

# ESG REPORT

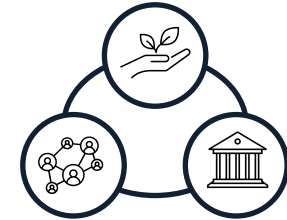
## DYNASTY GLOBAL CONVERTIBLE



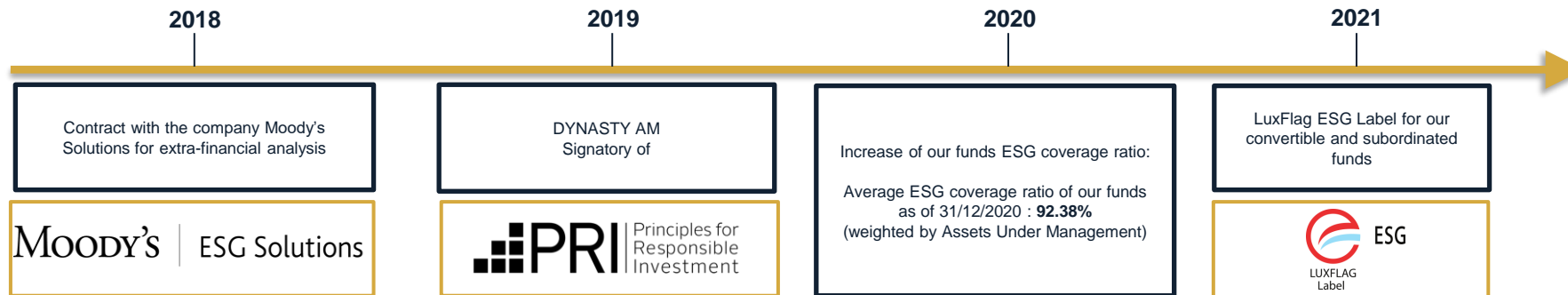
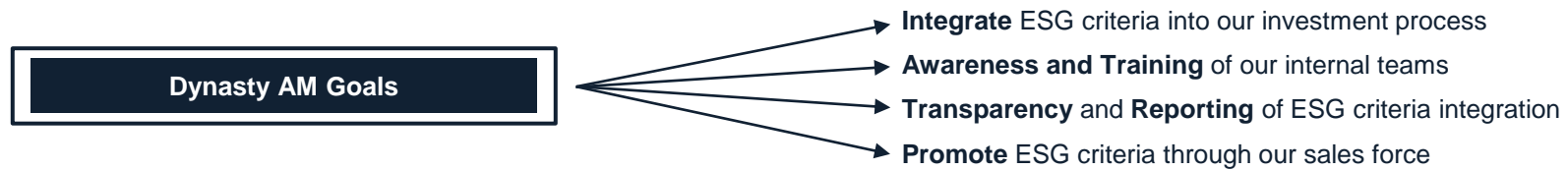
29<sup>th</sup> February 2024

# ESG POLICY

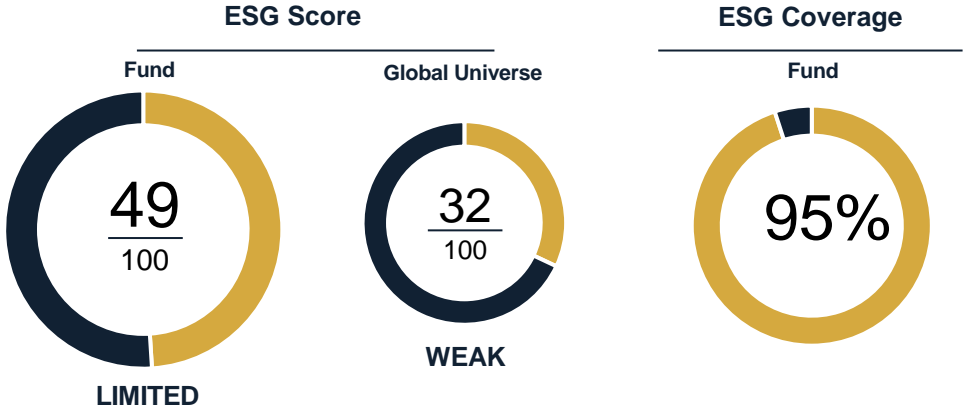
Dynasty AM S.A.'s **ESG (Environment, Social and Governance)** philosophy is based on the principle that there is a positive correlation between taking into account extra-financial criteria and generation of added value. We therefore aim to obtain the best long-term risk- return ratio for our clients,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



