

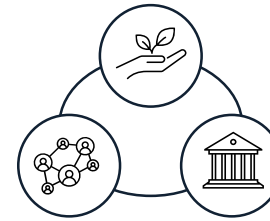


DYNASTY AM  
ESG Report  
30<sup>th</sup> September 2023

# DYNASTY GLOBAL CONVERTIBLES

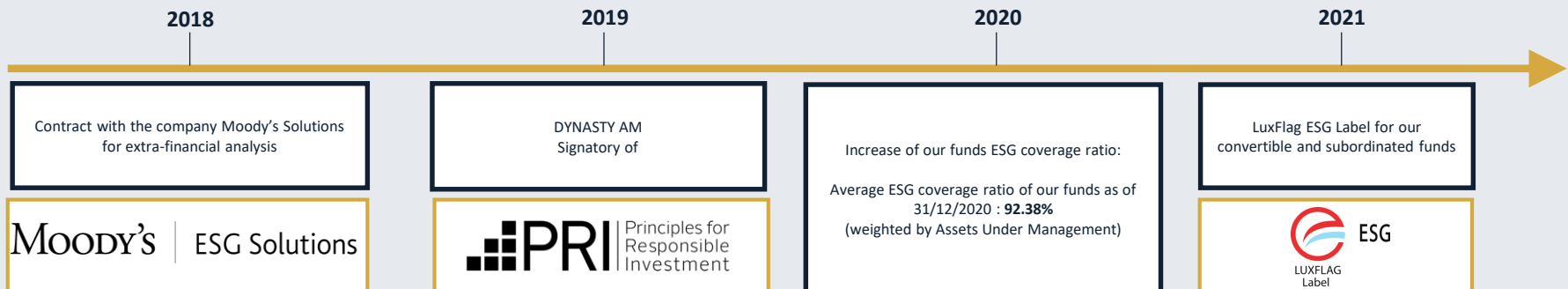
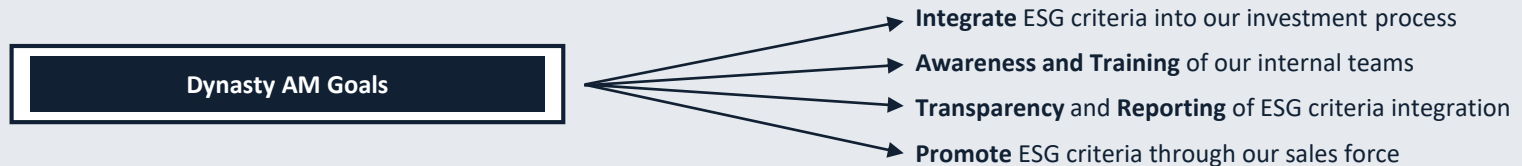


# ESG Policy



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.**

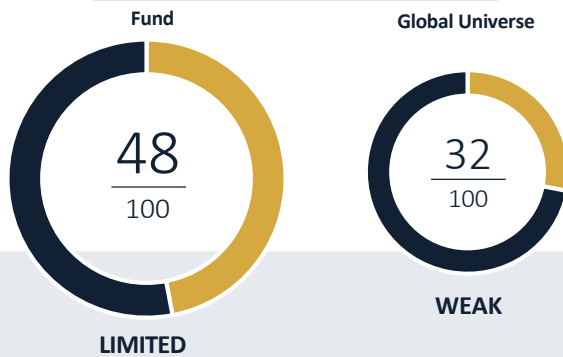
Objectives established by the working group were determined using the PRI Principles:



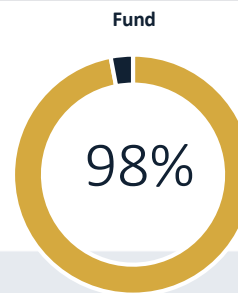


## DYNASTY GLOBAL CONVERTIBLES

### ESG Score



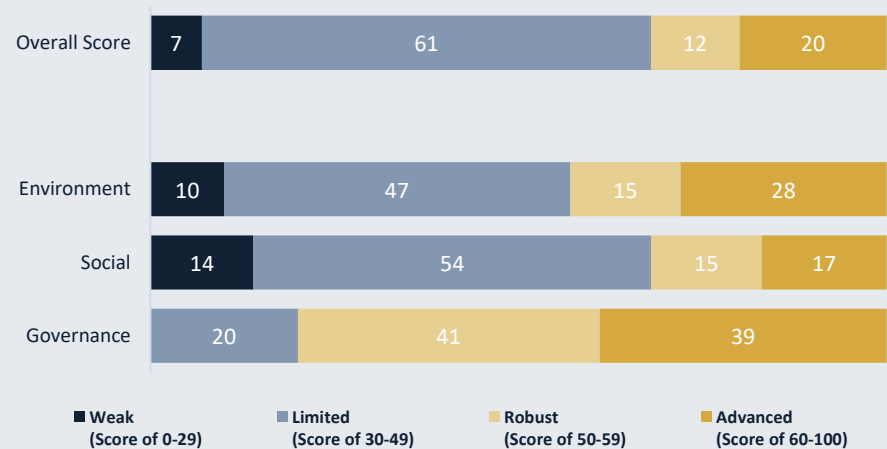
### ESG Coverage



### Overall and Domain Scores

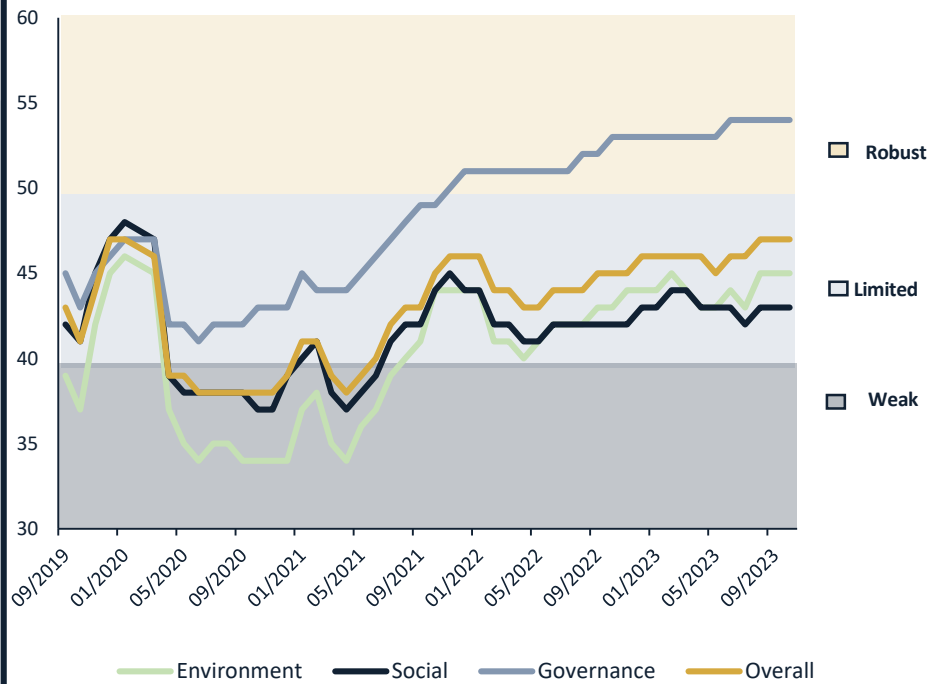
	Average
Overall	48
Environment	47
Social	45
Governance	55

