INVESTMENT OBJECTIVE
The Sub-Fund seeks to outperform the FTSE MTS Global index on the recommended investment period (2 years).

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. This month DNCA Invest Beyond European Bond Opportunities continued to catch up and posted a YTD showing 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 for the bond 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 definitively removed the issuer Vallourec from the portfolio, before the announcement of the request for consent of certain lenders in view of discussions to be held on financing restructuring. Lastly, we wound down BPCE 2023 and Infineon 2026 with less attractive yields of respectively 0.02% and 0.5%. 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 involves sensitivity at 2.0 and average maturity of 2.4 years, with average yield at 3%.

Text completed on 07/10/2020.

Philippo CHAMPIONNELLE - Romain GRANDES - Baptiste PLANCHARD

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MAIN HOLDINGS

Main characteristics

NAV €56.66
Average yield 2.90%
Average maturity (years) 3.57
Average Responsibility Score 5.070
Coverage rate - carbon datas 94.2%
Companies with severe social corporate restructuring 3
% of independent boards 59.8%

Net assets €50M
Average modified duration 1.93
Bonds and related 92.9%
Sustainable Transition exposure 50.2%
Carbon intensity NAV CO2 / ME sales
Companies with human right controversies 0
Coverage rate - ESG datas 100%

Modified duration: The modified duration of a bond measures the change in its percentage value induced by a change in the interest rate.
**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>2015</td>
<td>0.97%</td>
<td>1.33%</td>
<td>-0.18%</td>
<td>0.31%</td>
<td>-0.35%</td>
<td>-1.64%</td>
<td>0.78%</td>
<td>-1.20%</td>
<td>-2.87%</td>
<td>3.23%</td>
<td>-0.23%</td>
<td>-2.84%</td>
<td>-2.36%</td>
</tr>
<tr>
<td>2016</td>
<td>-0.86%</td>
<td>-1.77%</td>
<td>3.57%</td>
<td>1.00%</td>
<td>-0.31%</td>
<td>-0.88%</td>
<td>2.42%</td>
<td>0.59%</td>
<td>-0.27%</td>
<td>0.69%</td>
<td>-1.71%</td>
<td>1.67%</td>
<td>4.23%</td>
</tr>
<tr>
<td>2017</td>
<td>0.01%</td>
<td>0.98%</td>
<td>0.04%</td>
<td>0.64%</td>
<td>0.49%</td>
<td>-0.03%</td>
<td>0.25%</td>
<td>0.40%</td>
<td>0.21%</td>
<td>0.66%</td>
<td>-0.06%</td>
<td>-0.07%</td>
<td>-2.79%</td>
</tr>
<tr>
<td>2018</td>
<td>0.24%</td>
<td>0.11%</td>
<td>0.43%</td>
<td>-1.05%</td>
<td>-0.50%</td>
<td>0.78%</td>
<td>-0.58%</td>
<td>0.42%</td>
<td>-0.87%</td>
<td>-1.52%</td>
<td>-0.41%</td>
<td>-2.79%</td>
<td>3.57%</td>
</tr>
<tr>
<td>2019</td>
<td>0.62%</td>
<td>1.40%</td>
<td>0.77%</td>
<td>1.05%</td>
<td>-1.18%</td>
<td>0.78%</td>
<td>0.73%</td>
<td>0.32%</td>
<td>0.08%</td>
<td>-0.07%</td>
<td>0.40%</td>
<td>0.45%</td>
<td>5.38%</td>
</tr>
<tr>
<td>2020</td>
<td>0.08%</td>
<td>-0.49%</td>
<td>-7.73%</td>
<td>2.21%</td>
<td>0.97%</td>
<td>1.00%</td>
<td>0.93%</td>
<td>0.44%</td>
<td>0.93%</td>
<td>-</td>
<td>-</td>
<td>-2.00%</td>
<td>-</td>
</tr>
</tbody>
</table>

**RISK ANALYSIS**

**CORPORATE RESPONSIBILITY RISK (CSR)**
- Limited 0-10: 100%
- Low 11-60: 0%
- Neutral 61-80: 5%
- Moderate 81-90: 2%
- High 91-100: 3%

**SUSTAINABLE TRANSITION EXPOSURE (% Revenue)**
- SDG's Exposure: 9.5%
- SUSTAINABLE TRANSITION EXPOSURE: 50.2%

**BREAKDOWN BY ASSET CLASS. BONDS**

<table>
<thead>
<tr>
<th>Weight</th>
<th>Maturity (yrs)</th>
<th>Duration</th>
<th>Modified duration</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed rate bonds</td>
<td>59.54%</td>
<td>2.58</td>
<td>2.43</td>
<td>2.29</td>
</tr>
<tr>
<td>Floating-rate bonds</td>
<td>13.76%</td>
<td>3.30</td>
<td>2.50</td>
<td>1.00</td>
</tr>
<tr>
<td>Convertible bonds</td>
<td>12.53%</td>
<td>1.94</td>
<td>1.92</td>
<td>1.50</td>
</tr>
<tr>
<td>Participative and perpetual</td>
<td>6.78%</td>
<td>10.32</td>
<td>1.52</td>
<td>1.43</td>
</tr>
<tr>
<td>Total</td>
<td>91.41%</td>
<td>3.57</td>
<td>2.09</td>
<td>1.95</td>
</tr>
</tbody>
</table>

**SRI PORTFOLIO EXPOSURE (% in number of holdings)**
- Limited 0-10: 90.5%
- Low 11-60: 9.5%
- Neutral 61-80: 5%
- Moderate 81-90: 2%
- High 91-100: 3%

**EXCLUSION AREA**
- No exclusions: 90.5%
- Limited 0-10: 90.5%
- Low 11-60: 90.5%
- Neutral 61-80: 90.5%
- Moderate 81-90: 90.5%
- High 91-100: 90.5%

**SDG'S EXPOSURE (% of sales)**
- 9.5%

**RISK ANALYSIS**

- Number of positive months: 109
- Number of negative months: 51
- Worst performance 1 month: -7.73%
- Best performance 1 month: 3.57%
- Worst performance 1 quarter: -8.14%
- Best performance 1 quarter: 7.04%

**Tracking Error**
- FTSE MTS Global: 6.37%
- 3 years: 4.88%
- 5 years: 4.93%

**Information Ratio**
- -0.28

**Sharpe Ratio**
- 0.10

**Fixed Income Portfolio rating**
- A: 3.5%
- BBB: 24.7%
- BB: 35.3%
- B: 10.7%
- CCC: 1.2%
- CC: 1.8%
- NR: 25.5%

These data are provided for guidance purposes only. The management company does not systematically and automatically use ratings issued by credit rating agencies and carry out its own credit analysis.