

ANNEX IV

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: CIAM Fund – Special Focus (the “Fund”)

Legal entity identifier: 2221008YQ59E5VF1GN14

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective

<input checked="" type="radio"/> <input type="radio"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : ___%	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund takes sustainability risk and environmental, social and governance (“ESG”) characteristics into account as part of its investment selection process.

● ***How did the sustainability indicators perform?***

These characteristics have been studied, monitored and rated by the research and investment team, as well as the risk management team.

The three characteristics chosen by the Fund were the following :

1/ Top management role separation (separation of the role of Chairman & CEO)

2/ Disclosure of Carbon emissions (Scope 1, 2 & 3) and targets of reduction of these emissions

3/ Gender diversity amongst employees (i.e more than 40% of women within the company).

The performance of those indicators are:

1/ Top management role separation (separation of the role of Chairman & CEO)

The separation of power between the role of Chairman & CEO was one of the subject central to the discussions between the Fund and the different companies in the portfolio. This metric positively evolved year on year with 86% of the companies (12 out of 14) in the Fund now having an effective separation of Chair & CEO roles.

2/ Disclosure of Carbon emissions (Scope 1, 2 & 3) and targets of reduction of these emissions

71% (10 companies out of 14 in the portfolio) are disclosing their scope 1, 2 & 3. 30% of them showed an improvement of their scope 1, 2 & 3.

Also, 100% of companies in the Fund committed to reduce their carbon emissions, and succeeded in maintaining or improving their target to reach net zero emissions (with different time horizons ranging from by 2030 to 2050).

3/ Gender diversity amongst employees (and more than 40% of women within the company)

100% (14 companies out of 14 in the portfolio) disclosed the percentage of women in the workforce. 71% of them maintained or showed an improvement in the percentage of women in their workforce.

And 21% of companies have more than 40% of women in the workforce.

● ***...and compared to previous periods?***

***N/A***

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

***N/A***

**How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

How were the indicators for adverse impacts on sustainability factors taken into account?

N/A

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**How did this financial product consider principal adverse impacts on sustainability factors?**

From a regulatory standpoint, CIAM Fund does not take into account principal adverse impacts on sustainability factors. But the Fund takes into account certain adverse impacts related to E, S, and G matters into its research process, such as GHG emissions, Carbon Footprint, GHG intensity, Fossil Fuel sector, Board gender diversity, Gender Pay gap, Exposure to controversial weapons, etc.

This is shown through sectorial screenings done by the Fund in order to exclude sectors from the investment universe on the basis of specific criteria. Some exclusion criteria are based on income from unwanted activities; for example, the extraction of coal in order to produce electricity; else on the nature of the activity such as for the extraction of unconventional oil and gas, pornography, weapons, gambling, activities dangerous to health such as tobacco. The Fund also excludes Critical controversies that are Non Communicative (as per the denomination at Vigeo-Eiris/Moodys) i.e not addressed by the management of the company. And last the Fund excludes the worst

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

15% of the proprietary ESG Scorings from the initial investment universe of the Fund. Last, the Fund also has a stewardship & Engagement policy, engaging on the topics mentioned above.



### What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
LEARNING TECHNOLOGIES GROUP	Insurance	11.07%	UK
ESSO	Energy	10.02%	FRANCE
ESKER	Energy	8.85%	FRANCE
QUADIENT	Media	8.82%	FRANCE
BOKU	Media	8.77%	UNITED STATES

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period as of 30/12/2022



### What was the proportion of sustainability-related investments?

100% of the portfolio's positions are sustainability related investments.

