INVESTMENT OBJECTIVE

The Sub-Fund seeks to outperform the 30% EURO STOXX 50 (Bloomberg ticker: SXST Index) + 70% FTSE MTS Global (Bloomberg ticker:EMTGGT Index) composite index, calculated with dividends reinvested, over the recommended investment period (minimum 5 years). The Sub-Fund is managed taking into consideration Responsible and Sustainable principles. In this way, the investment process and resulting stock and bond picking take into account internal scoring with respect to both corporate responsibility and sustainability of the companies.

PORTFOLIO MANAGERS COMMENTS

September was marked by a fresh surge in the Covid-19 epidemic, particularly in Europe where governments are taking further measures to curb the spread of the virus. Both leading indicators and corporate guidance point to an uneven recovery across the various sectors, as order books in the automotive, semi-conductors and IT services industries provide a certain degree of visibility, while business in the air travel and hotel sectors has been downgraded. On the markets this month, sovereign bonds and investment grade credit posted positive performances, while high yield credit and equity indices were down slightly.

DNCA Beyond Alterosa posted a showing of 0.15% this month vs. 0.34% for the benchmark (30% EURO STOXX 50 + 70% FTSE MTS Global). Bonds entirely accounted for this recovery, with the main contributions coming from issuers Paripec +10bps, Amundi +6bps and Cigna +6bps. In the equity market, positive contributions from Unilever +6bps, Geberit +6bps and Novo Nordisk +6bps, equities made a negative contribution, with declines for banks Credit Agricole and Intesa Sanpaolo.

Over the month, we cut back our exposure to adidas, Bouygues, Danone, Michelin and Sanofi, while winding down our Sant-Gobain position. At end-September, Alterosa was 28.7% invested in equities with strong exposure to thechemicals, healthcare and personal care sectors. Our fund maintains its growth slant, with two-thirds of the equity portion devoted to this theme, while the portfolio's financial features point to 2021 P/E of 19.0x on expected earnings growth of 2%.

French specialty chemicals group SNF Floerger, a leader on its markets – particularly water treatment - redeemed its 2023 bond early and issued a 2026 maturity. This was an opportunity for the fund to continue supporting the company in its expansion, with yield at 2%. Also in the chemicals sector, although with different types of application, we added Belgian company Solvay’s hybrid bond with a 3-year call, and yield of 2.2%. We also exited from bonds Société Générale and ING from the portfolio with yield close to 0%, along with the CEG holding and the Casino 2021 bond. We also note the official announcement of the redemption of Air France-KLM’s hybrid debt, enabling the fund to now hold only marginal exposure to the issuer.

The current context is still marked by ongoing severe uncertainty and low confidence from economic stakeholders. The risk is that “forced” saving during lockdown could turn into precautionary saving, which would hamper spending momentum, while we are also seeing a degree of caution in companies’ investment decisions. From a monetary standpoint, the ECB gave some preliminary indications on its strategy review, while details to be provided over the months ahead will give investors an idea of the main policy direction that lies ahead. In the current context, the fund’s positioning remains characterized by equity market exposure remaining close to 30% (50% maximum), with 59% for the bond portion and 12% cash. With more than 40% in investment grade bond yields, yield on the bond portion still remains high at 1.8% on continued low sensitivity of 2.2. Extra-financial features point to a responsible performance of 5.8/10 and 73% exposure to the sustainable transition.

Text completed on 07/10/2020.

Léa DUNAND-CHATTELIET - Adrien LE CLAINCHE - Romain GRANDIS - Damien LANTERNIER - Baptiste PLANCHAUD

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Text completed on 07/10/2020.

Léa DUNAND-CHATTELIET - Adrien LE CLAINCHE - Romain GRANDIS - Damien LANTERNIER - Baptiste PLANCHAUD

PERFORMANCE AND VOLATILITY

<table>
<thead>
<tr>
<th>Share A</th>
<th>Reference Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD performance</td>
<td>-2.81%</td>
</tr>
<tr>
<td>2019 performance</td>
<td>15.20%</td>
</tr>
<tr>
<td>Annualised performance since inception</td>
<td>5.19%</td>
</tr>
<tr>
<td>Volatility 1 year</td>
<td>12.15%</td>
</tr>
<tr>
<td>Volatility since inception</td>
<td>9.45%</td>
</tr>
</tbody>
</table>

PERFORMANCE SINCE 17/12/2018

![Graph showing performance since 17/12/2018]

90% EURO STOXX 50 + 70% FTSE MTS Global. Past performance is not a guarantee of future performance.