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



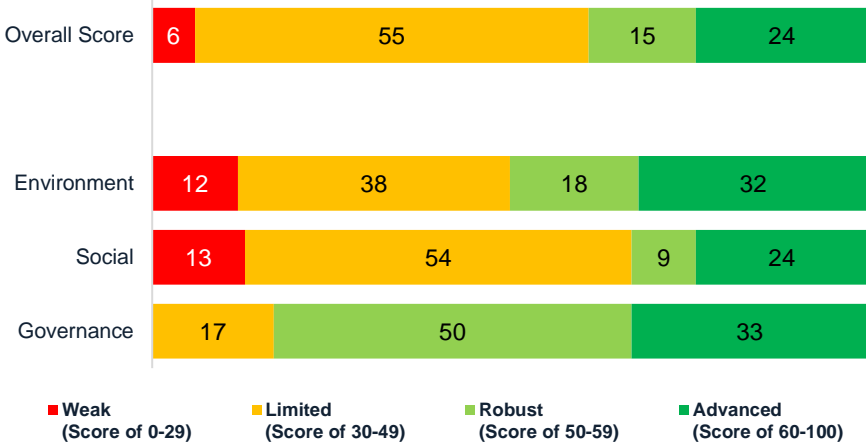
# DYNASTY GLOBAL CONVERTIBLES



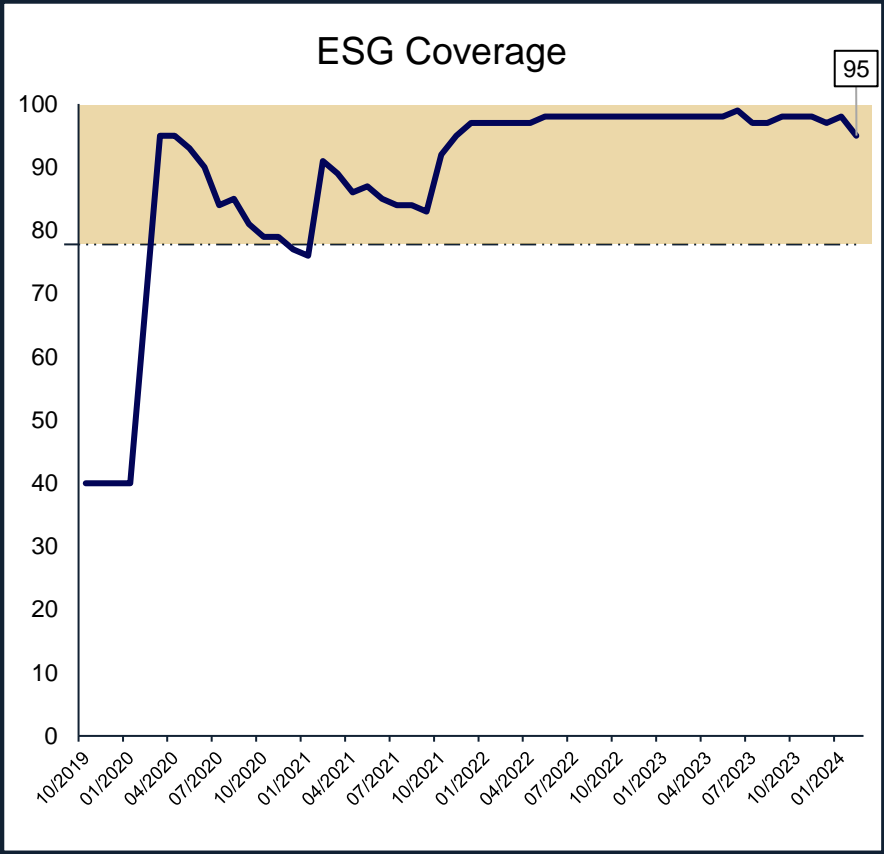
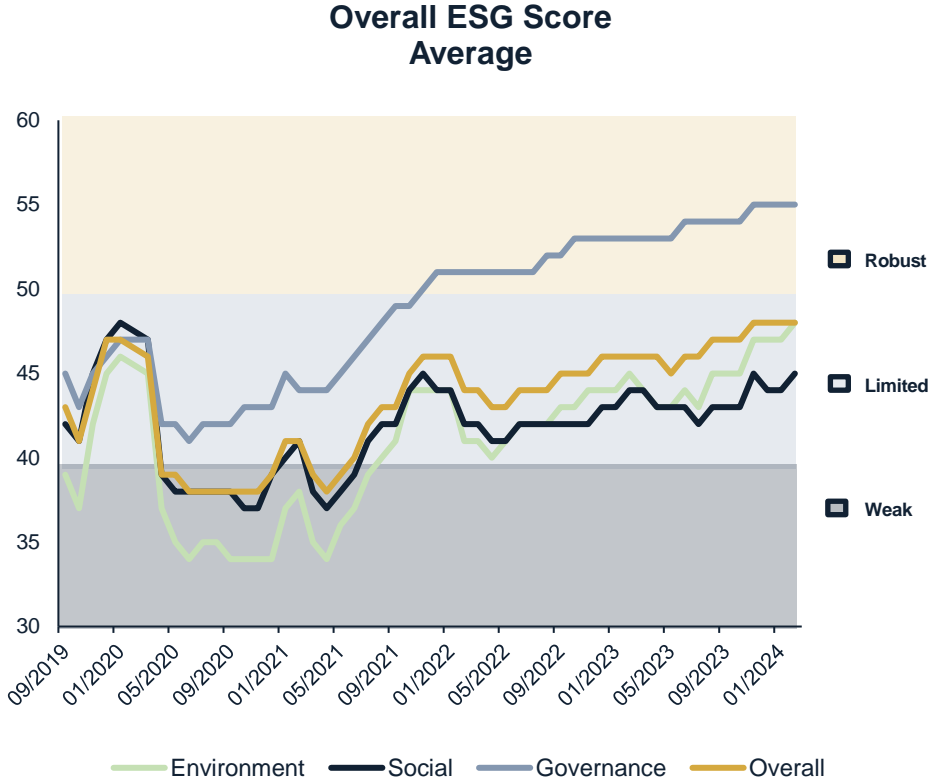
## Overall and Domain Scores

