

Pre-contractual information for financial products referred to in Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088 and in the first paragraph of Article 6 of Regulation (EU) 2020/852

ANAXIS STRATEGIC BONDS

Legal entity identifier: 969500E72ULCUTFCOC71

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that it does not cause significant harm to any of these objectives and that the companies benefiting from the investments apply good governance practices.

The EU taxonomy is a classification system established by Regulation (EU) 2020/852, which lists **environmentally sustainable economic activities**. This regulation does not list socially sustainable economic activities. Sustainable investments with an environmental objective are not necessarily aligned with the taxonomy.

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> No
<input type="checkbox"/> It will make a minimum amount of sustainable investments with an environmental objective: 100%	<input checked="" type="checkbox"/> It promotes environmental and/or social (E/S) characteristics and, although it does not have sustainable investment as its objective, it will contain a minimum proportion of 60% sustainable investments.
<input type="checkbox"/> in economic activities that are considered environmentally sustainable under the EU taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that are considered environmentally sustainable under the EU taxonomy
<input type="checkbox"/> in economic activities that are not considered environmentally sustainable under the EU taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that are not considered environmentally sustainable under the EU taxonomy
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective	<input type="checkbox"/> with a social objective
<input type="checkbox"/> It promotes E/S characteristics, but will not make sustainable investments	



's sustainability indicators measure how well this financial product's sustainability objectives are being met.

What environmental and/or social characteristics are promoted by this financial product?

As part of the implementation of its investment strategy, securities analysis and ESG integration process described below, the portfolio promotes the following environmental and social characteristics:

Environmental characteristics:

- Reduction of negative environmental impacts by excluding companies active in fossil fuels, armaments, tobacco, non-therapeutic GMOs, as well as those with significant activities in pesticides or plastic packaging.
- Promotion of climate transition by assessing issuers' environmental policies and their commitments to greenhouse gas neutrality, with stricter criteria for high-impact sectors.

- Protection of aquatic environments and water resources, through a specific analysis of activities likely to affect water quality or availability and harm aquatic ecosystems.

Social characteristics:

- Respect for human rights and international social standards, based on the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.
- Exclusion of companies with inappropriate governance or social practices deemed unacceptable, particularly with regard to fundamental rights.

- **What sustainability indicators are used to measure the achievement of each of the environmental or social characteristics promoted by the financial product?**

The financial analysis is supplemented by an extra-financial analysis that combines the following six components.

1. Exclusions. The exclusion criteria applied are (i) the percentage of turnover derived from excluded activities and (ii) involvement in new controversial projects related to fossil fuels.
2. Environment. The indicators used are the allocation percentages based on the environmental ratings assigned to portfolio companies. In particular, the management excludes companies with a high potential impact and a rating below B-, which corresponds to companies that cannot be considered aligned or on track to align with a satisfactory trajectory in terms of reducing Scope 1 and 2 carbon intensities.
3. Aquatic environments. The indicators used are allocation percentages based on water-related ratings, which leads to the exclusion of companies with high potential impact that do not apply adequate risk and impact management procedures in this area.
4. Social responsibility. The indicator used is the social responsibility score, with an exclusion threshold of 3.5 on a scale of 1 (best score) to 4 (worst score).
5. Governance. The indicator used is the governance rating, with an exclusion threshold of 3.5 on a scale of 1 (best rating) to 4 (worst rating).
6. Controversies. The indicators used are the scores assigned to controversies identified by ISS, as well as the reasoned and documented assessments of the Anaxis Asset Management Ethics Committee.

- **What are the sustainable investment objectives that the financial product intends to pursue and how do the investments made contribute to these objectives?**

The management company Anaxis Asset Management has committed to an overall objective of reducing the carbon intensity of scopes 1 and 2 of the assets under management by an average of 7.5% per year until 2030, in order to put itself on track to achieve carbon neutrality by 2050. This product is part of the scope to which this overall objective applies.

Although this product does not have an individual target, Anaxis Asset Management's sustainable management policy on climate transition applies to at least 60% of its investment portfolio. This means that for this portion of the portfolio, issuers with a high potential impact on the climate must be aligned or in the process of aligning with a satisfactory decarbonisation trajectory.

