

### Characteristics

**Risk level**



**Net asset value at 31/10/2023**



**Outstanding as of 31/10/2023**



**ISIN code**  
 Part RC - FR0014008AY7  
 Part RD - FR0014008AZ4  
 Part I - FR0014008B01

**Fees**  
 Part RC - 2.05 %  
 Part RD - 2.05 %  
 Part I - 1.05 %

**Asset managers** Frédéric Hamm - Marc Fripiat

**SFDR** Article 8

**Depository** CM - CIC

**Life insurance eligibility** OUI

**Currency** Euro (€)

**Launch date** 24/05/2022

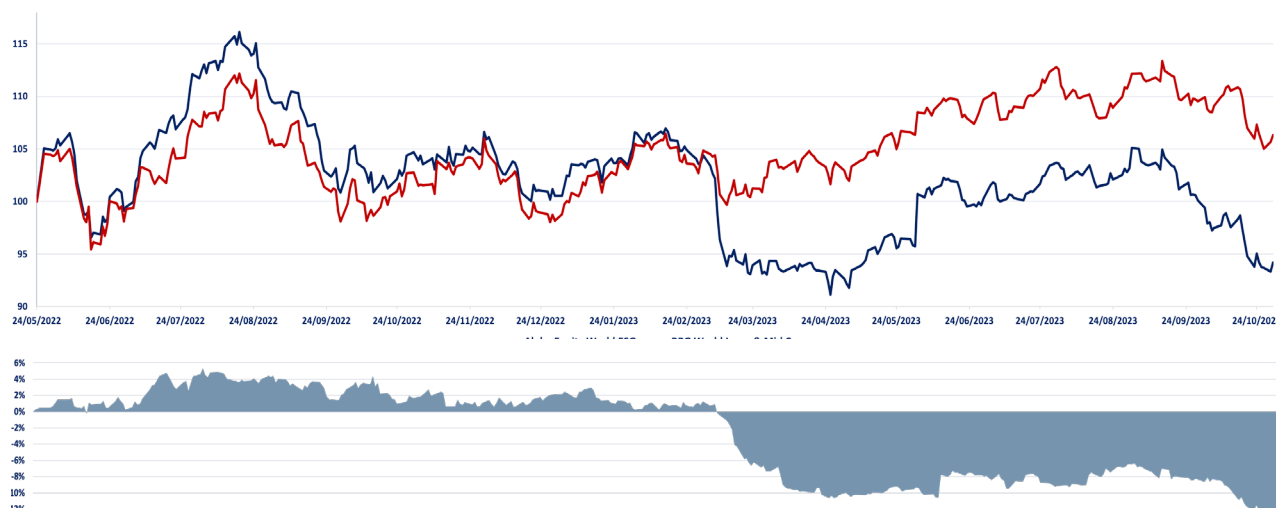
**Country of distribution** France

### Management goal

The Alpha Equity World ESG fund targets a superior investment gain versus the Bloomberg World Large & Mid Cap Total Return benchmark over one economic cycle, net of fees. The analysis of environmental, social and governance practices is at the center of our investment process. Improving corporate ESG trajectories over time are expected to help deliver alpha generation in our bottom/up stock picking approach.

In other words, the focus on “best-in-effort” companies leads us to potential ESG value, as opposed to the widespread investments in fully priced “best-in-class” equities.

### Net Asset Value Evolution (base 100)



Alpha generation, net of fees

### Financial statistic

	1 month	3 months	6 months	YTD	Volatility	Number of shares
Alpha Equity World ESG	- 8.31 %	- 5.53 %	- 11.27 %	- 6.30 %	13.18 %	41
BBG World Large & Mid Cap	- 4.04 %	- 1.01 %	+ 0.84 %	+ 6.93 %	11.62 %	2789

	Beta	Sharpe Ratio	PER	Weight of top 5 lines	Weight of top 10 lines
Alpha Equity World ESG	1.00	- 0.77	17.23	16.56 %	30.67 %

	05/2022	06/2022	07/2022	08/2022	09/2022	10/2022	11/2022	12/2022
Alpha Equity World ESG	+ 4.83 %	- 5.47 %	+ 13.14 %	- 2.00 %	- 8.20 %	+ 3.79 %	+ 1.87 %	- 5.74 %
BBG World Large & Mid Cap	+ 4.33 %	- 5.97 %	+ 9.87 %	- 2.13 %	- 6.99 %	+ 4. %	+ 3.17 %	- 7.40 %

	01/2023	02/2023	03/2023	04/2023	05/2023	06/2023	07/2023	08/2023	09/2023	10/2023
Alpha Equity World ESG	+ 3.94 %	- 0.39 %	- 9.38 %	- 0.89 %	+ 2.53 %	+ 4.77 %	+ 3.64 %	- 0.52 %	- 2.98 %	- 5.90 %
BBG World Large & Mid Cap	+ 5.63 %	- 0.45 %	+ 0.52 %	- 0.07 %	+ 2.65 %	+ 3.15 %	+ 2.96 %	- 1.26 %	- 1.65 %	- 2.93 %

## Macroeconomic summary

The downward trend for major international stock indices continued in October. The S&P500 and the STOXX Europe 600 declined by 2.10% and 3.75%, respectively. Mixed third-quarter earnings reports did not offset the increasing geopolitical risks and the high level of long-term interest rates. Positive financial results were cautiously welcomed, while companies with weak numbers were severely penalized, regardless of their market capitalization or sector. The trend may indicate the market is initiating a new cycle.