### ESG Score Breakdown (% investment)

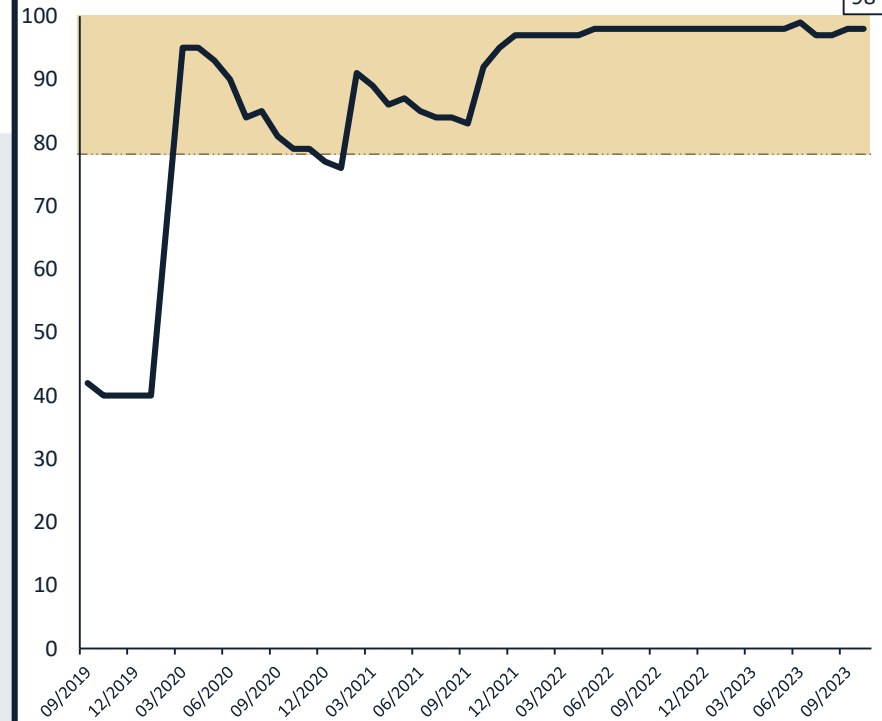


## DYNASTY GLOBAL CONVERTIBLES

### Overall ESG Score Average



### Overall ESG Coverage ratio (%)





## DYNASTY GLOBAL CONVERTIBLES

### 5 highest rated ESG positions

Rank	Holding Name	Portfolio Weight	Sector (GICS)	Rating
1	Schneider 0% 2026	2.0%	Industrial	Advanced
2	Veolia 0.314% 2023	1.2%	Utilities	Advanced
3	ENI SpA 2.95% 2030	1.3%	Energy	Advanced
4	Iberdrola 0.8% 2027	0.1%	Utilities	Advanced
5	Akzo Nobel NV 1.75% 2024	0.5%	Basic Materials	Advanced

### 5 lowest rated ESG positions

Rank	Holding Name	Portfolio Weight	Sector (GICS)	Rating
1	Voyageurs du Monde 3% 2028	0.2%	Consumer, Non-cyclical	Weak
2	First Majestic 0.375% 2027	0.5%	Basic Materials	Weak
3	Airbnb 0% 2026	0.4%	Communications	Weak
4	Liberty Media Corp 2.3% 2027	0.5%	Communications	Weak
5	Kingsoft 0.625% 2025	0.7%	Technology	Weak



## DYNASTY GLOBAL CONVERTIBLES

### 5 largest positions

Rank	Holding Name	Portfolio Weight	Sector (GICS)	Rating
1	On Semiconductor 0.5% 2029	4.2%	Technology	Limited
2	Palo Alto 0.375% 2025	3.9%	Communications	Limited
3	Booking 0.75% 2025	2.8%	Consumer, Cyclical	Limited
4	Xiaomi 0% 2027	2.6%	Technology	Weak
5	Akamai 0.375% 2027	2.5%	Technology	Limited



## DYNASTY GLOBAL CONVERTIBLES

We will implement a formal upstream **exclusion policy** on our **article 8** investable universe that will formally prohibit investments in companies that have as main activity :

- Thermal coal mining and extraction



- Tobacco production



- Gambling



We also comply with the U.S. Executive Order 13959 “Addressing the Threat from Securities Investments that Finance Communist Chinese Military Companies”

### EXCLUSION

#### Thermal coal mining and extraction

Holding Name	ISIN	Portfolio Weight
None in portfolio		

#### Tobacco production

Holding Name	ISIN	Portfolio Weight
None in portfolio		

#### Gambling

Holding Name	ISIN	Portfolio Weight
None in portfolio		

#### Chinese Military-Industrial Complex Companies

Holding Name	ISIN	Portfolio Weight
None in portfolio		

## DYNASTY GLOBAL CONVERTIBLES

We have decided to include a **special filter** on companies subject to critical controversies (i.e., the most severe) in domains we consider to be the most impacting.