The portion to which this objective does not apply consists mainly of cash, money market funds and investments in the financial sector. In this case, the management company considers that the activities of issuers (e.g. banks) may have significant indirect impacts on the climate (e.g. through their corporate lending, asset management or M&A advisory activities), such that an analysis of policies relating to Scope 1 and 2 emissions is not sufficient. A complementary analysis is carried out. It focuses mainly on corporate lending activities in order to prioritise the best efforts in this area. However, this analysis only covers part of the banks' activities and the management company considers that it does not have sufficient information to ensure that this part of the portfolio meets all the criteria for a sustainable investment.

Les principales incidences négatives correspondent aux incidences négatives les plus significatives des décisions d'investissement sur les facteurs de durabilité liés aux questions environnementales, sociales et de personnel, au respect des droits de l'homme et à la lutte contre la corruption et les actes de corruption.

- **To what extent do the sustainable investments that the financial product intends to pursue not cause significant harm to an environmentally or socially sustainable investment objective?**

In order to ensure that the investments of this product do not significantly harm an environmental or social objective, Anaxis Asset Management has defined a method for selecting investments based on sustainability criteria.

Climate

Companies likely to have a significant climate impact are excluded if they do not achieve a minimum score corresponding to the effective implementation of a strategy to reduce the carbon intensity of their activities. This strategy must include the definition of specific and ambitious targets, as well as a credible plan for achieving these targets. Furthermore, companies with significant activities in fossil fuels and those developing new unconventional projects such as hydraulic fracturing or Arctic drilling are excluded.

Biodiversity

The fertiliser, pesticide, plastic packaging and non-therapeutic GMO sectors have been identified as causing significant damage to biodiversity. They are excluded from the portfolios. In other sensitive sectors, such as agriculture, livestock farming and timber production, companies are assessed individually based on any controversies they may be involved in, for example on the issues of deforestation or pollution. Individual exclusions are decided by our ethics committee when the impact is deemed to be significant.

Water

The management applies sector exclusions that help protect water resources and aquatic environments. The fertiliser, pesticide and plastic packaging sectors are excluded. Other aspects related to water are covered through monitoring of environmental controversies (which may lead to exclusion by our ethics committee) and qualitative assessment of the impact of the company's activities on local communities and other stakeholders. This assessment is part of our rating grid for social and governance aspects.

Waste

The issue of waste is difficult to monitor within our investment universe due to a lack of satisfactory transparency on the part of companies in general. Environmental controversies are monitored with the help of the specialist agency ISS. Whenever a significant impact is identified, the case is reviewed and then submitted to our ethics committee, which decides whether to exclude the company concerned.

Social issues and governance

These aspects are an integral part of the analysis carried out by the management team. A grid of factors is used to identify the main impacts associated with the issuer and assess their intensity.

Companies are rated on a scale of 1 (best rating) to 4 (worst rating). A rating above 3.5 on the theme of social responsibility or governance leads to exclusion.

- **How were indicators relating to negative impacts taken into account?**
 1. The management company has chosen to publish the 14 mandatory indicators required by regulation, as well as all optional indicators, provided that sufficient information could be gathered.
 2. The indicator relating to the GHG intensity of the companies benefiting from the investments and the indicator relating to the share of investments in companies active in the fossil fuel sector are key indicators for steering the fund's allocation in line with the defined sustainable investment objective.
 3. The indicator relating to violations of the United Nations Global Compact Principles and the OECD Guidelines for Multinational Enterprises is subject to specific monitoring through the review of controversies and the normative exclusion procedure overseen by our ethics committee.
 4. The indicator relating to the product's exposure to companies engaged in activities covered by Anaxis Asset Management's sector exclusion policy must be maintained at zero.
 5. All social and governance indicators are included in the analysis and rating grid for portfolio companies on the corresponding themes. These indicators may therefore contribute to exclusion in the event of an insufficient rating.
 6. The other indicators are published for information purposes and used as alerts during the management company's responsible investment process.

- **To what extent do sustainable investments comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Detailed description.**

The management company monitors controversies and proceedings initiated under the OECD's Multinational Enterprise Policy Framework. Cases deemed serious are subject to specific analysis and submitted to Anaxis Asset Management's Ethics Committee, which decides on the company's eligibility based on its compliance with the aforementioned principles. As a result, the portfolio aims to be fully aligned with the OECD and United Nations guiding principles in this area, including the principles contained in all the fundamental conventions to which these institutions refer.

The EU taxonomy establishes a principle of "do no significant harm", whereby investments aligned with the taxonomy should not cause significant harm to the objectives of the EU taxonomy, accompanied by specific EU criteria.