The bond market meanwhile experienced significant tension over the month, particularly in the United States. The US 10-year yield tested the psychological threshold of 5%, a level coinciding with the highs of 2007. To better grasp the current bond market, it is worth noting the time it took for the US 10-year yield to move from 0.50% to 5% between July 2020 and today (3+ years) is more than 4 times faster than the time it took for the same asset to move from 5% to 0.50% between June 2007 and July 2020 (13+ years). In Europe, it is the spread between the Bund (the German 10-year bond) and the BTP (the Italian 10-year bond) that is drawing most attention. The spread widened to 210 basis points, the highest gap in a year,

signaling a return of tensions regarding the level of debt within the European Union.

As for the foreign exchange market, the Dollar Index (the US dollar against a basket of international currencies) continues its upward phase, but to a lesser extent, increasing by 0.45% over the month. Geopolitical concerns are overshadowing worries about the record level of US debt as well as US economic statistics, which have begun to deteriorate significantly.

Finally, regarding commodities, the WTI crude oil barrel lost all the gains it had accumulated the previous month, dropping by 8.75%; concerns of the global economy are outweighing the geopolitical struggle in the Middle East. On the gold front, as anticipated, the \$1800 support held well and allowed the 'barbarous relic' to once again test the psychological resistance of \$2000, gaining 7.45% for the month.

## Management comment

The turbulence in the equity markets continues. The Alpha Equity World ESG fund lost -5.9% versus the Bloomberg World Large & Mid Cap Index fall of -2.93%. The benchmark mirrors the widely followed MSCI All Country World Index. The three largest detractors to the performance of the fund hold emerging market exposure (First Quantum Minerals, Bece SAB, Sociedad Quimica Y Minera Chile). The three biggest contributors to performance were Deckers Outdoor, T-Mobile US and Europris. The MSCI Emerging Markets Index interestingly lost -3.9% over the month.

First Quantum Minerals (-51%) faced a significant drop in stock value as Panama's President announced a public referendum on the potential cancellation of the company's 20-year Cobre Panama mine contract. This open pit mine, a major copper source (1.4% of global supply), contributes to nearly half of First Quantum's annual production and comprises almost 5% of Panama's GDP. The contract renegotiation sparked protests, reflecting concerns about environmental impact, corruption, high living costs, and an unpopular government. Moody's downgraded Panama's debt, citing fiscal problems and socio-political tensions. If the mine contract is revoked, Panama may lose its investment-grade rating.

Bece, S.A.B. de C.V. (-26%) reported disappointing 3Q23 results, with a notable decline in gross margin and sales. Economic softness in EMEA, higher input costs, and foreign exchange impacts contributed to the underwhelming performance.

Sociedad Quimica Y Minera Chile (-19%) faced challenges due to plummeting lithium prices, impacting Western lithium producers' capital expenditure plans. Despite forecasted growth in lithium demand, oversupply concerns have led to a drop in prices. SQM, with a comparatively low carbon footprint, faces strategic dilemmas, while China, Australia, and Chile dominate global lithium supply.

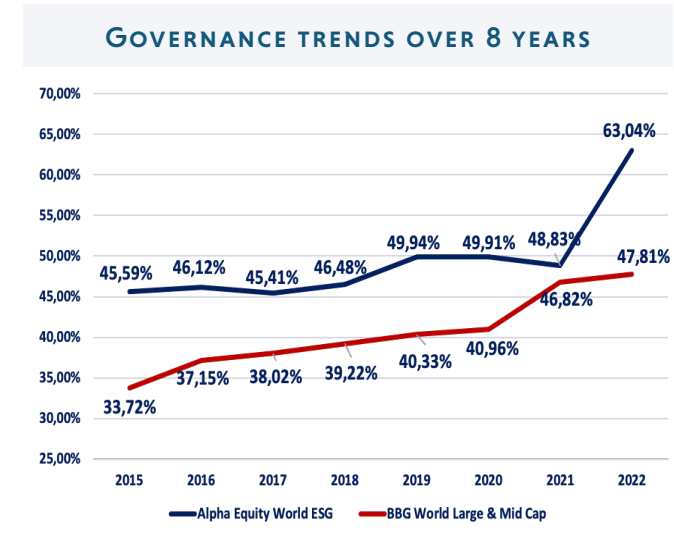
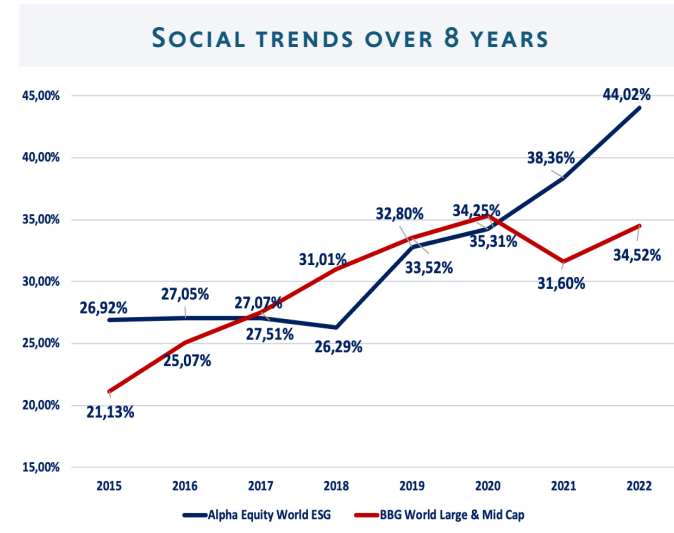
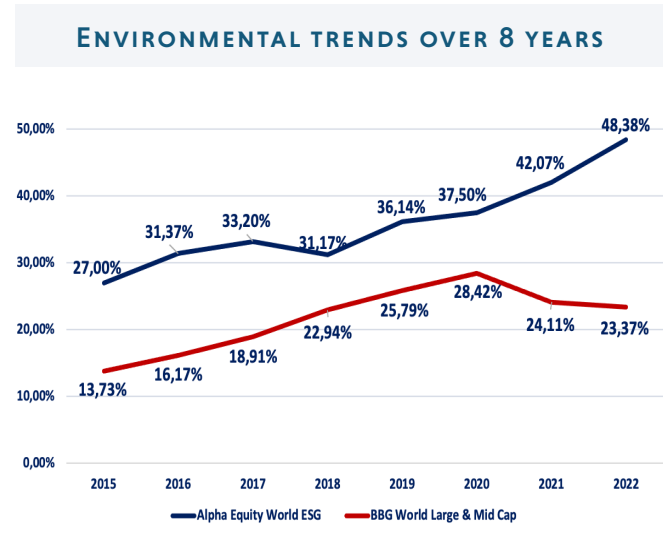
Deckers Outdoor (+16%) posted strong 2Q24 results, with a 25% YoY sales growth and improved gross margin, led by UGG and HOKA footwear brands.

