INVESTMENT OBJECTIVE

The Sub-Fund seeks to outperform the FTSE MTS Index 1-3 years calculated with coupons reinvested on the recommended investment period (18 months).

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 Séérénité Plus posted a flat showing of 0%. With bonds from Orano, Pirelli and thyssenkrupp reaching maturity and being redeemed this month, we built up two positions i.e. a bond from Ford Motor Credit, the US carmaker’s financial services subsidiary, with a 2023 maturity and yield of 2.4%, and on the primary market, a bond from Spanish department store chain leader El Corte Inglés, which steered its way well through the crisis on the back of e-commerce. The bond carries a three and a half-year maturity, with yield of 3.6% and an investment grade credit rating at S&P. We also note the official announcement of the redemption of Air France-KLM’s hybrid debt, enabling the fund to significantly reduce its 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 is still characterized by a hefty predominance for corporate bonds (90%), sensitivity net of hedging of 0.8 and average maturity of 1.7 years. Average yield comes to 1.5%.

Text completed on 05/10/2020.

Philippe CHAMPIONELLE - Romain GRANIS - Baptiste PLANCHARD

RISK AND REWARD PROFILE

Lower potential reward Lower risk Higher risk

1 2 3 4 5 6 7

The risk level of this fund is due to exposure to equity and/or fixed income markets.

PERFORMANCE AND VOLATILITY

| Share AD | Reference index
|----------|------------------|
| YTD performance | -1.24% | -0.35%
| 2019 performance | 1.56% | 0.07%
| Annualised performance since inception | 0.00% | -0.12%
| Volatility 1 year | 3.38% | 1.07%
| Volatility 5 years | 2.14% | 0.94%
| Volatility since inception | 2.06% | 0.92% |

PERFORMANCE SINCE 29/11/2016

BREAKDOWN BY ASSETS

| Fixed rate bonds | 47.6%
| Floating-rate bonds | 17.0%
| Convertible bonds | 11.6%
| Inflation-linked bonds | 10.0%
| Participative and perpetual | 9.5%
| Equities | 1.1%
| Cash and equivalents | 3.3% |

MAIN CHARACTERISTICS

| NAV | €96.41 | Net assets | €240M |
| Average yield | 1.97% | Average modified duration | 1.16 |
| Average maturity (years) | 1.69 | Bonds and related | 97.3% |

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>2017</td>
<td>0.00%</td>
<td>-0.24%</td>
<td>0.05%</td>
<td>0.23%</td>
<td>0.37%</td>
<td>0.03%</td>
<td>0.39%</td>
<td>-0.04%</td>
<td>0.01%</td>
<td>0.14%</td>
<td>-0.06%</td>
<td>0.02%</td>
<td>1.00%</td>
</tr>
<tr>
<td>2018</td>
<td>0.03%</td>
<td>-0.16%</td>
<td>-0.05%</td>
<td>0.20%</td>
<td>-1.41%</td>
<td>-0.09%</td>
<td>0.36%</td>
<td>-0.59%</td>
<td>0.38%</td>
<td>-0.49%</td>
<td>-0.23%</td>
<td>0.27%</td>
<td>-1.68%</td>
</tr>
<tr>
<td>2019</td>
<td>0.23%</td>
<td>-0.46%</td>
<td>0.22%</td>
<td>0.17%</td>
<td>-0.51%</td>
<td>0.40%</td>
<td>0.36%</td>
<td>-0.39%</td>
<td>0.10%</td>
<td>0.06%</td>
<td>-0.07%</td>
<td>0.11%</td>
<td>1.56%</td>
</tr>
<tr>
<td>2020</td>
<td>-0.12%</td>
<td>-0.68%</td>
<td>-3.41%</td>
<td>1.18%</td>
<td>0.71%</td>
<td>0.64%</td>
<td>0.49%</td>
<td>0.02%</td>
<td>0.00%</td>
<td>-</td>
<td>-</td>
<td>-1.24%</td>
<td></td>
</tr>
</tbody>
</table>

Past performance is not a guarantee of future performance.

RISK ANALYSIS

<table>
<thead>
<tr>
<th>Share AD</th>
<th>Index(^{(1)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of positive months</td>
<td>29</td>
</tr>
<tr>
<td>Number of negative months</td>
<td>17</td>
</tr>
<tr>
<td>Worst performance 1 month</td>
<td>-3.41%</td>
</tr>
<tr>
<td>Best performance 1 month</td>
<td>1.18%</td>
</tr>
<tr>
<td>Worst performance 1 quarter</td>
<td>-4.21%</td>
</tr>
<tr>
<td>Best performance 1 quarter</td>
<td>2.52%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) FTSE MTS Index 1-3 years

Datas calculated since inception

<table>
<thead>
<tr>
<th>1 year</th>
<th>3 years</th>
<th>5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tracking Error(^{(2)})</td>
<td>3.12%</td>
<td>1.93%</td>
</tr>
<tr>
<td>Information Ratio</td>
<td>-0.19</td>
<td>-0.17</td>
</tr>
<tr>
<td>Sharpe Ratio</td>
<td>-0.20</td>
<td>-0.05</td>
</tr>
</tbody>
</table>

\(^{(2)}\) Tracking error is a measure of the risk, with which the performance of a fund is diverging from its index.

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>47.58%</td>
<td>1.36</td>
<td>1.35</td>
<td>1.31</td>
</tr>
<tr>
<td>Floating-rate bonds</td>
<td>17.02%</td>
<td>1.76</td>
<td>0.35</td>
<td>0.30</td>
</tr>
<tr>
<td>Convertible bonds</td>
<td>11.61%</td>
<td>1.03</td>
<td>1.03</td>
<td>0.96</td>
</tr>
<tr>
<td>Inflation-linked bonds</td>
<td>9.99%</td>
<td>4.48</td>
<td>2.17</td>
<td>2.18</td>
</tr>
<tr>
<td>Participative and perpetual</td>
<td>9.52%</td>
<td>1.10</td>
<td>1.11</td>
<td>1.00</td>
</tr>
<tr>
<td>Total</td>
<td>95.73%</td>
<td>1.69</td>
<td>1.19</td>
<td>1.16</td>
</tr>
</tbody>
</table>

MAIN HOLDINGS

<table>
<thead>
<tr>
<th>Bonds</th>
<th>Convertible bonds</th>
<th>Equities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Rate</td>
<td>CASINO GUICHARD PERRACHON SA 5.98% 2021</td>
<td>TELECOM ITALIA SPAMILANO 1.13% 2022 CV</td>
</tr>
<tr>
<td>FERRARI NV 0.25% 2021</td>
<td>BIM SAS 0% 2020 CV</td>
<td>MEDIAVAN SA</td>
</tr>
<tr>
<td>LOUIS DREYFUS CO BV 4% 2020</td>
<td>PRYSMAN SPA 0% 2022 CV</td>
<td>GRANDVISION NV</td>
</tr>
<tr>
<td>Floating-rate</td>
<td>ALD SA 2021 FRN</td>
<td></td>
</tr>
<tr>
<td>FCA BANK SPAMILANO 2021 FRN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RCI BANQUE SA 2023 FRN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inflation-linked</td>
<td>ITALY 1% 2024</td>
<td></td>
</tr>
<tr>
<td>FRANCE 1% 2024</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FRANCE 1% 2027</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>