MAIN HOLDINGS

- **Bonds**
  - Spain I/1 2023: Responsibility score - 5.44%
  - Telecom Italia Spamianlo: Responsibility score - 4.6%
  - Unicredit Spa 6.95% 2022: Responsibility score - 4.4%
  - Synarmis Ag 1.25% 2025: Responsibility score - 6.2%
  - EADS Group: Responsibility score - 5.3%

- **Equities**
  - Air Liquide-Primes: Responsibility score - 8.5%
  - Roche Holding Ag: Responsibility score - 6.9%
  - Genuschein: Responsibility score - 8.4%
  - GS: Responsibility score - 8.2%
  - Koninklijke Osm: Responsibility score - 6.8%

Holdings may change over time.

CHANGES TO PORTFOLIO HOLDINGS

- **IN**
  - Solvay Finance Saca Peru: Responsibility score - 5.7
  - Casino Guichard Perrachon Sa: Responsibility score - 4.0

- **OUT**
  - Air France-Klm Perp: Responsibility score - 6.9
  - Ggp Holding Us Inc 7.88% 2022: Responsibility score - 4.2
  - Ing Group Nv 2023: Responsibility score - 5.2
  - Societe Generale Sa 2023: Responsibility score - 4.1
  - Solvay Finance Saca Peru: Responsibility score - 5.7
  - Spom Sa 2.08% 2020: Responsibility score - 4.0

MAIN CHARACTERISTICS

- **NAV**: €109.48
- **Net assets**: €56M
- **Average yield**: 1.60%
- **Average modified duration**: 2.25
- **Average maturity (years)**: 2.94
- **Bonds and related**: 60.7%
- **Average Responsibility Score**: 5.8/10
- **Sustainable Transition exposure**: 70.5%
- **Coverage rate – carbon data**: 91.9%
- **Carbon intensity**: 0.69% CO2 / M€ sales
- **Companies with severe social corporate restructuring**: 5
- **Companies with human right controversies**: 0
- **% of independent boards**: 62.3%
- **Coverage rate – ESG data**: 100%

Modified duration: The modified duration of a bond measures the change in its percentage value induced by a change in the interest rate.
The ABA (Above and Beyond Analysis) proprietary analysis model enables the valuation of the portfolio’s exposure to Corporate Risk and the opportunities of Sustainable Transition through a matrix. We are committed to having portfolios invested at least on a neutral CSR risk.

**BREAKDOWN BY SECTOR**

- Banks: 13.3%
- Industrial Goods and Services: 10.0%
- Technology: 8.9%
- Chemicals: 8.0%
- Personal and Household Goods: 5.3%
- Automobiles and Parts: 4.1%
- Construction and Materials: 4.1%
- Utilities: 4.0%
- Telecommunications: 3.9%
- Health Care: 3.9%
- Retail: 3.8%
- Financial Services: 1.8%
- Real Estate: 1.4%
- Media: 1.2%
- Food and Beverage: 0.9%
- Travel and Leisure: 0.9%
- UCI NS: 4.1%
- Cash and equivalents: 0.3%

**BREAKDOWN BYASSETS**

- Fixed-rate bonds: 31.7%
- Equities: 24.5%
- Floating-rate bonds: 8.2%
- Convertible bonds: 5.5%
- Inflation-linked bonds: 0.8%
- Participative and perpetual: 0.4%
- UCITS: 0.3%
- Cash and equivalents: 12.1%

**BREAKDOWN BY COUNTRY**

- France: 30.9%
- Italy: 14.8%
- Spain: 14.7%
- Netherlands: 7.4%
- Germany: 6.2%
- Switzerland: 3.4%
- Austria: 1.9%
- Denmark: 1.0%
- Ireland: 1.0%
- Luxembourg: 0.9%
- Belgium: 0.7%
- Norway: 0.5%
- Finland: 0.2%
- UCI NS: 4.1%
- Cash and equivalents: 12.1%

**BOND’S PORTFOLIO RATING**

- A: 7.9%
- BBB: 34.9%
- BB: 31.7%
- B: 4.9%
- C: 1.8%
- D: 0.1%

**PERFORMANCE (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>Annual</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1.95%</td>
<td>1.19%</td>
<td>2.37%</td>
<td>-2.43%</td>
<td>2.34%</td>
<td>0.28%</td>
<td>0.22%</td>
<td>1.92%</td>
<td>0.50%</td>
<td>1.55%</td>
<td>1.22%</td>
<td>0.21%</td>
<td>13.20%</td>
</tr>
<tr>
<td>2020</td>
<td>-2.13%</td>
<td>-9.10%</td>
<td>2.97%</td>
<td>1.80%</td>
<td>1.74%</td>
<td>0.80%</td>
<td>1.26%</td>
<td>1.26%</td>
<td>0.15%</td>
<td>-</td>
<td>-</td>
<td>-</td>
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