T-Mobile US (+2.9%) exceeded expectations in 3Q23, showing growth and profitability. The successful integration of Sprint's infrastructure and advancements in network coverage, especially in mid-band spectrum for 5G, contributed to T-Mobile's positive performance.

Europris (+1%) reported 3Q23 results in line with expectations, with sales growth driven by essential goods. The company, benefiting from an efficient operating strategy and market share growth, outperformed in the variety retail sector amid a challenging retail market landscape.

### Alpha Equity World ESG trend over 8 years

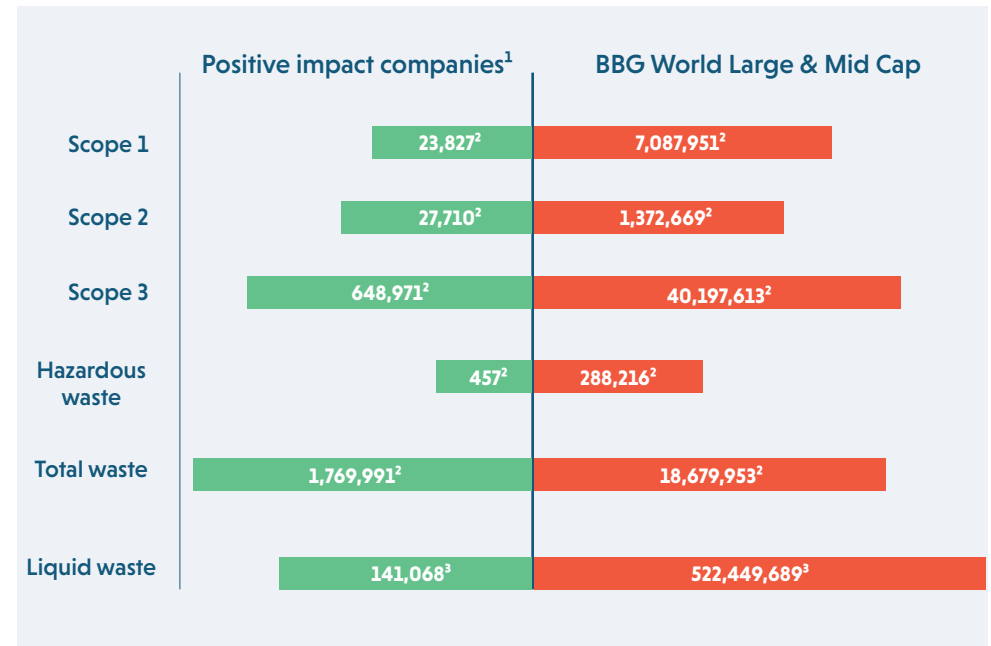
RATING METHOD	Rating 2022	Trend (compared to September 2023)
50% ENVIRONMENT	Overall ESG rating: 50.40 / 100	↓
30% SOCIAL	Environment: 48.38 / 100	→
20% GOVERNANCE	Social: 44.02 / 100	↓
	Governance: 63.04 / 100	↓
	Transparency: 100 %	



### Positive impact companies in the fund

Below are the ten companies with the highest ESG rating in 2022 :

SHARE	SECTOR	WEIGHT	ESG RATING 2022
L'OCCITANE INTERNATIONAL SA	Consumer staples	2.47%	94.81%
ALPHABET INC-CLA	Communication	3.28%	90.14%
HKT TRUST AND HKT LTD-SS	Communication	1.97%	88.83%
SAMSUNG ELECTR-GDR REG S	Information technology	2.76%	87.74%
ASTRAZENECA PLC	Healthcare	2.46%	87.10%
ASML HOLDING NV	Information technology	2.21%	84.64%
CAPGEMINI SE	Information technology	1.76%	84.30%
DELL TECHNOLOGIES -C	Information technology	3.56%	79.36%
T-MOBILE US INC	Communication	2.71%	77.01%
BANK RAKYAT INDONESIA	Finance	1.80%	76.77%



