

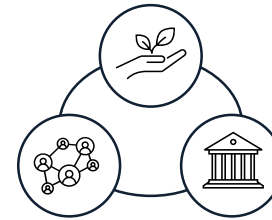
DYNASTY AM
ESG Report
30th April 2023



DYNASTY CHAHINE CAPITAL HIGH YIELD 2028



ESG Policy



Dynasty AM S.A.'s **ESG (Environment, Social and Governance)** philosophy is based on the principle that there is a positive correlation between taking into account extra-financial criteria and generation of added value. We therefore aim to obtain the best long-term risk- return ratio for our clients, **by incorporating ESG criteria into our financial analysis.**

Objectives established by the working group were determined using the PRI Principles:

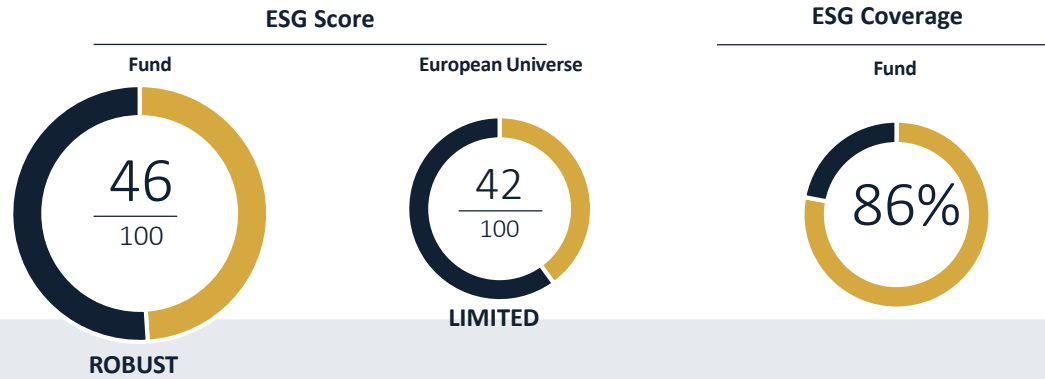
Dynasty AM Goals

- ➔ **Integrate** ESG criteria into our investment process
- ➔ **Awareness and Training** of our internal teams
- ➔ **Transparency and Reporting** of ESG criteria integration
- ➔ **Promote** ESG criteria through our sales force





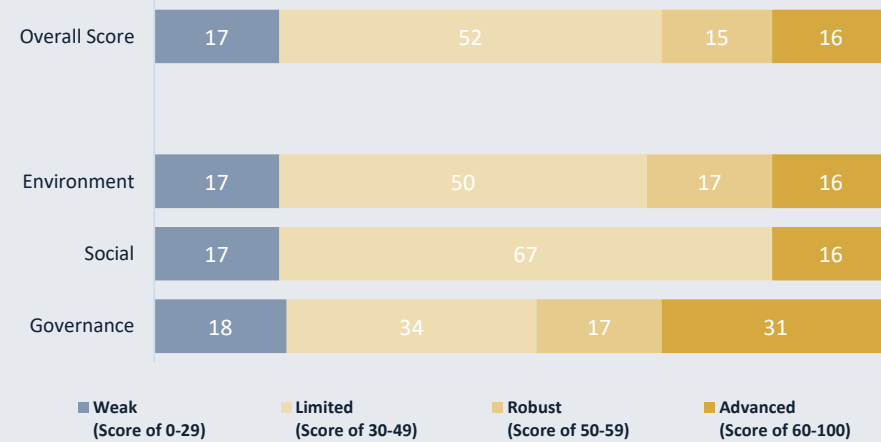
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Overall and Domain Scores

	Average
Overall	46
Environment	46
Social	45
Governance	45

ESG Score Breakdown (% investment)





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5 highest rated ESG positions

Rank	Holding Name	Portfolio Weight	Sector (GICS)	Rating
1	Atlantia 1.88% 2028	2.0%	Consumer, Non-cyclical	Advanced
2	EDF 2.875% Perp (Call 2026)	2.0%	Utilities	Advanced
3	Veolia 2.5% Perp (Call 2029)	1.9%	Utilities	Advanced
4	Eni 3.34% Perp (Call 2029)	2.0%	Energy	Advanced
5	Iberdrola 1.125% Perp (Call 2029)	1.9%	Utilities	Advanced