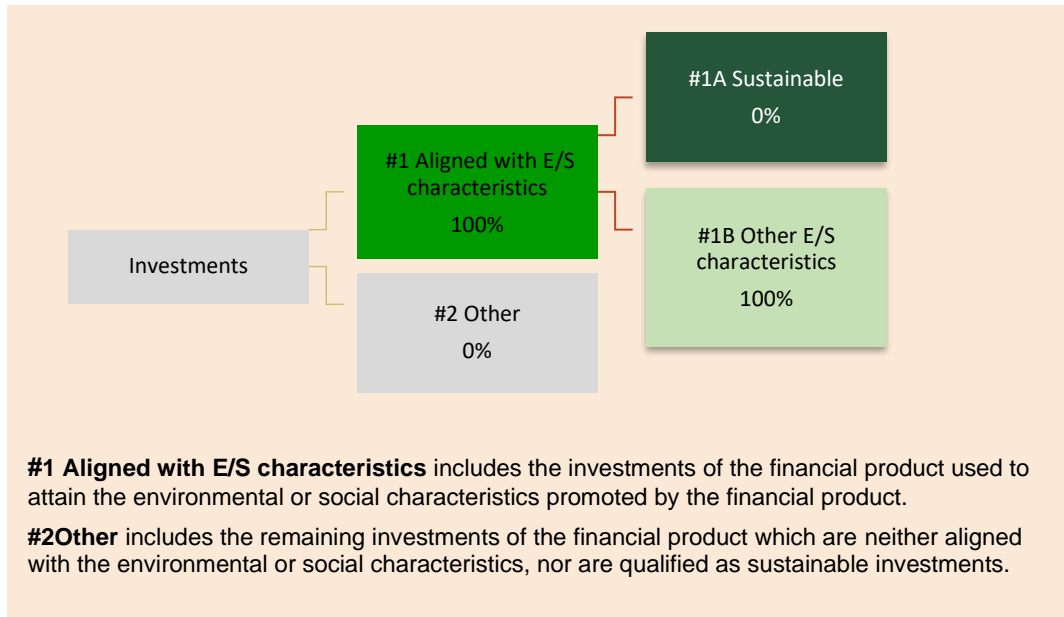
#### ● *What was the asset allocation?*

The Fund uses equity-based investment strategies to generate returns from its catalyst-driven approach. The investment universe consists essentially of listed companies on the main European stock exchanges. Investments were made in various sectors as per the Issue Document of the Fund. These sectors don't necessarily have a sustainable objective. In fact, the research team identifies the weak points for each sector, finding the best player by theme in each sector and identifying significant improvements in the company compared to a high market benchmark.

#1 Aligned with E/S characteristics : 100% of the fund's investments have an ESG Scoring and are intended to achieve the characteristics environmental or social that it promotes, in accordance with the binding elements of the investment strategy.

"#2 Other" : 0% of investments correspond to companies that are outside the scope of minimum limit of 90% integrating environmental and social characteristics. ESG analysis has not been completed.

**Asset allocation** describes the share of investments in specific assets.



● ***In which economic sectors were the investments made?***

Investments were made in the following economic sectors :

Sector	% Assets
Software & Services	37%
Technology Hardware & Equipment	11%
Telecommunication Services	6%
Pharmaceuticals, Biotechnology	2%
Energy	11%
Capital Goods	6%
Health Care Equipment & Services	18%
Financial Services	9%

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

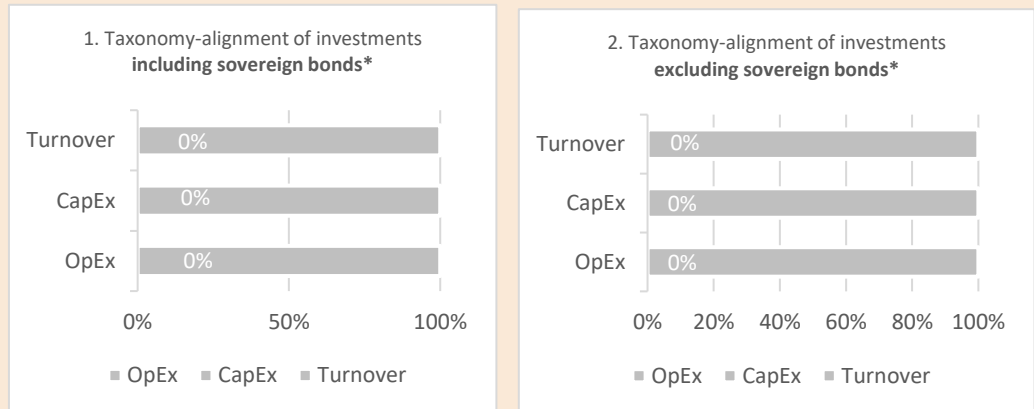
which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