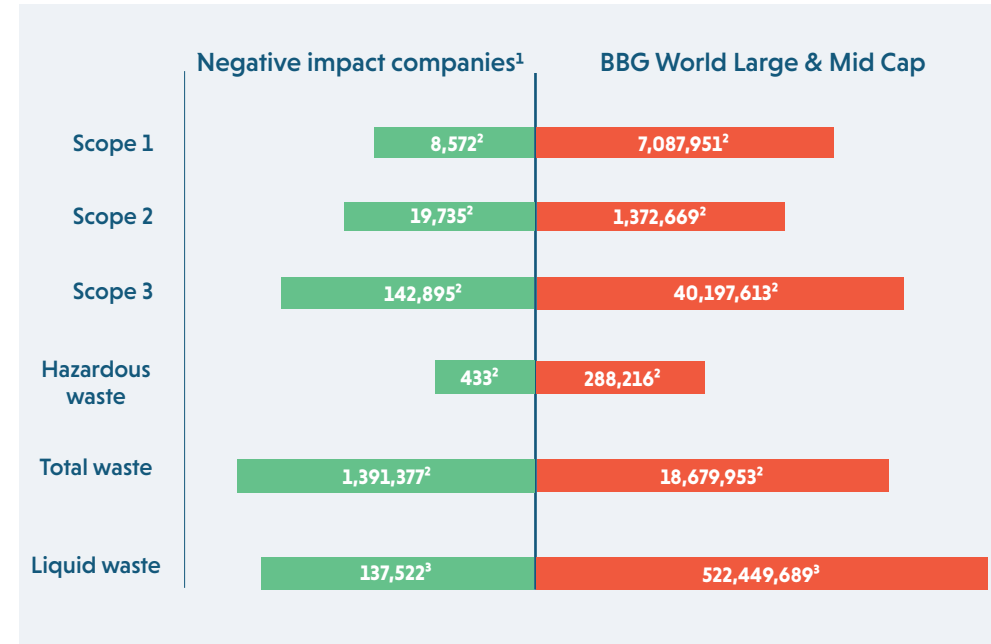
Below we present the ten companies with the strongest ESG trend over eight years :

SHARE	SECTOR	WEIGHT	2015	2016	2017	2018	2019	2020	2021	2022	8-YEAR TREND <sup>4</sup>
BANCO DE CHILE-ADR	Finance	2.10%	5.48%	46.35%	53.60%	52.87%	55.67%	56.18%	56.47%	60.70%	+ 90.97%
BANK RAKYAT INDONESIA PERSER	Finance	1.80%	8.02%	41.86%	51.59%	56.53%	76.79%	71.70%	76.64%	76.77%	+ 89.55%
DELL TECHNOLOGIES -C	Information technology	3.56%	0.00%	0.00%	8.79%	7.99%	71.88%	80.48%	82.08%	79.36%	+ 88.92%
GREEN PLAINS INC	Energy	2.97%	10.40%	10.50%	13.60%	16.36%	28.47%	42.43%	25.17%	50.74%	+ 79.50%
BONHEUR ASA	Industry	2.13%	0.00%	0.00%	0.00%	0.00%	3.54%	3.35%	10.39%	16.93%	+ 79.09%
DEERE & CO	Industry	2.77%	11.49%	12.16%	12.16%	12.16%	24.89%	19.63%	38.41%	50.19%	+ 77.11%
DECKERS OUTDOOR CORP	Consumer discretionary	2.76%	17.60%	52.29%	40.24%	41.86%	56.95%	60.32%	61.14%	64.73%	+ 72.81%
FACTSET RESEARCH SYSTEMS INC	Finance	2.63%	15.33%	20.86%	21.64%	43.35%	43.23%	47.54%	60.40%	51.49%	+ 70.23%
ARCHER-DANIELS-MIDLAND	Consumer staples	1.43%	11.95%	21.22%	23.61%	28.17%	29.16%	28.54%	28.82%	34.35%	+65.20%
PRYSMIAN	Industry	1.50%	10.91%	11.94%	12.50%	13.80%	17.64%	17.43%	27.05%	30.56%	+64.31%

### Negative impact companies in the fund

Below are the ten companies with the lowest ESG rating in 2022 :

SHARE	SECTOR	WEIGHT	NOTE ESG 2022
CORCEPT THERAPEUTICS INC	Healthcare	2.13%	7.65%
TAKE-TWO INTERACTIVE SOFTWARE	Communication	2.62%	11.48%
BONHEUR ASA	Industry	2.13%	16.93%
INTERACTIVE BROKERS GRO-CL	Finance	1.88%	18.25%
MOLINA HEALTHCARE INC	Healthcare	2.71%	19.03%
EMCOR GROUP INC	Industry	3.44%	19.74%
ADTRAN HOLDINGS INC	Information technology	2.11%	24.17%
BECLÉ SAB DE CV	Consumer staples	1.86%	25.69%
TOPBUILD CORP	Materials	2.83%	28.04%
STEADFAST GROUP LTD	Finance	2.30%	29.05%