5 lowest rated ESG positions

Rank	Holding Name	Portfolio Weight	Sector (GICS)	Rating
1	Digi Communications 3.25% 2028	2.0%	Communications	Weak
2	Tereos 4.75% 2027	1.2%	Consumer, Non-cyclical	Weak
3	Ineos 6.625% 2028	2.4%	Basic Materials	Limited
4	Iliad 5.625% 2028	2.2%	Communications	Limited
5	Constellium 3.125% 2029	1.0%	Basic Materials	Limited



DYNASTY CHAHINE CAPITAL HIGH YIELD 2028

5 largest positions

Rank	Holding Name	Portfolio Weight	Sector (GICS)	Rating
1	Nexity 0.875% 2028	2.5%	Resl Estate	Advanced
2	Telefonica 7.125% Perp (Call 2028)	2.5%	Communications	Advanced
3	Air France-KLM 8.125% 2028	2.4%	Consumer, Cyclical	Advanced
4	Verisure 7.125% 2028	2.4%	Consumer, Non-cyclical	Limited
5	Ineos 6.624% 2028	2.4%	Basic Materials	Limited

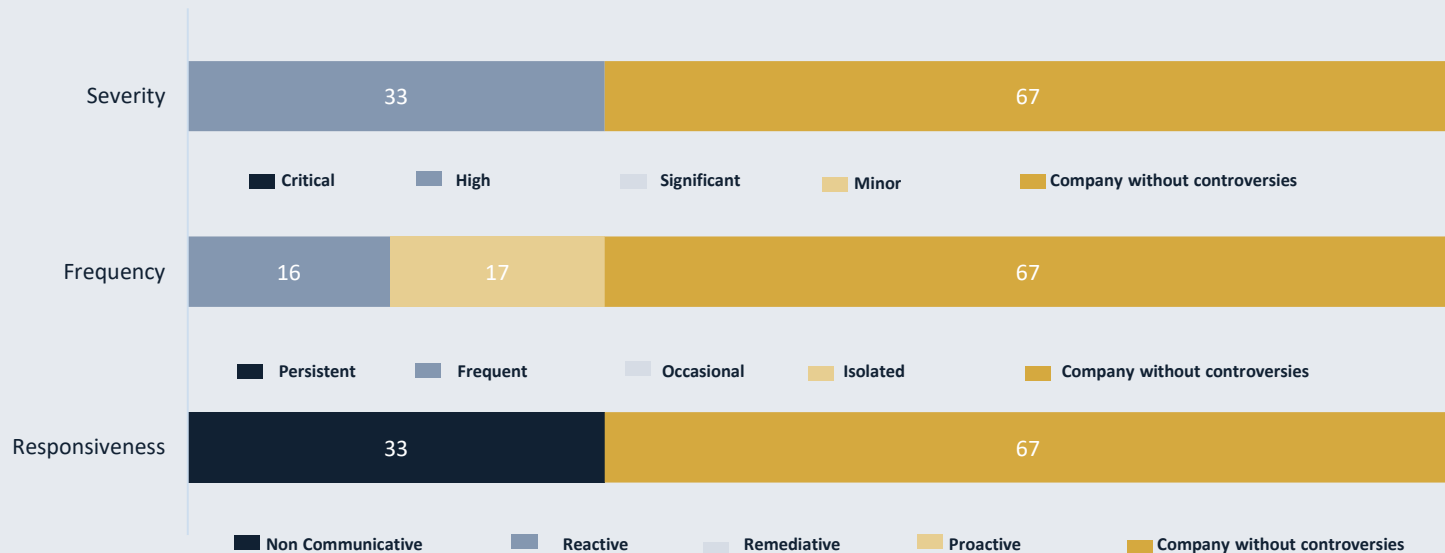


DYNASTY CHAHINE CAPITAL HIGH YIELD 2028

Controversies are analyzed along three axes

- (1) The **severity** of the controversy : having an accidental minor oil spill is a controversial event, but we think it is less impacting than being directly involved in the employment of children or the production of cluster munition. There are 4 categories of severity of controversies : minor, significant, high, critical
- (2) The **frequency** of the controversy is the event isolated, occasional, frequent or persistent. Is it thus a one-off event or can it be considered business behavior of the company
- (3) The **responsiveness** of the company to the controversy in question. Has the company been proactive in its communication, or do they prefer the silent approach. There are 4 categories of responsiveness: proactive, remediative, reactive or non communicative

Controversies Breakdown (% investment)





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If the **critical** controversy is linked to one of the following **sub domains** the company is not eligible for investment and if the company is subject to the controversy whilst already in the portfolio the fund manager has **3 months** to sell the position, whilst the company will be added to the list of **excluded investments**.