	Average
Overall	49
Environment	50
Social	46
Governance	55

## ESG Score Breakdown (% investment)



# DYNASTY GLOBAL CONVERTIBLES



# DYNASTY GLOBAL CONVERTIBLES

## 5 highest rated ESG positions

Rank	Holding Name	Portfolio Weight	Sector (GICS)	Rating
1	Enel 4.75% (Call 2029) / 0% 2024	0.6%	Utilities	Advanced
2	Danone 1.250% 2024	0.8%	Consumer, Non-cyclical	Advanced
3	L'Oréal 0.375% 2024	0.9%	Consumer, Non-cyclical	Advanced
4	Schneider Electric 0% 2026	3.1%	Industrial	Advanced
5	Eni 2.950% 2030	1.2%	Energy	Advanced

## 5 lowest rated ESG positions

Rank	Holding Name	Portfolio Weight	Sector (GICS)	Rating
1	Voyageurs du Monde 3.0% 2028	0.2%	Consumer, Cyclical	Weak
2	Airbnb 0% 2026	0.4%	Consumer, Cyclical	Weak
3	Digi Communications 2.5% 2025	0.1%	Communications	Weak
4	Liberty Media 2.250% 2027	0.5%	Communications	Weak
5	Kingsoft 0.625% 2025	0.6%	Technology	Weak

# DYNASTY GLOBAL CONVERTIBLES

5 largest positions

Rank	Holding Name	Portfolio Weight	Sector (GICS)	Rating
1	Booking 0.750% 2025	3.1%	Consumer, Cyclical	Limited
2	Schneider Electric 0% 2026	3.1%	Industrial	Advanced
3	Air France 0.125% 2026	3.1%	Consumer, Cyclical	Advanced
4	Rheinmetall 2.250% 2030	3.1%	Industrial	Limited
5	ON Semiconductor 0.5% 2029	3.0%	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

