27
LUXEMBOURG				

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS IN EUR

Designation of values	Currency	Qty No. or nominal	Current value	Net Assets
DNCA INV-GLOB CONVRT-CLIEUR	EUR	65 000	7 534 800,00	2,49
TOTAL LUXEMBOURG			7 534 800,00	2,49
TOTAL General UCITS and FIAs for non-professionals and equivalents from other countries			20 453 089,64	6,76
TOTAL Undertakings for collective investment			20 453 089,64	6,76
Forward financial instruments				
Firm forward commitments				
Forward commitments on regulated or similar markets				
EURO BUND 0324				
EURO STOXX 50 0324	EUR	-100	-160 989,72	-0,05
TOTAL Forward commitments on regulated or similar markets	EUR	-200	93 599,97	0,03
TOTAL Firm forward commitments			-67 389,75	-0,02
Contingent forward commitments			-67 389,75	-0,02
Contingent forward commitments on regulated markets				
IBERDROLA SA 06/2025 CALL 11.5	EUR	5 500	621 500,00	0,21
KERING 03/2024 CALL 560	EUR	75	1 950,00	0,00
LVMH 03/2024 CALL 920	EUR	90	17 730,00	0,00
TOTAL Contingent forward commitments on regulated markets			641 180,00	0,21
TOTAL Contingent liabilities TOTAL Forward financial instruments			641 180,00	0,21
Margin call			573 790,25	0,19
CACEIS MARGIN CALL				
TOTAL Margin call Receivables	EUR	67 389,78	67 389,78	0,02
Debts			67 389,78	0,02
Financial accounts			50 619 984,01	16,72
Net assets			-50 897 135,17	-16,81
			4 577 229,70	1,51
			302 793 323,96	100,00

Units DNCA CONVERTIBLES EUROPE ID	EUR	4 120,0000	11 217,94
Units DNCA CONVERTIBLES EUROPE IC	EUR	13 839,8629	10 198,46
Units DNCA CONVERTIBLES EUROPE NPF	EUR	649,2062	165 074,48
Units DNCA CONVERTIBLES EUROPE R	EUR	50 343,9895	164,12

5. APPENDIX(S)

Annex 4 RTS SFDR / Template periodic disclosure for the financial products referred to in Article 8

Product name: DNCA CONVERTIBLES EUROPE

Legal entity identifier: 96950041PIQ689VNVR48

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective ¹ ?	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective : <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 <input type="checkbox"/> It made sustainable investments with a social objective :	<input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 45.2% of sustainable investments <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 checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 31.5%<input checked="" type="checkbox"/> with a social objective 13.7% <input type="checkbox"/> It promoted E/S characteristics but did not make any sustainable investments



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The characteristics promoted by the Sub-Fund were governance, environment, social and societal criteria.

The management of the Sub-Fund relied on the proprietary analysis tool on environment, social and governance: ABA (*Above and Beyond Analysis*).

As part of the promotion of such characteristics, the Sub-Fund principally considered the following ESG matters:

- Environment: GHG emissions, airborne pollution, waterborne pollution, water consumption, land use.
- Social: Excessive CEO Compensation, gender inequality, health and safety issues, child labor.
- Governance: Monitoring corruption and bribery, tax avoidance.
- Global ESG quality rating.

In this way, for private issuers, the investment process based on stock picking took into account an internal Corporate Responsibility rating thanks to an extra-financial analysis through the ABA tool, with a "best in universe" approach (selection of the investment universe independently of the sectoral activity).

The Sub-Fund did not use a benchmark for the purpose of attaining the ESG Characteristics promoted by the Sub-Fund.

¹**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices. The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

- **How did the sustainability indicators perform¹ ?**

The sustainability indicators of the Sub-Fund for private issuers were:

- The *Above and Beyond Analysis* (ABA, the proprietary tool) Corporate Responsibility Score: the main sustainability indicator used by the Sub-Fund is the ABA scoring based on the Corporate Responsibility and divided into four pillars: shareholder responsibility, environmental responsibility, employer responsibility, societal responsibility.
- The Transition to a Sustainable Economy exposure: the asset manager completes this analysis by an assessment of companies' exposure to *Transition to a Sustainable Economy*. This exposure is calculated among five pillars: demographic transition, healthcare transition, economic transition, lifestyle transition and ecologic transition.
- Exposure to UN Sustainable Development Goals: the Management Company assesses for each company the part of revenues linked to one of the 17 Sustainable Development Goals of the United Nations.
- Carbon data: carbon footprint (t CO₂/m\$ invested) of the Sub-Fund's portfolio.
- Carbon intensity (t CO₂/m\$ revenues) of the Sub-Fund's portfolio.
- The proportion of the Sub-Fund's portfolio in the "*worst offenders*" list of the Management Company; this list is consisted of the issuers most at risk from a social responsibility point of view. This list is established based on major controversies, after analysis by members of the SRI team, and after validation by the Sustainable Investment Monitoring Committee.