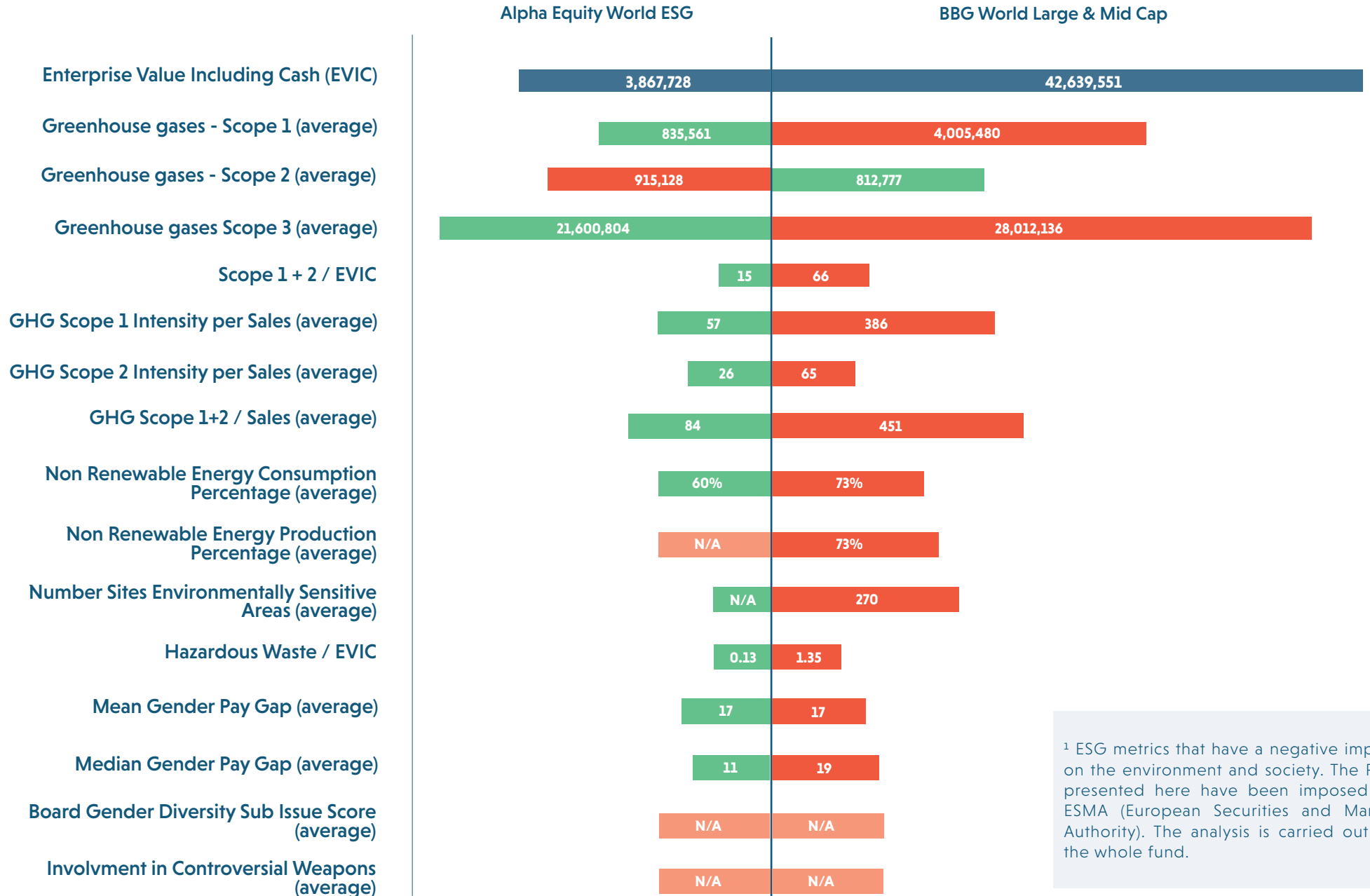


Below are the ten companies with the lowest ESG trend over eight years :

SHARE	SECTOR	WEIGHT	2015	2016	2017	2018	2019	2020	2021	2022	8-YEAR TREND <sup>4</sup>
TAKE-TWO INTERACTIVE SOFTWARE	Communication	2.62%	22.05%	14.13%	12.92%	13.38%	19.19%	57.75%	60.22%	11.48%	-92.07%
BECLÉ SAB DE CV	Consumer staples	1.86%	0.00%	0.00%	0.00%	29.02%	28.16%	28.65%	27.42%	25.69%	-12.96%
CORCEPT THERAPEUTICS INC	Healthcare	2.13%	8.08%	6.30%	7.01%	7.59%	7.44%	6.90%	6.54%	7.65%	-5.62%
L'OCCITANE INTERNATIONAL SA	Consumer staples	2.47%	99.09%	96.80%	91.34%	89.63%	93.10%	91.72%	88.97%	94.81%	-4.51%
ASTRAZENECA PLC	Healthcare	2.46%	88.56%	94.34%	88.70%	86.29%	88.44%	85.63%	88.02%	87.10%	-1.68%
SAMSUNG ELECTR-GDR REG S	Information technology	2.76%	88.22%	92.37%	91.47%	88.40%	89.10%	86.44%	89.09%	87.74%	-0.55%
LONDON STOCK EXCHANGE	Finance	3.28%	63.42%	56.65%	53.08%	56.34%	55.79%	71.21%	73.36%	63.57%	+0.24%
MOLINA HEALTHCARE INC	Healthcare	2.71%	18.85%	18.93%	16.74%	16.42%	14.13%	16.24%	15.90%	19.03%	+0.95%
ALPHABET INC-CL A	Communication	3.28%	87.00%	75.37%	81.17%	90.45%	92.72%	89.26%	87.16%	90.14%	+3.48%
QUIMICA Y MINERA	Materials	2.39%	13.31%	26.55%	29.35%	29.50%	31.65%	35.58%	38.25%	32.83%	+3.59%