Holding Name	ISIN	Portfolio Weight
None in portfolio		

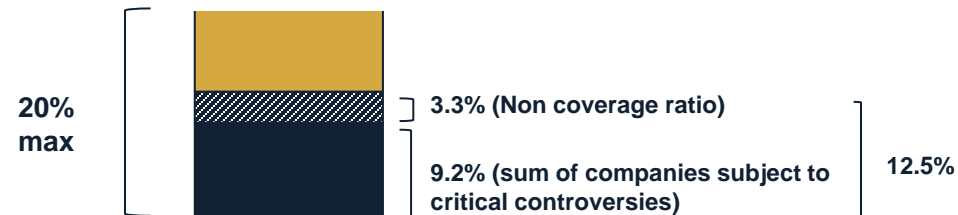


# DYNASTY GLOBAL CONVERTIBLES

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
Volkswagen 3.375% Perp (Call 2024)	0.9%	Consumer, cyclical	5
Uber 0.375% 2024 / 0% 2025	4.6%	Communications	4 - 5
Glencore 0% 2025	0.9%	Basic Materials	2 - 3
Stellantis 3.75% 2024	1.6%	Consumer, cyclical	5
Bayer 0.375% 2024	1.1%	Consumer, non-cyclical	5
Shell 0.750% 2024	0.1%	Communications	1 - 2 - 3 - 4

\*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.