• Cluster Munitions



• Controversial Weapons



• Nuclear Weapons



• Anti Personal Mines



• Anti Personal Landmines



EXCLUSION

Cluster Munitions

Holding Name	ISIN	Portfolio Weight
<input type="text"/>	<input type="text"/>	<input type="text"/>
None in portfolio		

Anti Personal Mines

Holding Name	ISIN	Portfolio Weight
<input type="text"/>	<input type="text"/>	<input type="text"/>
None in portfolio		

Controversial Weapons

Holding Name	ISIN	Portfolio Weight
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None in portfolio		

Anti Personal Landmines

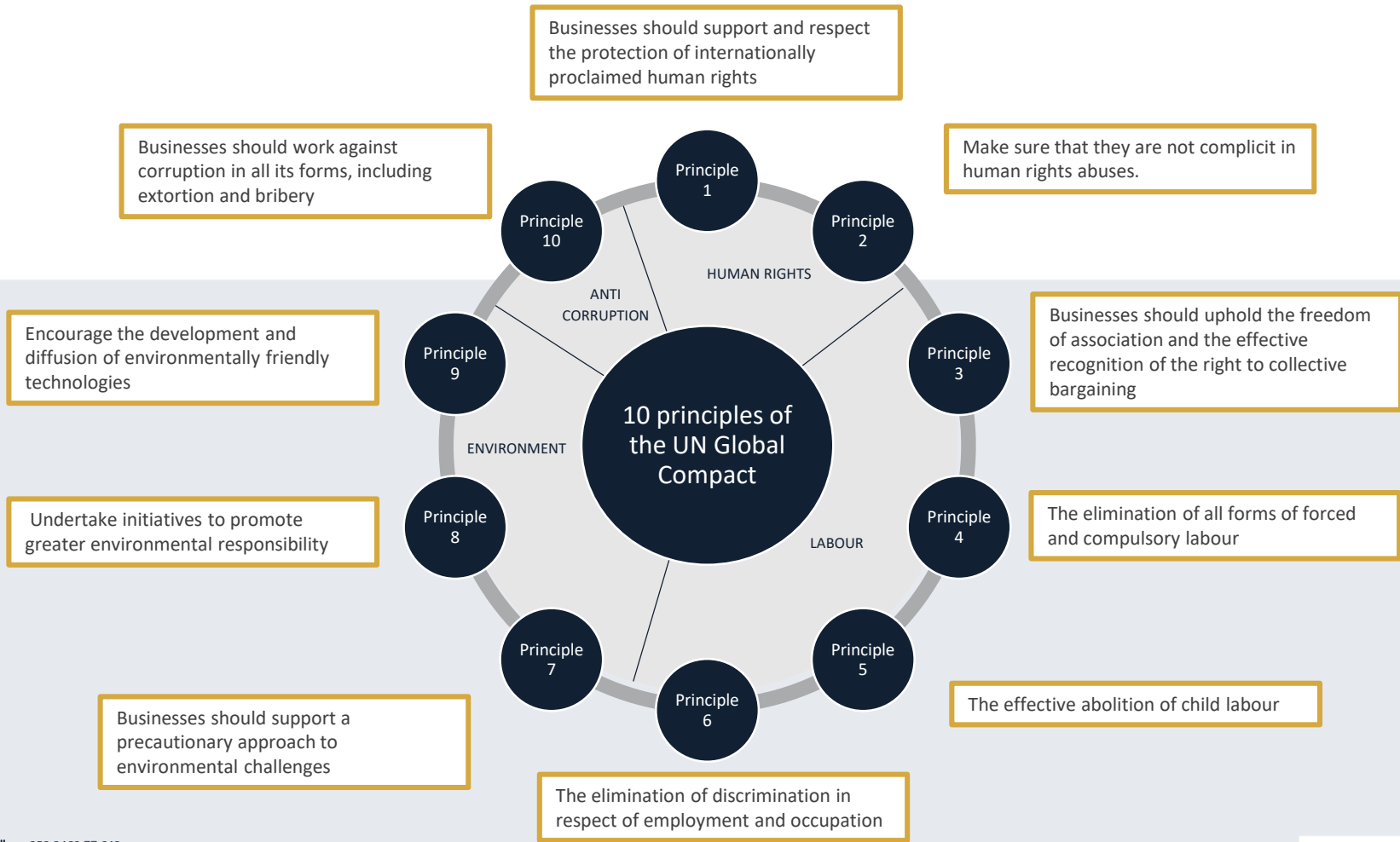
Holding Name	ISIN	Portfolio Weight
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None in portfolio		