Performance of sustainability indicators for private issuers as of 29/12/2023

Sustainability indicators	Performance of the sustainability indicators
ABA Corporate Responsibility score	5.35/10
Transition to a Sustainable Economy exposure	26.48% of revenues
% Exposure to the SDGs	26.48% of revenues
Carbon footprint	466
Carbon intensity	974
% <i>Worst Offenders</i> list	0%

- **...and compared to previous periods?**

The ABA fund's responsibility rating has improved over the course of the year, increasing from 5.22/10 at the end of 2022 to 5.35/10 at the end of 2023. This positive evolution in the rating is primarily attributed to the increased weighting on Cellnex (rating >6) and the addition of SPIE to the portfolio selection (rating ~5.5).

Exposure to sustainable transitions has slightly increased due to the presence of highly contributing companies in the top 10 of the portfolio (Schneider Electric, Prysmian, SPIE, STMicroelectronics, NEOEN).

Both carbon intensity and carbon footprint have significantly increased with the implementation of scope 3 in calculations compared to the previous year. However, the objective has still been achieved with measurements lower than the benchmark index, which also integrated scope 3.

No companies from the Worst Offender list are present in the portfolio.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments of the Sub-Fund were the contributions of the investee companies to the United Nations Sustainable Development Goals (SDG). These companies are required to comply with the following eligibility conditions which are based on a "pass-fail" approach:

- minimum 5% revenues exposed to SDGs, according to the internal sustainability framework based on Sustainable Transition Activities (demographic transition and/or healthcare transition and/or economic transition and/or lifestyle transition and/or ecologic transition).
- minimum rating of 2 out of 10 on Corporate Responsibility Rating (ABA) (taking into account controversies and PAI, Principal Adverse Impacts) combined with the exclusion policy, integrating the Do Not Significantly Harm on any environmental or social objective (see below).
- minimum rating of 2 out of 10 on Governance (Corporate Governance Practices).

The minimum rate of 2 of 10 (Corporate Responsibility in the proprietary tool ABA) is in line with the objective to Do No Significant Harm to the social or environmental objectives.

¹Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

The adverse impacts of the companies' activities on environment and social objectives were directly integrated into the ABA Corporate Responsibility Rating (which integrates the indicators for adverse impacts on sustainability factors in Table 1 of Annex 1 of the SFDR RTS and may lead to a downgrading of the ABA scoring under the minimum rating).

In this background, the Asset Manager has implemented in accordance with its Exclusion Policy the following exclusions:

- Thermal coal and unconventional oil and gas: the Asset Manager gradually excluded companies involved in thermal coal and unconventional oil and gas business.
- Controversy weapons: issuers were excluded from all the Asset Manager's portfolios
- Non-compliance with UN Global Compact: issuers with severe breaches to the UN Global Compact principles were integrated in the Asset Manager's *Worst Offenders* list and excluded from all the portfolios.

As of 29 December 2023, no breaches have been identified and no companies involved in thermal coal and unconventional oil and gas business were included in the asset managers' portfolio.

No violation of the various "Do Not Significantly Harm" indicators was observed in 2023. Consequently, the fund has adhered to both the in-house exclusion policy and its own exclusion policy (refer to exclusion policy). No severe controversies were observed regarding portfolio companies. All portfolio securities meet the minimum responsibility rating, which includes ESG factors and the impact of controversies.

ATOS has failed to improve its growth and profitability profile and is suffering from a significant erosion of investor confidence. The company is notably facing complaints of deceptive communications and corruption, resulting in a downgrade of the ABA rating below the threshold of 2. A divestment from the position was executed in response to this change in the investment case and rating.

- *How were the indicators for adverse impacts on sustainability factors¹ taken into account?*

The integration of the 14 mandatory PAI plus 3 optional PAI aimed to build a Corporate Responsibility Rating out of 10. A minimum rating of 2 out of 10 is thus consistent to the DNSH approach (Do No Significant Harm to the social or environmental objectives) in addition to two binding PAI (PAI 10- Violation UNGC and PAI 14- Controversial weapons).