# 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		

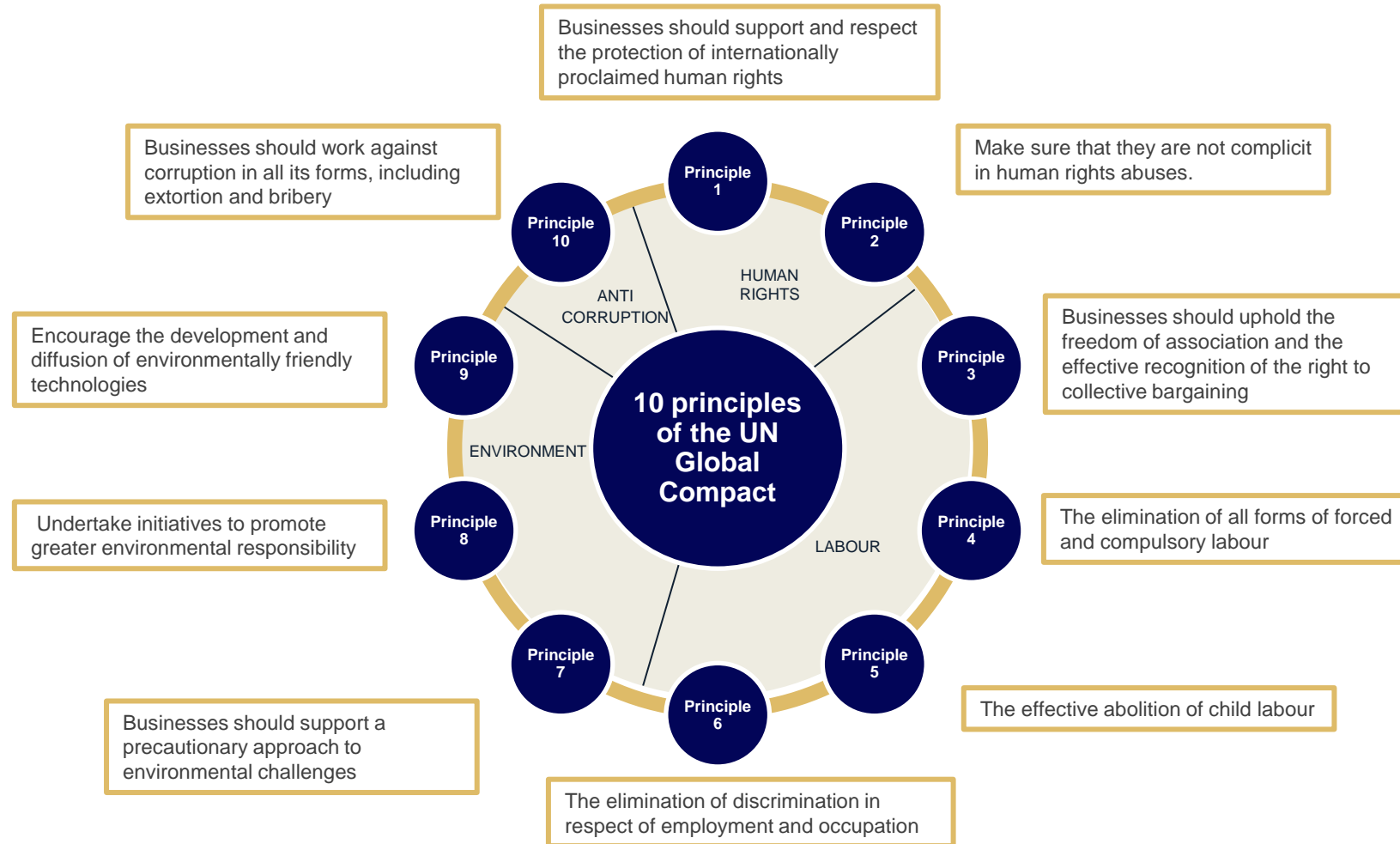
### Anti Personal Landmines

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 ?
Volkswagen 3.375% Perp (Call 2024)	0.9%	Principles No. 9	Not Active		
Uber 0% 2025 / 0.875% 2028	4.6%	Principles No. 1, 2	Not Active		
Glencore 0% 2025	0.9%	Principles No. 1, 2	Ongoing Controversy	31/01/2022	No
Stellantis 3.75% 2024	1.6%	Principles No. 9, 10	Not Active		
Bayer 0.375% 2024	1.1%	Principles No. 9	Not Active		
Shell 0.750% 2024	0.1%	Principles No. 7,8	Not Active		