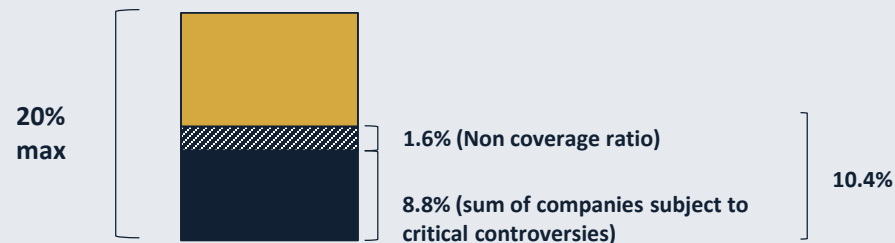
These domains are :

- (1) Environmental Strategy
- (2) Climate Change
- (3) Waste
- (4) Fundamental Human Rights
- (5) Audit and Internal Controls

### Companies subject to critical controversies\*

Holding Name	Portfolio Weight	Sector (GICS)	Domains impacted by the critical controversy
Glencore 0% 2025	1.1%	Basic Materials	2 - 3 - 4 - 5
Uber 0% 2025	1.8%	Communications	4 - 5
Volkswagen 1.125% 2023 / Volkswagen 3.375% Perp (Call 2024)	2,3%	Consumer, cyclical	1 - 5
Stellantis 3.75% 2024	1.2%	Consumer, cyclical	5
Bayer 1.25% 2023/ 0.375% 2024/ 6.625% 2083 (Call 2028)	2.4%	Consumer, non-cyclical	5

\*These companies will remain investable, but the sum of these investments may not exceed a ratio of **10%** of the portfolio in case the investment universe is European or **20%** of the portfolio if the investment universe is global. Furthermore, these ratios are to be cumulated within the non-coverage ratios.



Continued on next page →



## DYNASTY GLOBAL CONVERTIBLES

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
<input type="text"/>	<input type="text"/>	<input type="text"/>
None in portfolio		