Nuclear Weapons

Holding Name	ISIN	Portfolio Weight
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None in portfolio		



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We associated each **principle** to a specific **analysis' criteria**:

- Principle 1 and 2: Human Rights → Fundamental Human Rights
- Principle 3: Human Resources → Social Dialogue
- Principle 4 and 5: Human Rights → Child and Forced Labour
- Principle 6: Human Rights → Non-Discrimination
- Principle 7 and 8: Environment → Environmental Strategy
- Principle 9: Environment → Use and Disposal of Products
- Principle 10: Business Behaviour → Corruption

If a company has a **controversy** linked to one of these criteria and the status of the controversy in question is considered **“Critical”**, an **engagement process** shall be undertaken with companies.

If this engagement does not lead to the desired change in a period of **2 years** from the **start** of this engagement, the company will join our **Global Compact Exclusion List**.

Holding Name	Portfolio Weight	UN Global Compact principle	Dynasty AM Status	Start of engagement	Time remaining below 2 years ?

The positions of Dynasty Chahine Capital High Yield 2028 respect the 10 Global Compact Principles

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No breaches of any Global Compact Principles

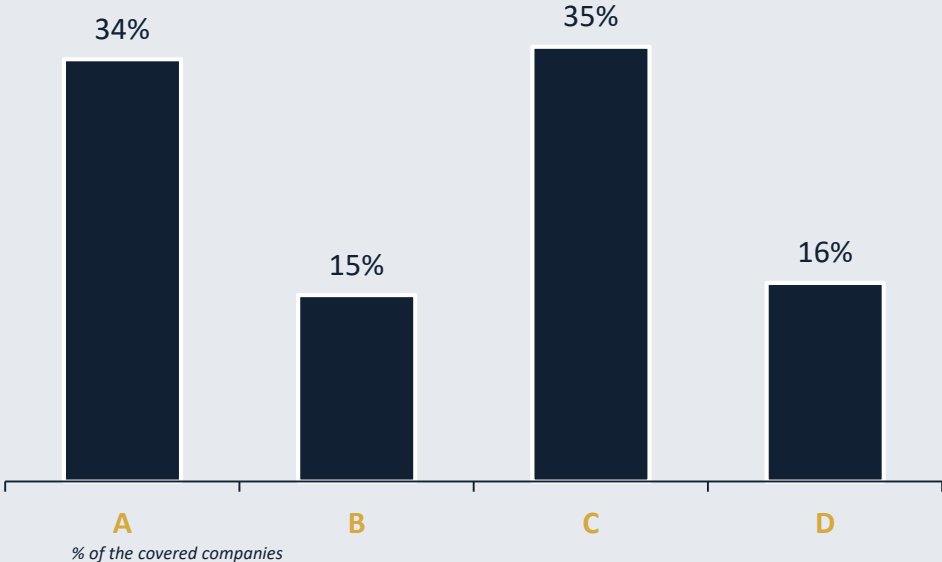


United Nations
Global Compact



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Carbon Footprint (of investments)



Scale	Emissions (T CO2 Equivalent)*	Categories
A	<100 000	Moderate
B	>= 100 000 and <1 000 000	Significant
C	>= 1 000 000 and <10 000 000	High
D	>= 10 000 000	Intense

* Scope 1 & 2



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— Thank you
Passion for YIELD



Dynasty
Asset Management