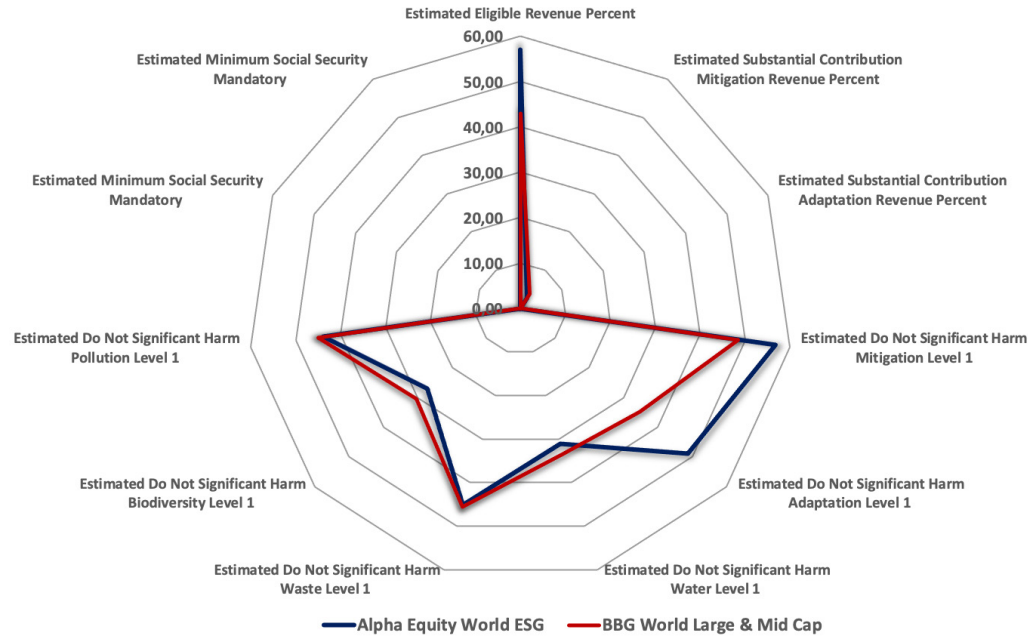
<sup>1</sup> Analysis on the 16 negative impact companies reported on this page. <sup>2</sup> In thousands of metric tonnes of CO<sub>2</sub> equivalent. <sup>3</sup> In thousands of tonnes. <sup>4</sup> Ex. Take-Two :  $((7.50\% - 8.07\%) / 7.50\%) * 100 = -7.60\%$

**Mandatory Principle Adverse Impact Monitoring<sup>1</sup>**



<sup>1</sup> ESG metrics that have a negative impact on the environment and society. The PAIs presented here have been imposed by ESMA (European Securities and Market Authority). The analysis is carried out on the whole fund.

### European Taxonomy



Taxonomy	Alpha Equity World ESG	BBG World Large & Mid Cap
Estimated Eligible Revenue Percent	57 %	43 %
Estimated Substantial Contribution Mitigation Revenue Percent	3 %	4 %
Estimated Substantial Contribution Adaptation Revenue Percent	-	-
Estimated Do Not Significant Harm Mitigation Level 1	57 %	48 %
Estimated Do Not Significant Harm Adaptation Level 1	49 %	35 %
Estimated Do Not Significant Harm Water Level 1	31 %	33 %
Estimated Do Not Significant Harm Waste Level 1	45 %	46 %
Estimated Do Not Significant Harm Biodiversity Level 1	27 %	30 %
Estimated Do Not Significant Harm Pollution Level 1	44 %	45 %
Estimated Minimum Social Security Mandatory	-	-
Estimated Minimum Social Security Optional	-	-

## Biodiversity

### IMPACTS

Share of the portfolio that has a very strong impact on at least ONE pressure on biodiversity. 54 %

Share of the portfolio that has a very strong and significant impact on at least ONE pressure on biodiversity. 64 %

		Very high risk level	High risk level	Medium risk level	Low risk level	Very low risk level	Zero risk level	Total
<b>Impact - Physical risks</b>	Pressures on biodiversity	55%	10%	7%	12%	0%	0%	83%

The three most significant impacts are :

**Pollution** The pollution is a very significant risk for 43% of the portfolio activities

**Deforestation** The loss of forest cover is a risk for 21% of the portfolio activities

**Change in use of freshwater and marine waters, and lands** The change in use of freshwater, marine waters, and lands is a risk for 10% of the portfolio activities

### REPUTATIONAL RISKS

The share of the portfolio with a very high reputational risk 7 %

The share of the portfolio with a very high and high reputational risk 21 %

		Very high risk level	High risk level	Medium risk level	Low risk level	Very low risk level	Zero risk level	Total
<b>Reputational risks</b>	Additional reputational risks	7%	14%	24%	38%	0%	0%	83%
	Environmental factors	10%	2%	57%	0%	14%	0%	83%
	Socio-economic factors	10%	0%	60%	14%	0%	0%	83%

The three most significant reputational risks are :

**Lands and territories of local communities and indigenous peoples** The lands and territories of local communities and indigenous peoples are a risk for 10% of the portfolio activities

**Protected or conserved areas** Protected or conserved areas represent a risk for 10% of the portfolio's activities

**Media attention** Media attention is a risk for 7% of the portfolio activities

### DEPENDENCIES

The share of the portfolio highly dependent on at least ONE supply service 10 %

The share of the portfolio highly and significantly dependent on at least ONE supply service 57 %

		Very high risk level	High risk level	Medium risk level	Low risk level	Very low risk level	Zero risk level	Total
<b>Dependencies - Physical risks</b>	Supply chains	10%	48%	2%	24%	0%	0%	83%
	Regulatory and support services - enabling	0%	5%	45%	33%	0%	0%	83%
	Regulatory services - mitigation	2%	81%	0%	0%	0%	0%	83%
	Cultural services	0%	0%	0%	0%	12%	71%	83%