N/A

CIAM Fund doesn’t currently have investments aligned with the EU Taxonomy.

- **What was the share of investments made in transitional and enabling activities?**

N/A

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

N/A



## What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

N/A



## What was the share of socially sustainable investments?

N/A



## What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

“#2 Other” : 0% of investments correspond to investments that are outside the scope of minimum limit of 90% integrating environmental and social characteristics. ESG analysis complete has not been completed.



## What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During 2022, several actions were taken by the Fund :

### 1/ Active Engagements with companies

#### Esso

In 2022, CIAM sent two letters to Esso’s management, in particular to communicate on extra-financial issues. CIAM criticized the company's lack of a carbon reduction strategy. Indeed, total Scope 1 and 2 emissions increased between 2015 and 2020. In particular, Scope 2 emissions increased by 29% between 2018 and 2020. In addition, the company did not disclose its Scope 3 emissions. CIAM also highlighted the absence of environmental experts on Esso's Board of Directors. Finally, the Fund noted to Esso that they did not publish their Social Report (Bilan Social) linked to their activities.

#### Solutions 30

CIAM began engaging with the management of Solutions 30 in 2021 on financial and extra-financial matters (CIAM initiated a position in S30 after the accusations of money laundering were made by Muddy Waters). Since then, CIAM has continued to monitor the company's progress. In 2022, the company agreed to communicate its environmental data to the CDP. The company obtained a C rating and is committed to improving it. In 2022, the company set up a Strategy and ESG Committee, an initiative expected by CIAM. Solutions 30 also disclosed the results of its carbon emissions for Scope 1, 2 and 3, which shows the company is making efforts to improve transparency on environmental issues. On the social front, the company is committed to achieving equal pay between men and women, and to recruiting more women to management positions.

#### 2/ Voting

During 2022, the Fund voted on 93.91% of the positions in which it holds voting rights. And in particular on governance, environmental and social matters.

Out of 218 resolutions voted, the Fund voted against 55 of them, i.e. 25%.

A few examples of negative votes are outlined below :

## Esso

The Fund voted against resolution 3 (Special Auditors Report on Regulated Agreements) and resolutions 4, 5, 6, 8 (Election of board member) at the AGM of Esso in 2022. CIAM undertook legal action against the company before the Commercial court in France for suspicion of margin transfers from Esso to ExxonMobil and because of the lack of transparency on transactions governed by standard agreements with Exxon. CIAM denounced the way the company was run in the interests of Exxon, and the decisions taken were against the best interests of both the minority shareholders and the company.

## Solutions 30

The Fund voted against resolution 4 (Allocation of Profits) and resolution 9 (Remuneration Policy), and 10 (Remuneration Report) at the AGM of Solutions 30 in 2022 because in terms of governance, the company did not act in line with best practices. The company has chosen to retain profits without redistributing them to shareholders. In addition, Solutions 30 has not disclosed its policy in relation to executive fixed salaries. In the annual bonus scheme and in the long-term incentives, the targets were not disclosed.



### **How did this financial product perform compared to the reference benchmark?**

- *How does the reference benchmark differ from a broad market index?*

Currently, no index has been designated as a reference benchmark.

- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*

N/A

- *How did this financial product perform compared with the reference benchmark?*

N/A

- *How did this financial product perform compared with the broad market index?*

N/A

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.