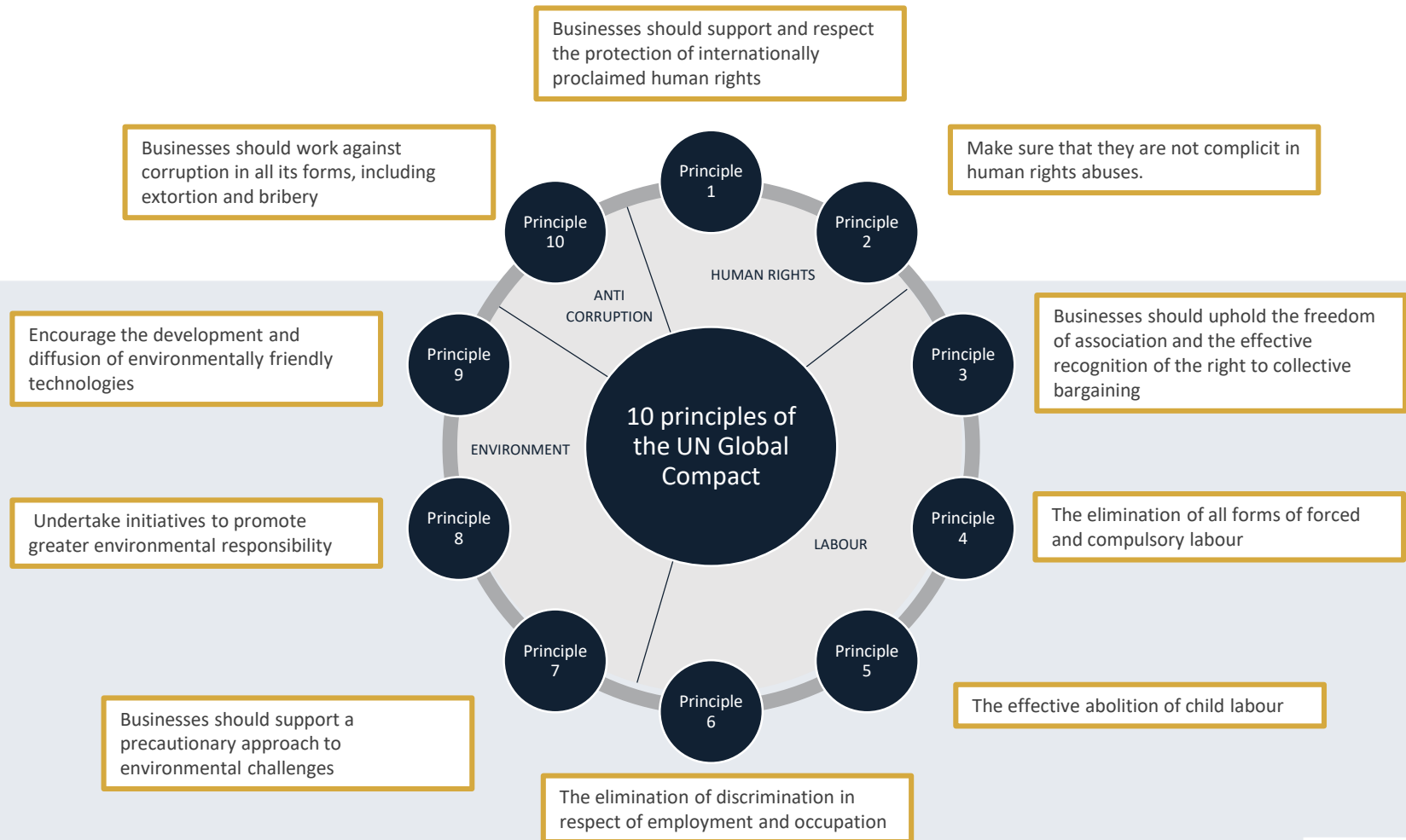
#### Anti Personal Landmines

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

#### Nuclear Weapons

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

## DYNASTY GLOBAL CONVERTIBLES



## DYNASTY GLOBAL CONVERTIBLES

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 ?
Glencore 0% 2025	1.1%	Principles No. 1, 2	Ongoing Controversy	31/01/2022	Yes
Volkswagen 1.125% 2023	1.3%	Principles No. 9, 10	Not Active		
Volkswagen 3.375% Perp (Call 2024)	1.0%	Principles No. 9, 10	Not Active		
Stellantis 3.75% 2024	1.2%	Principles No. 9, 10	Not Active		
Uber 0% 2025	1.8%	Principles No. 1, 2	Not Active		
Bayer 1,25% 2023	1.1%	Principles No. 9	Not Active		
Bayer 0.375% 2024	0.6%	Principles No. 9	Not Active		
Bayer 6.625% 2083 (Call 2028)	0.7%	Principles No. 9	Not Active		