The five most significant dependencies are :

**Water scarcity** Water scarcity is a very significant risk for 10% of the portfolio activities

**Landslides** Landslides are a very significant risk for 2% of the portfolio's activities

**Tropical cyclones** Tropical cyclones are a very significant risk for 2% of the portfolio's activities.



## Inventory

## Main positions

SHARE	ISIN CODE	WEIGHT
DELL TECHNOLOGIES -C	US24703L2025	3.56 %
EMCOR GROUP INC	US29084Q1004	3.44 %
LONDON STOCK EXCHANGE	GB00B0SWJX34	3.28 %
ALPHABET	US02079K3059	3.28 %
KBR INC	US48242W1062	3.01 %
GREEN PLAINS INC	US3932221043	2.97 %
TOPBUILD CORP	US89055F1030	2.83 %
KLA CORP	US4824801009	2.78 %
DEERE & CO	US2441991054	2.77 %
SAMSUNG ELECTRONICS	US7960508882	2.76 %

## Top 5 of the Fund

SHARE	ISIN CODE	WEIGHT	PERFORMANCE OVER THE MONTH	CONTRIBUTION TO PERFORMANCE	ESG RATING 2022
DECKERS OUTDOOR CORP	US2435371073	2.76 %	+ 16.32 %	+ 0.54 %	64.73 %
EUOPRIS	NO0010735343	1.78 %	+ 1.01 %	+ 0.14 %	52.39 %
T-MOBILE US INC	US8725901040	2.71 %	+ 2.88 %	+ 0.13 %	77.01 %
KLA CORP	US4824801009	2.70 %	+ 2.56 %	+ 0.13 %	51.07 %
CORCEPT THERAPEUTICS INC	US2183521028	2.13 %	+ 3.22 %	+ 0.12 %	7.65 %

## Flop 5 of the Fund

SHARE	ISIN CODE	WEIGHT	PERFORMANCE OVER THE MONTH	CONTRIBUTION TO PERFORMANCE	ESG RATING 2022
FIRST QUANTUM MINERALS	CA3359341052	1.01 %	- 51.15 %	- 0.90 %	32.52 %
BECLE SAB DE CV	MX01CU01003	1.86 %	- 26.12 %	- 0.47 %	25.69 %
QUIMICA Y MINERA	US8336351056	2.39 %	- 18.76 %	- 0.45 %	32.83 %
ADTRAN HOLDINGS INC	US00486H1059	2.11 %	- 20.05 %	- 0.44 %	24.17 %
REGIONS FINANCIAL CORP	US7591EP1005	2.12 %	- 15.40 %	- 0.30 %	69.51 %

## Distribution of Alpha Equity World ESG

### Geographical distribution

GEOGRAPHICAL AREA	ALPHA EQUITY WORLD ESG	BBG WORLD LARGE & MID CAP	DIFFERENCE WITH THE INDEX
North America	60.89 %	63.50 %	- 2.61 %
Europe	17.86 %	16.05 %	+ 1.81 %
Pacific-developed	10.43 %	10.88 %	- 0.45 %
Emergents	10.82 %	9.57 %	+ 1.25 %

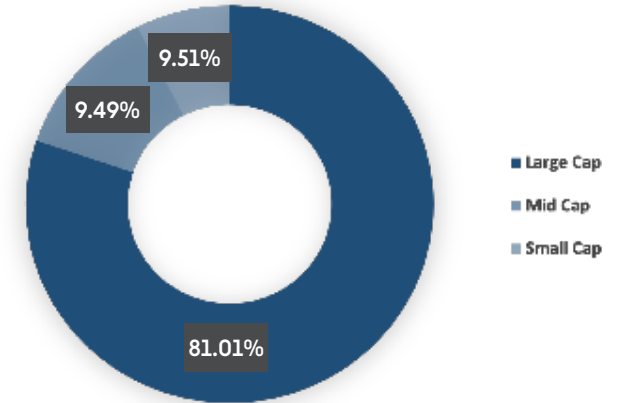
### Sectoral distribution

SECTOR	ALPHA EQUITY WORLD ESG	BBG WORLD LARGE & MID CAP	DIFFERENCE WITH THE INDEX
Information technology	22.73 %	22.20 %	+ 0.50 %
Finance/Real estate	16.85 %	18.12 %	- 1.27 %
Healthcare	11.61 %	11.60 %	+ 0.01 %
Consumer discretionary	12.32 %	10.90 %	+ 1.42 %
Industry	10.85 %	10.55 %	+ 0.30 %
Consumer staples	7.06 %	7.17 %	- 0.11 %
Communication	7.66 %	7.42 %	+ 0.24 %
Materials	3.56 %	4.12 %	- 0.56 %
Energy	5.23 %	5.21 %	+ 0.02 %
Utilities	2.14 %	2.71 %	- 0.57 %

### Currency distribution

US Dollar	Euro	British pence	Hong Kong dollar	Norwegian krone	Australian dollar	Japanese yen	Mexican pesos	Indonesian rupiah	Canadian dollar
67.84 %	8.83 %	5.74 %	4.44 %	3.91 %	2.30 %	2.28 %	1.86 %	1.80 %	1.01 %

### Stock market capitalisation



### Distribution by asset

Equity investment	94.46 %
Cash	5.54 %
Equity exhibitions	94.46 %

## Glossary

**Beta** : Beta measures the relationship between changes in net asset values of funds and changes in levels of its benchmark. A beta of less than 1 indicates that the fund “dampens” fluctuations in its index (beta = 0.6 means that the fund increases by 6% if the index increases by 10% and falls by 6% if the index falls by 10%). A beta greater than 1 indicates that the fund “amplifies” the fluctuations of its index (beta = 1.4 means that the fund increases by 14% when the index increases by 10% but also falls by 14% when the index falls 10%). A beta less than 0 indicates that funds reacts inversely to changes in its index (beta = -0.6 means the fund down 6% when the index rose by 10% and vice versa).