- *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Issuers that did not comply with the principles of the United Nations Global Compact were unfavorably rated for Corporate Responsibility in the ABA tool.

Issuers with controversies or in severe breach to UN Global Compact Principles (example: human rights or fight against corruption) based on the internal approach were excluded from the portfolio through the *Worst Offenders* list after internal analysis.

The *internal approach* as described below allowed the Asset Manager to define a list of issuers identified as being in breach of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and which have been qualified as having committed a "severe breach" by the Management Company's Ethics Committee. These issuers were therefore included in an exclusion list of the *Worst Offenders* and which are prohibited from investing.

To perform this analysis, the Management Company used an external data provider's database to:

1. Extract issuers with "norms based" alerts ;
2. Filter out irrelevant issuers ;
3. Qualitative analysis of the infringements by the Management Company's Ethics Committee ;
- 4 . Include issuers identified as having committed a *severe breach* in the list of *Worst Offenders*.

Hence, the sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those 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 EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

¹*Principal adverse impacts* are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti- bribery matters.



How did this financial product consider principal adverse impacts on sustainability factors?

For Private issuers, The Sub-Fund took into account the principal adverse impacts on sustainability factors:

- The Principal Adverse Impact analysis was part of the Corporate Responsibility Rating ;
- The Asset Manager has implemented an Adverse Impact on Sustainability Policy, measuring the PAI. The Policy first intended to monitor the contributions to climate change (CO₂ emissions, CO₂ intensity, implied temperature) in the context of the "Climate Trajectory" objectives.



What were the top investments of this financial product?

Top investments of the portfolio, as of 29 December 2023:

Largest investments	Sector	% of assets	Country
Safran SA	Industrial Goods and Services	6.64%	France
QIAGEN NV	Health Care	5.72%	Netherlands
STMicroelectronics NV	Technology	4.55%	Netherlands
Nexi SpA	Industrial Goods and Services	4.22%	Italy
Cellnex Telecom SA	Telecommunications	4.00%	Spain
Prysmian SpA	Industrial Goods and Services	3.76%	Italy
Schneider Electric SE	Industrial Goods and Services	3.40%	France
Amadeus IT Group SA	Technology	3.27%	Spain
RAG-Stiftung	Energy	3.05%	Germany
Veolia Environnement SA	Utilities	3.03%	France
Elis SA	Industrial Goods and Services	2.69%	France
Delivery Hero SE	Consumer Products and Services	2.63%	Germany
Deutsche Post AG	Industrial Goods and Services	2.59%	Germany
Accor SA	Travel and Leisure	2.54%	France
SPIE SA	Construction and Materials	2.36%	France

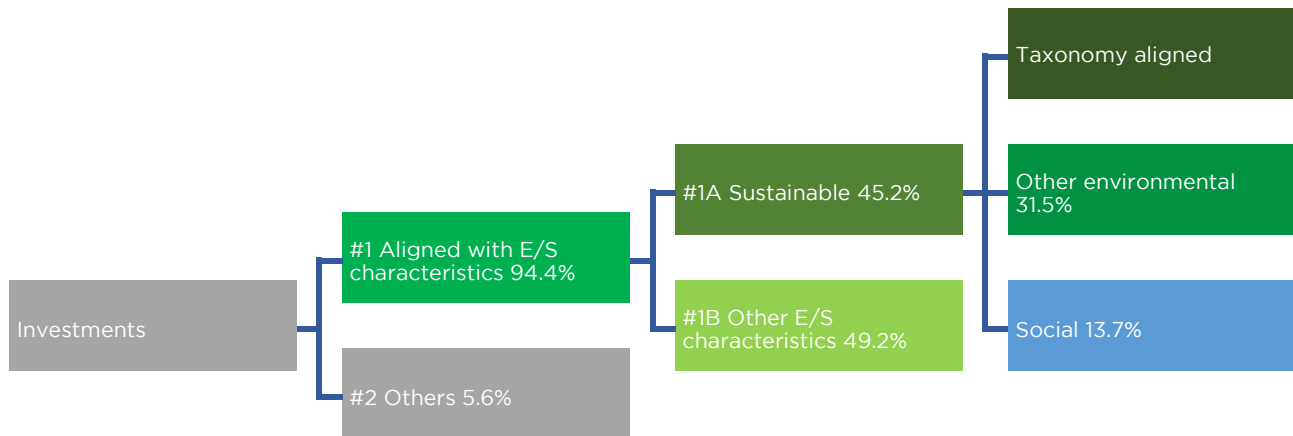
¹ The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: (2022).