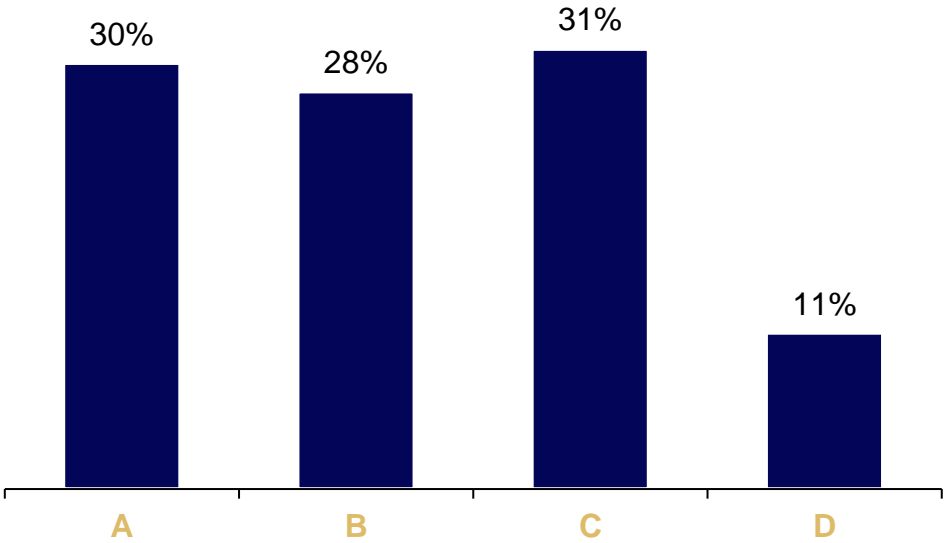
# DYNASTY GLOBAL CONVERTIBLES

**Carbon Footprint (of investments)**

A B C D



Significant

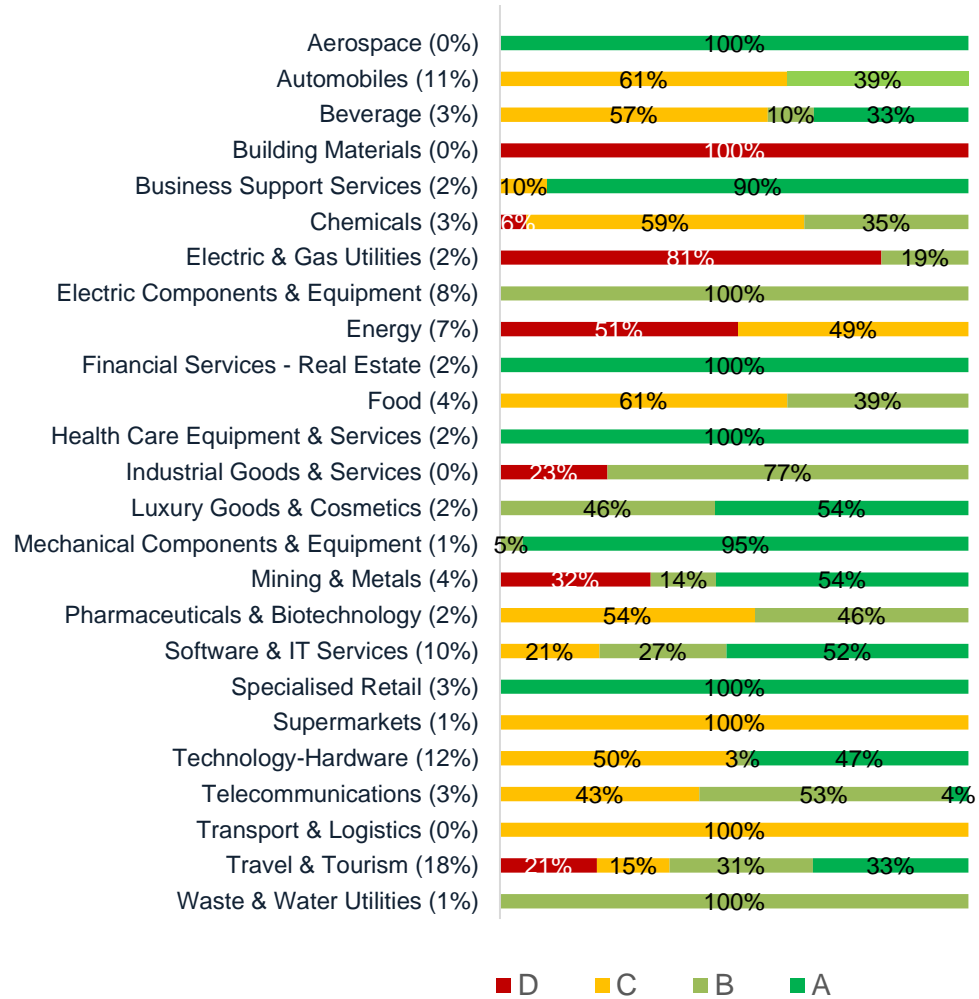


% of the covered companies

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)