**ESG** : ESG means using Environmental, Social and Governance factors to evaluate companies on how far advanced they are with sustainability.

**Total water discharged** : Total volume of liquid waste and process water discharged by the company, in thousands of cubic metres. Includes effluent (treated and untreated) returned to water sources.

**Risk level** : This indicator measures the level of volatility of the fund and the risk to which your capital is exposed.

**Sharpe ratio** : Sharpe ratio measures excess profitability over the risk-free rate divided by the standard deviation. It is a measure of marginal return per unit of risk. A higher number indicates more risk-taking is rewarded. A negative Sharpe ratio does not necessarily mean the portfolio performed negatively, but that it was lower than a risk-free investment.

**Scope 1** : Scope 1/Direct Greenhouse Gas (GHG) Emissions of the company, in thousands of metric tonnes of carbon dioxide equivalent (CO<sub>2</sub>e). Greenhouse Gases are defined as those gases which contribute to the trapping of heat in the Earth’s atmosphere, including Carbon Dioxide (CO<sub>2</sub>), Methane, Nitrous Oxide, and others. Scope 1 Emissions are those emitted from sources that are owned or controlled by the reporting entity. Examples of Direct Emissions include emissions from combustion in owned or controlled boilers, furnaces, vehicles , emissions from chemical production in owned or controlled process equipment. Emissions reported as CO<sub>2</sub> only will NOT be captured in this field.

**Scope 2** : Greenhouse gas (GHG) intensity calculated as metric tonnes of greenhouse gases in carbon dioxide equivalent (CO<sub>2</sub>e) emitted from indirect operations per million of sales revenue in the company’s reporting currency. Scope 2 Emissions are those emitted that are a consequence of the activities of the reporting entity, but occur at sources owned or controlled by another entity. The principle source of Indirect Emissions is emissions from purchased electricity, steam and/or heating/cooling. These emissions physically occur at the facility where electricity/steam/heating/cooling is generated. To compare companies globally, this ratio should be converted to a common currency.

**Scope 3** : Scope 3 Greenhouse Gas (GHG) Emissions of as reported by the company, in thousands of metric tonnes of carbon dioxide equivalent (CO<sub>2</sub>e). Greenhouse Gases are defined as those gases which contribute to the trapping of heat in the Earth’s atmosphere, including Carbon Dioxide (CO<sub>2</sub>), Methane, Nitrous Oxide, and others. Scope 3 emissions are all non-scope 2, indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. Transmission & Distribution losses) not covered in Scope 2, outsourced activities, waste disposal, etc. Emissions reported as CO<sub>2</sub> only will NOT be captured in this field.

**Environmental disclosure score** : A score that measures the quality of a company’s environmental disclosure. Companies that do not report any figures are given a score of 0. The score ranges from 0.1 for companies that report a minimum amount of ESG data, to 100 for those that report all of it. This score measures the amount of environmental data a company reports publicly; it does not measure the company’s performance on this issue.

**SFDR** : Sustainable Finance Directive Regulation. It is an European regulation that places transparency in terms of sustainability at the heart of the requirements, at the level of entities and funds.

**Volatility** : Amplitude of variation in the price / quotation of a security, fund, market or index that measures the extent of risk over a given period. It is determined by the standard deviation which is obtained by calculating the square root of the variance. The variance being calculated by averaging the deviations from the mean, all squared. The higher the volatility, the greater the risk.

## Methodology

### Investment process

- Three-pillar exclusion criteria: environmental damage, human rights abuse, tax evasion
- Extra-financial analysis: selection of companies with an upward or stable ESG trend over 8 years provided by our ESG big data proprietary tools.
- Company valuation: DCF (discounted cash flow), financial ratios, relative peer comparisons
- Value creation: selection of companies that demonstrate a return on capital employed above the cost of capital

### ESG Screens

- 1st filter: three-pillar exclusion criteria: environmental damage, human rights abuse, tax evasion
- 2nd filter: «Best-in-Universe» excludes the lowest quartile rated companies
- 3rd filter: «Best-in-effort» selects those companies which demonstrate improving ESG practices over an eight-year time horizon:
  - the company under analysis potentially holds an upward ESG trajectory
  - in which the most recent ESG rating > its three-year moving average
  - AND whose E and S pillar ratings trend upwards
  - we additionally verify no controversies related to ESG or SRI are linked to the company

The ESG analysis coverage rate of the portfolio reaches a minimum 90% of net assets, with the exception of bonds and other debt securities issued by public issuers and cash held on an ancillary basis.

### ESG grading procedure

- 50% Environmental
- 30% Social
- 20% Governance

The ESG metric weightings have been selected by industry sector. You can find the weightings via this [link](#).

**Colibri AM uses 130 metrics across all sectors, analysed over 8 years. The benchmark universe is the Bloomberg World Large & Mid Cap Total Return index: 2,800 companies are analysed for the calculation of the ESG rating, in which the lowest quartile is omitted from the screening.**

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The methods of calculating ESG ratings are available on our website <https://colibri-am.com>



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