The "do no significant harm" principle applies only to investments underlying the financial product that take into account the European Union's criteria for environmentally sustainable economic activities. Investments underlying the remaining portion of this financial product do not take into account the Union's criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not cause significant harm to environmental or social objectives.



Does this financial product take into account the main negative impacts on sustainability factors?

- Yes
 No

The main adverse impacts are taken into account at various stages of the management company's responsible investment process: through sector exclusion policy, identification of sensitive activities (climate and water issues), climate alignment rating, rating of efforts to reduce water-related impacts, social and governance rating, assessment of the severity of controversies and identification of possible links with authoritarian regimes. The measurement and monitoring of the above indicators contribute to this strategy of reducing negative impacts on sustainability factors. Information on these impacts will be published in the fund's annual report.



What investment strategy does this financial product follow?

The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment strategy is based on active management combining both a top-down approach (allocation according to geographical areas, types of instruments, sectors of activity, subordination levels and credit quality, while taking into account the macroeconomic and sectoral environment) and a bottom-up approach (selection of investment vehicles based on in-depth fundamental analysis of issuers' credit quality and securities characteristics). This dual approach aims to capture opportunities in different segments of the bond markets. The financial analysis is supplemented by the consideration of ESG criteria covering the following themes:

7. **Exclusions.** Anaxis Asset Management excludes companies involved in the fossil fuel industry, as well as the arms, tobacco and non-therapeutic GMO sectors. In addition, companies with significant activities in the field of plastic packaging or pesticides are excluded due to their negative impact on the European Union's sustainability objectives. The main areas of concern relate to pollution, as well as damage to ecosystems, biodiversity and aquatic and marine resources.
8. **Environment.** Anaxis Asset Management assesses bond issuers in terms of their environmental policies and their commitment to the transition to greenhouse gas neutrality. Companies are assigned ratings. The criteria applied are more stringent when the company's activities are likely to have a greater impact on the environment or climate, as in the case of transport or cement production. The approach favours companies that are making the *greatest efforts* in their field.
9. **Aquatic environments.** In addition to its climate commitment, the management company applies an environmental policy aimed at protecting aquatic environments and water resources. This theme is also linked to food security, public health and the preservation of biodiversity (without covering all aspects). Aquatic environments are particularly fragile and poorly protected by national policies. For this reason, Anaxis Asset Management identifies economic activities that are likely to have a significant impact on aquatic environments, fishery resources, the quantity and quality of available water reserves, access to drinking water or other water-related issues. Investments in companies engaged in these sensitive activities are subject to specific rating criteria based on a *best efforts* approach.

10. Social responsibility. Anaxis Asset Management ensures that the companies selected comply with ethical standards in terms of human rights and social responsibility. The principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises serve as guides for this analysis. The approach is to *exclude* companies with practices deemed unacceptable.
11. Governance. Governance is an integral part of the risk analysis carried out by the management team. To this end, the analyst uses a grid of factors to identify the main risks associated with the issuer and assess their intensity. As this fund is focused on bond markets, the governance factors used adopt the creditor's perspective. The approach adopted in this area favours best practices in each sector (*best-in-class* approach).
12. Controversies. Anaxis Asset Management monitors controversies affecting issuers in the portfolio. The management company uses published reports and information obtained from numerous sources. Public allegations, legal proceedings and serious events are analysed impartially by the management company's ethics committee. Controversies are assessed according to their severity, impact, frequency and the company's response. If a company is excluded due to controversy, this exclusion is for a defined period, after which the case will be reviewed.

- **What are the binding elements of the investment strategy used to select investments in order to achieve each of the environmental or social characteristics promoted by this financial product?**

The binding elements are compliance with (i) sector exclusion criteria, (ii) minimum ratings applicable in the areas of climate, water, social responsibility and governance, and (iii) the controversy assessment procedure. The environmental part of the investment strategy covers at least 60% of the investment portfolio (including cash).

For example, companies are ranked according to the carbon intensity of their business. An investment in a sector that is sensitive in terms of greenhouse gas emissions is eligible if the company's climate rating is greater than or equal to B on a scale from A (best rating) to E (worst rating). This rating corresponds to companies that demonstrate transparency, have procedures in place to assess and manage climate risks and impacts, have defined medium- and long-term objectives that can realistically contribute to the objectives of the Paris Agreement, have a credible plan to reduce their greenhouse gas intensity, and have begun to reduce this intensity. Companies that only partially meet these criteria, rated B- and considered to be in the process of alignment, are also provisionally eligible, provided that they are subject to an engagement process aimed at making them eligible within a year.