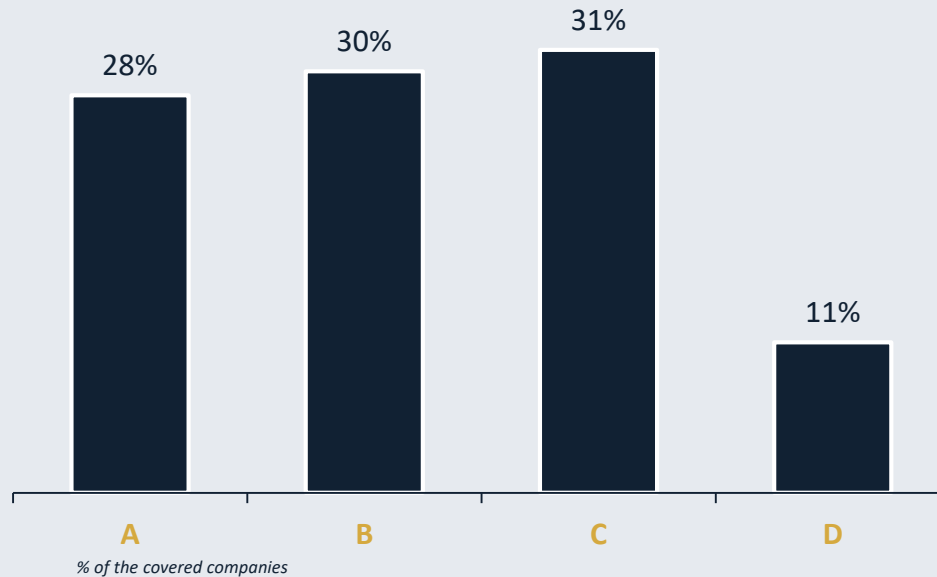


## DYNASTY GLOBAL CONVERTIBLES

### Carbon Footprint (of investments)

A B C D

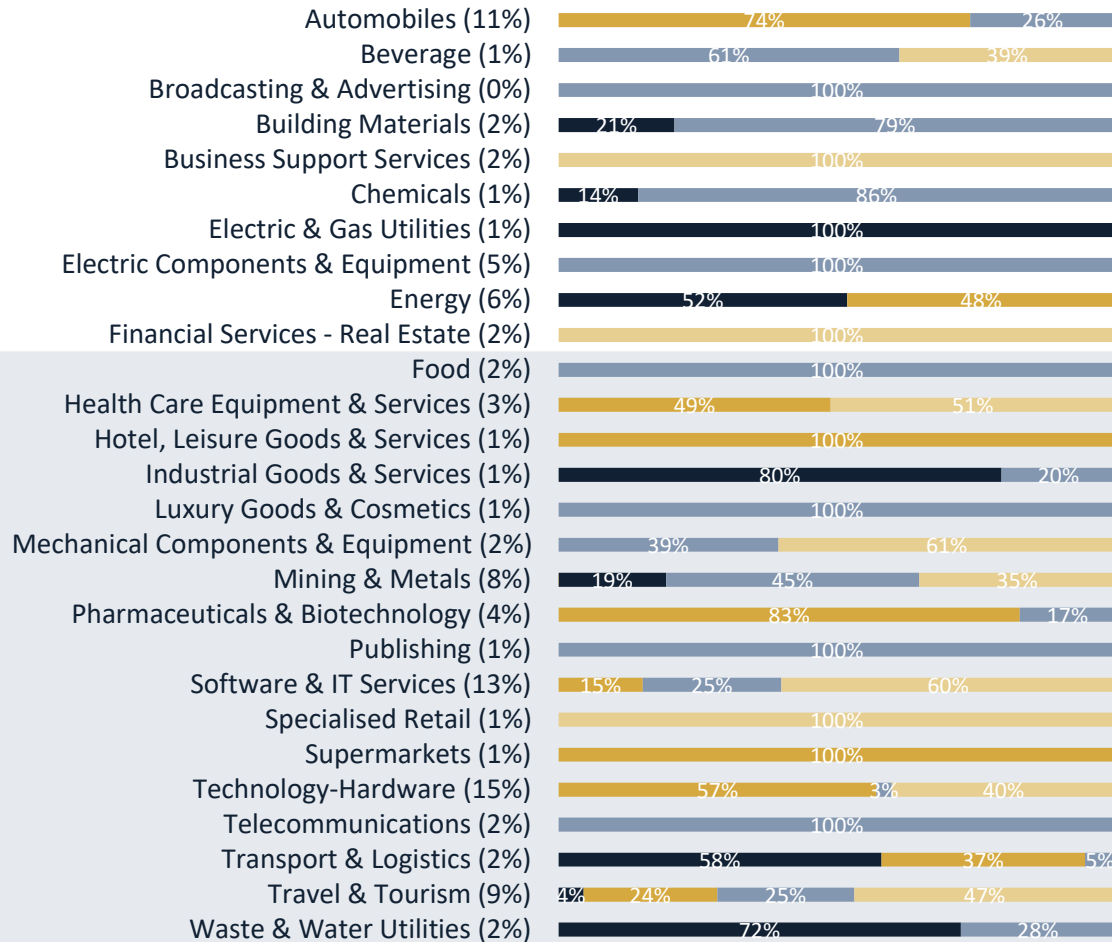
▲  
Significant



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

## DYNASTY GLOBAL CONVERTIBLES



### Carbon Footprint Breakdown by Sector (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

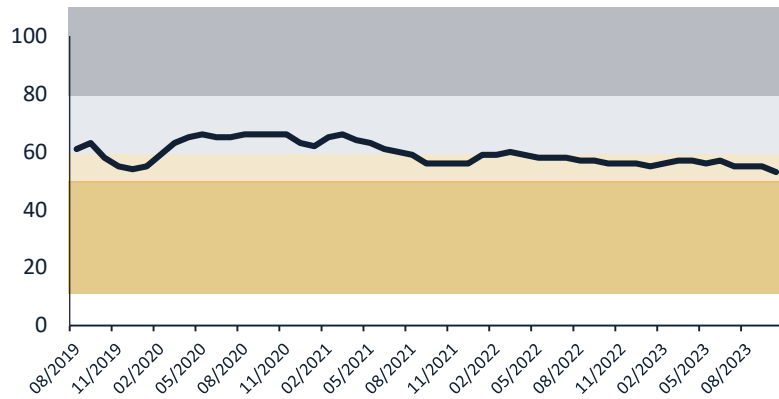
\* Scope 1 & 2