What was the proportion of sustainability-related investments?

As of 29 December 2023, the Sub-Fund invested 94.4% of its net assets in investments aligned with environmental and social characteristics. 45.2% of those were directly invested in sustainable investments. The remaining portion of the Sub-Fund's net assets (#2 Other) consisted of financial derivative instruments, deposits at sight, money market funds, money market instruments and other deposits used for hedging and efficient portfolio management purposes and to manage the liquidity of the portfolio or to reduce any specific financial risk.

- **What was the asset allocation¹?**



For the 2023 financial year, the information received from our data providers does not appear to be sufficiently reliable following the initial checks carried out to quantify the proportion of investments aligned with the taxonomy.

DNCA Finance has therefore prudently chosen not to use it and not to communicate the consolidated alignment figures this year for funds not committed to this criterion.

#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **In which economic sectors were the investments made?**

The investments were made in the following economic sectors:

Sector	% AUM
Industrial Goods and Services	26.98%
Technology	14.16%
Travel and Leisure	9.26%
Health Care	6.37%
Utilities	5.20%
Energy	5.00%
Financial Services	4.16%
Telecommunications	4.00%
Retail	3.53%
Consumer Products and Services	3.16%
Banks	2.66%
Construction and Materials	2.36%
Automobiles and Parts	2.13%
Food, Beverage and Tobacco	1.22%
Real Estate	0.77%
Basic Resources	0.65%

The above sector classification can differ from the one used in the financial periodic report.

¹Asset allocation describes the share of investments in specific assets.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy¹?

For the 2023 financial year, the information received from our data providers does not appear to be sufficiently reliable following the initial checks carried out to quantify the proportion of investments aligned with the taxonomy.

DNCA Finance has therefore prudently chosen not to use it and not to communicate the consolidated alignment figures this year for funds not committed to this criterion.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy² ?**

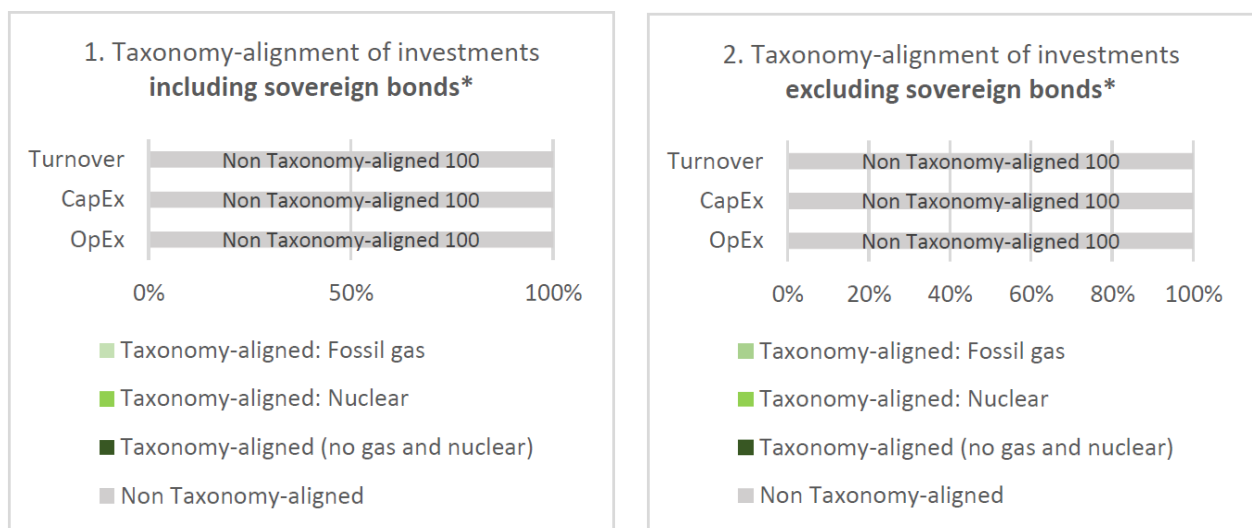
☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

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



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- **What was the share of investments made in transitional and enabling activities?**

Not applicable

- **How did the percentage of investments that were aligned with the EU Taxonomy³ compare with previous reference periods?**

Not applicable

¹ PTo comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

² Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (*climate change mitigation*) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

³ Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

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

The Sub-Fund's invested 31.5% of its net assets in sustainable investments with an environmental objective that were not aligned with the EU Taxonomy Regulation (given the lack of taxonomy data, DNCA Finance considers that all environmental investments are not aligned with the EU Taxonomy).