- **What is the minimum commitment rate for reducing the scope of planned investments before applying this investment strategy?**

This product does not commit to a minimum percentage reduction in its investment scope before applying its sustainable investment strategy. However, the sector exclusion filter can be considered a preliminary reduction in the investment scope.

- **What is the policy for assessing the good governance practices of companies benefiting from investments?**

The policy for assessing the good governance practices of companies benefiting from investments is as follows: companies are rated on a scale of 1 (low risk) to 4 (very high risk).

Good governance practices relate to sound management structures, staff relations, staff remuneration and compliance with tax obligations.

If a company is given a rating higher than 3.5, the corresponding position must be exited. The criteria to be taken into account in investment decisions are set out below. Other factors may be added to the analysis, depending on each specific case, at the initiative of the analyst or fund manager in charge of the portfolio.

1. Transparency and quality of information: the publication of regular, truthful and accurate financial information; the clarity of the strategy; communication regarding objectives, investments and projects; ease of access to information and the availability of senior management for discussions with investors.
2. Organisation: the independence and effective role of directors; management qualifications; the existence of control bodies and the balance of powers; the quality of internal control and audit work.
3. Respect for the interests of the various stakeholders: alignment of the interests of managers with those of other stakeholders; absence of obvious abuse; prevention of conflicts of interest (e.g. in the case of loans to other entities within the group); the absence of actions detrimental to creditors (e.g. unexpected or excessive dividend distributions, changes in financial strategy) and the management of any restructuring; the management of labour disputes and the protection of workers.
4. Integrity: absence of involvement in fraud, corruption or controversy; absence of links to tax havens, authoritarian governments or dubious clients; compliance with regulations and absence of financial irregularities; clarity and legitimacy of the group's structure.

The criteria listed above are an integral part of the files used to assess the suitability of an investment and then review the positions in the portfolio, in the same way as financial data and credit risk assessment. These criteria also contribute directly to a comprehensive assessment of the financial risk associated with investments.

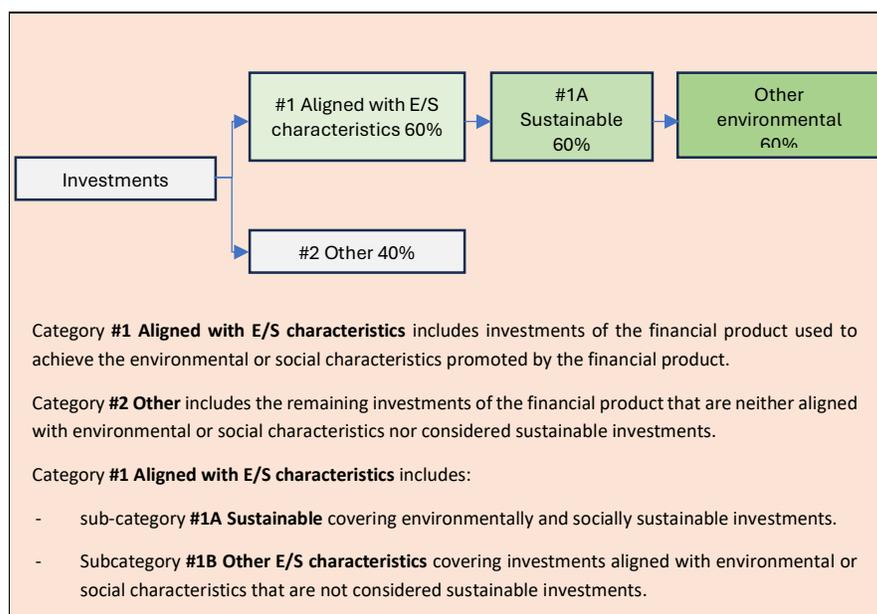


What are the asset allocation and minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

Activities aligned with the taxonomy are expressed as a percentage:

- **of turnover** to reflect the share of revenue from green activities of the companies benefiting from the investments;
- **capital expenditure** (CapEx) to show the green investments made by the companies benefiting from the investments, for example for a transition to a green economy;
- **operating expenditure** (OpEx) to reflect the green operational activities of the companies benefiting from the investments.