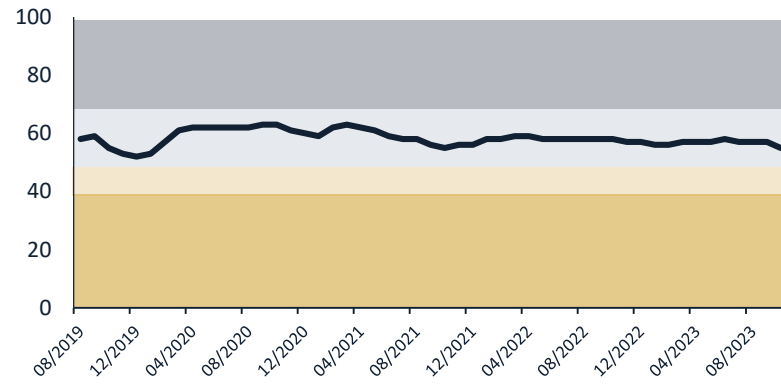
## DYNASTY GLOBAL CONVERTIBLES

### ESG RISKS

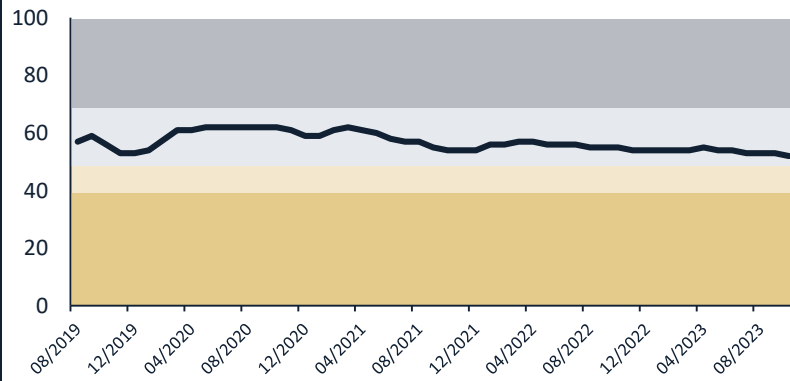
#### Environment



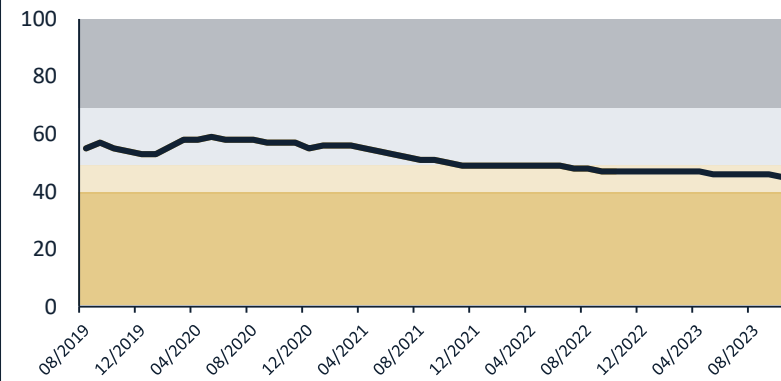
#### Social



#### Overall



#### Governance



- Advanced
- Robust
- Limited
- Weak



## DYNASTY GLOBAL CONVERTIBLES

### LuxFLAG ESG Label – Exclusion List

List of sectors and activities, in which investments must be **excluded**:

- (1) Controversial Weapons
- (2) Controversial Jurisdictions
- (3) Tobacco
- (4) Controversial Behavior



#### Controversial Weapons

Holding Name	ISIN	Portfolio Weight
None in portfolio		

#### Controversial Jurisdictions

Holding Name	ISIN	Portfolio Weight
None in portfolio		

#### Tobacco

Holding Name	ISIN	Portfolio Weight
None in portfolio		

## DYNASTY GLOBAL CONVERTIBLES

### LuxFLAG ESG Label – Exclusion List

List of sectors and activities, in which investments must be **excluded**:

- (1) Controversial Weapons
- (2) Controversial Jurisdictions
- (3) Tobacco
- (4) Controversial Behavior



ESG



LuxFlag Compliant

### Controversial Behavior

Holding Name	Portfolio Weight	UN Global Compact principle	Dynasty AM Status	Start of engagement	Time remaining below 2 years ?
Glencore 0% 2025	1.1%	Principles No. 1, 2	Ongoing Controversy	31/01/2022	Yes
Volkswagen 1.125% 2023	1.3%	Principles No. 9, 10	Not Active		
Volkswagen 3.375% Perp (Call 2024)	1.0%	Principles No. 9, 10	Not Active		
Stellantis 3.75% 2024	1.2%	Principles No. 9, 10	Not Active		
Uber 0% 2025	1.8%	Principles No. 1, 2	Not Active		
Bayer 1,25% 2023	1.1%	Principles No. 9	Not Active		
Bayer 0.375% 2024	0.6%	Principles No. 9	Not Active		
Bayer 6.625% 2083 (Call 2028)	0.7%	Principles No. 9	Not Active		



# Disclaimer

— This document and its data are provided for information purposes only and should not be conceived as a solicitation or offer to buy or sell any securities or related financial instruments by **DYNASTY AM**. Any investment put in place on the basis of this presentation must be executed in respect of the laws and rules applicable to each investor.

— **DYNASTY AM** is not advisors and neither **DYNASTY AM**, nor any officers or employees accepts any liability whatsoever for any financial result or from any other nature arising from use of this publication or its content.

— You are advised to make your own risk analysis and consult any independent advisors you believe necessary (law, financial, tax, accounting or any other advisors).

— **DYNASTY AM** brings your attention to the fact that the value of, and income from, any investment in its products may largely fluctuate due to their natures. The products have prospectuses registered with the **CSSF** (Commission de Surveillance du Secteur Financier). They are available on the website [www.dynasty-am.lu](http://www.dynasty-am.lu).

— This presentation is exclusively reserved for your private use and any dissemination or disclosure, either in whole or partial, is prohibited except with formal written approval by **DYNASTY AM**.

— Before any subscription, it is necessary to consult the prospectus of the fund. Past performances do not predict actual or future performances which may differ substantially from those reflected.



# Get in touch /Sales contact

**DYNASTY AM S.A.**  
13-15, route d'Esch  
L-1470 Luxembourg  
**Tel. : +352 24 69 77**

**Laurent PLUCHARD**  
Partner - Head of Development  
Tel: +352 2469 77 642  
Mobile: +352 621 380 785  
[laurent.pluchard@dynasty-am.lu](mailto:laurent.pluchard@dynasty-am.lu)

**Henri RAYOT**  
Sales [Europe]  
Tel: +352 2469 77 644  
Mobile: +352 621 379 155  
[henri.rayot@dynasty-am.lu](mailto:henri.rayot@dynasty-am.lu)





— Thank you  
Passion for YIELD



*Dynasty*  
Asset Management