What was the share of socially sustainable investments?

The Sub-Fund invested 13.7% of its net assets in sustainable investments with a social objective.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The investments included under *#2 Other* could consist of financial derivative instruments, deposits at sight, money market funds, money market instruments and other deposits used for hedging and efficient portfolio management purposes and to manage the liquidity of the portfolio or to reduce any specific financial risk.

These investments did not have specific environmental or social safeguards.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The investment process was based on the following three stages:

- Selection of the investment universe combining a financial and extra-financial approach in particular by excluding issuers which do not comply with our minimum standards for inclusion (rating below 2/10 in the ESG proprietary tool) or exposed to major controversies;
- Asset classes allocation based on an analysis of the investment environment and the management team's risk appetite;
- Security selection is based on a fundamental analysis of issuers from the point of view of the minority shareholder and/or bond creditor, taking into account ESG criteria and the valuation of the instruments.

The ABA scoring is the proprietary tool of analysis and Corporate Responsibility Rating used to anticipate companies' risks especially looking at the relationship with their stakeholders: employees, supply chains, clients, local communities, and shareholders..., regardless of the sector of activities.

The ABA analysis of corporate responsibility is broken down into four pillars:

- Shareholders responsibility (board of directors and general management, accounting practices and financial risks, etc.) ;
- Social responsibility (including working conditions, diversity policy, accidentology, training policy, etc.);
- Societal responsibility (tax optimisation, corruption, respect for local communities and respect for personal data);
- Environmental responsibility (including environmental management policy, consideration of biodiversity issues, etc.).

This in-depth analysis, combining qualitative and quantitative research, leads to a rating out of 10.

The engagement process, which aims to serve the ESG objectives of the product, is carried out in several steps:

1. Identify targets for proactive and reactive engagement among issuers in DNCA Finance's investments, following on from the alert system set up as part of sustainability risk and negative impact management.
2. Implement an engagement plan for the identified engagement targets, monitor the engagement process and measure the results.
3. Integrate the results of engagement actions into investment decisions.

DNCA Finance's proactive engagement aims to encourage companies to develop better transparency and management of their ESG issues, through an ongoing dialogue. The reactive engagement process is an escalation process that relies on the alert mechanism in place for sustainability risk and negative impact management. The engagement actions can include requests for corrective actions and the possible decision to disinvest (*Worst Offenders*). DNCA Finance also participates in collective initiatives for coordinated and/or collaborative actions to promote best practices on systemic or transversal topics, concerning certain issuers, ESG issues likely to generate sustainability risks and/or negative sustainability impacts, and compliance with the principles of the Task Force on Climate related Financial Disclosure (TCFD) and the Task Force on Nature related Financial Disclosure (TNFD).

For the fiscal year 2023, with the exception of Atos, over 20% of the portfolio companies demonstrate strong governance with a minimal threshold respected and have not caused significant harm as mentioned earlier in the "DNSH" section. In terms of positive contributions, the social objective contribution remained stable while the environmental objective contribution increased by 6 points. This improvement is notably attributed to the integration of companies such as SPIE.

SPIE conducted a convertible primary placement which was subscribed to by the fund. The quality of the investment case (valuation, underlying dynamics,) along with its ABA rating confirmed the attractiveness of the security within the selection. The SPIE group is committed to taxonomy-related issues. It has observed an enhancement in its alignment notably due to the inclusion of nuclear energy within its scope. Furthermore, the group allows a significant portion of its shareholding to be held by its employees, who now represent the largest shareholder (>7%) of the company. Hence, there is better alignment of interests. Such a configuration is only visible in 7 companies within the SBF 120.



How did this financial product perform compared to the reference benchmark?

The chosen reference index is not intended to be aligned with the environmental and social ambitions promoted by the financial product.

- **How did the reference benchmark differ from a broad market index?**

Not applicable

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

Not applicable

- **How did this financial product perform compared with the reference benchmark?**

Not applicable

- **How did this financial product perform compared with the broad market index?**

Not applicable