- How does the use of derivatives enable the environmental or social characteristics promoted by the financial product to be achieved?

Not applicable.

To comply with the EU taxonomy, the criteria applicable to **fossil gas** include emissions limitations and the transition to renewable energy or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive rules on safety and waste management.

Enabling activities directly enable other activities to contribute substantially to the achievement of an environmental objective.

Transitional activities are activities for which there are not yet low-carbon alternatives and, among other things, whose greenhouse gas emission levels correspond to the best achievable performance.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU taxonomy?

The management company wishes to invest in environmentally sustainable economic activities. However, the information published by companies does not allow us, at this stage, to assess their degree of alignment with the European taxonomy. The fund is therefore committed to 0% alignment with the European taxonomy.

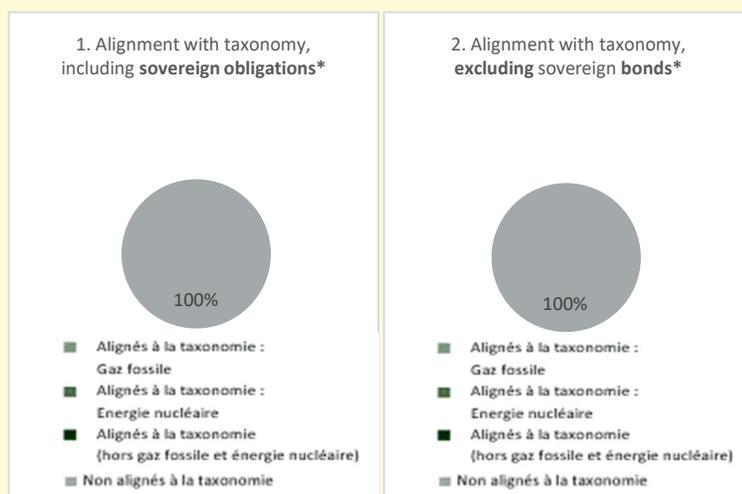
- Does the financial product invest in activities related to fossil gas and/or nuclear energy that comply with the EU taxonomy?

Yes:

- In fossil gas
- In nuclear energy

No

The graphs below show in green the percentage of investments aligned with the EU taxonomy. As there is no appropriate methodology for determining the alignment of sovereign bonds* with the taxonomy, the first chart shows alignment with the taxonomy relative to all investments of the financial product, including sovereign bonds, while the second chart shows alignment with the taxonomy relative only to investments of the financial product other than sovereign bonds.



* For the purposes of these charts, 'sovereign bonds' include all sovereign exposures.

- **What is the minimum share of investments in transitional and enabling activities?**

At this stage, no minimum threshold has been defined in relation to the European taxonomy.

The symbol opposite represents sustainable investments with an environmental objective that **do not take into account the criteria** applicable to environmentally sustainable economic activities under the EU taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU taxonomy?

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU taxonomy is 60%.



What investments are included in category "No. 2 Non-sustainable", what is their purpose, and are there any minimum environmental or social safeguards?

Investments considered non-sustainable are cash and money market funds representing a maximum of 10% of the product's net assets, as well as investments in the financial sector. In the latter case, the maximum allocation of the product is 30% of net assets.

The management company's sustainable investment process is fully applied to this part of the allocation. However, given the indirect impact of banks' activities on the environment, for example through their corporate lending, asset management or M&A advisory activities, the management company considers that its analysis focused on Scope 1 and 2 emissions and direct impacts is not sufficient to classify these positions as sustainable investments.

The commitments, policies and actual practices of financial companies in the area of corporate lending are examined as far as possible, based on the information available. This additional analysis aims to favour financial players making the greatest efforts to redirect financial resources away from the fossil fuel value chain, with a particular focus on coal and unconventional extraction methods.



Benchmarks are indices used to measure whether the financial product achieves the environmental or social characteristics it promotes.

Is a specific index designated as a benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics it promotes?

This product does not use a specific index to determine its alignment with the environmental and social characteristics it promotes.

- How is the benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?
- How is the alignment of the investment strategy with the index methodology ensured at all times?
- How does the designated index differ from a relevant broad market index?
- Where can the methodology used to calculate the designated index be found?



Where can I find more specific information about the product online?

Further information about the product is available on the management company's website: www.anaxis-am.com.