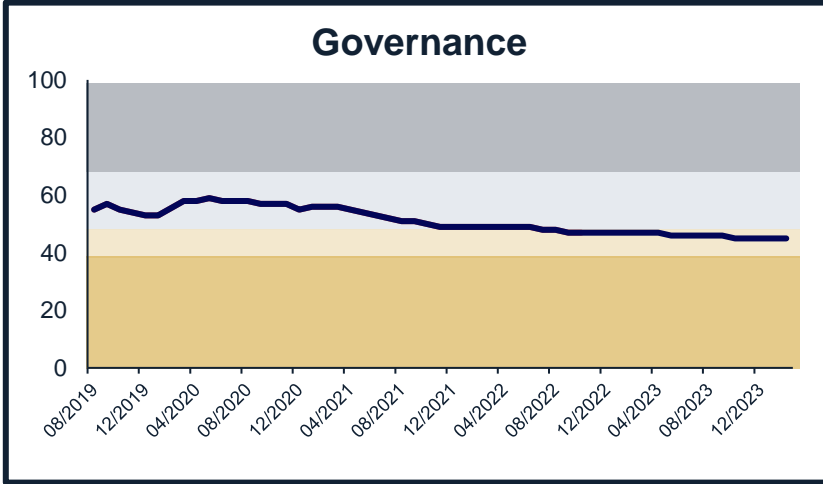
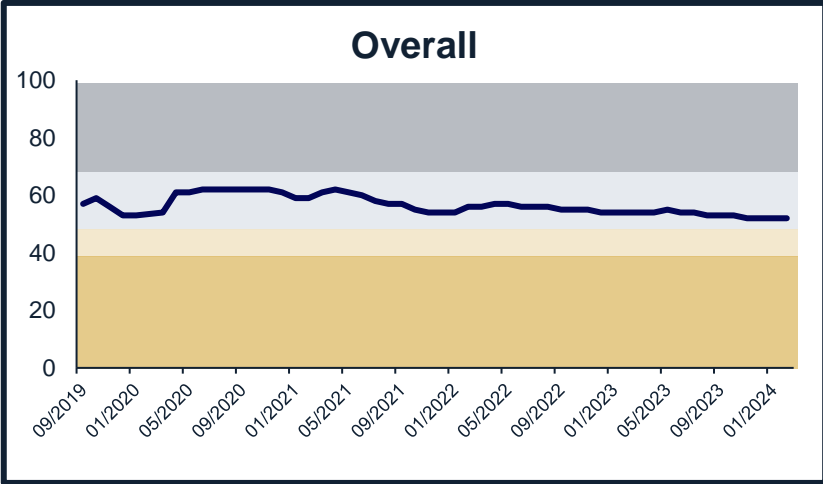
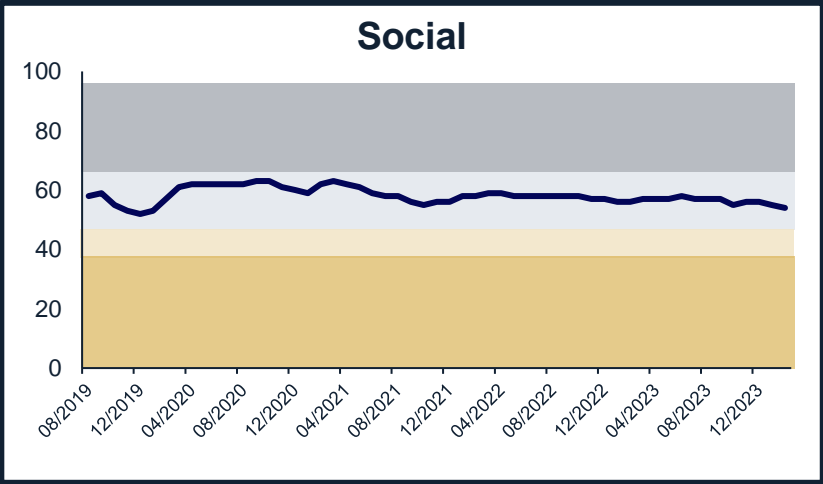
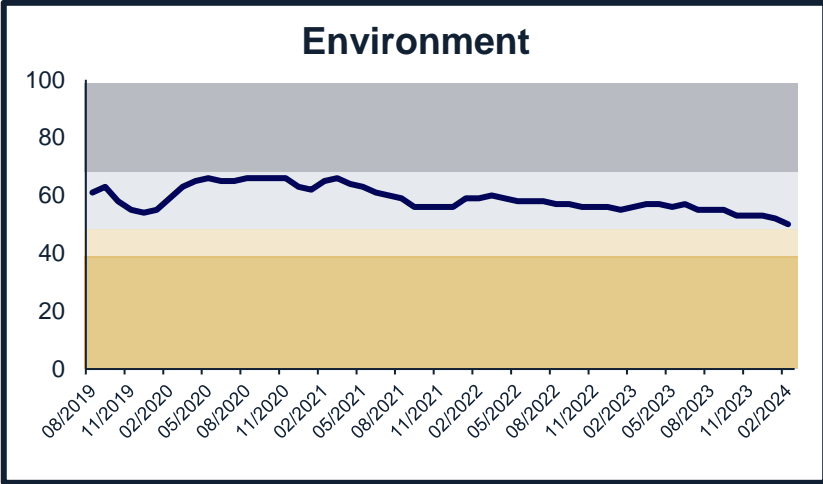
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A	<100 000	Moderate
B	>= 100 000 and <1 000 000	Significant
C	>= 1 000 000 and <10 000 000	High
D	>= 10 000 000	Intense

\* Scope 1 & 2



# DYNASTY GLOBAL CONVERTIBLES

## ESG RISKS



- 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



ESG



LuxFlag Compliant

**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 ?
Volkswagen 3.375% Perp (Call 2024)	0.9%	Principles No. 9	Not Active		
Uber 0% 2025 / 0.875% 2028	4.6%	Principles No. 1, 2	Not Active		
Glencore 0% 2025	0.9%	Principles No. 1, 2	Ongoing Controversy	31/01/2022	No
Stellantis 3.75% 2024	1.6%	Principles No. 9, 10	Not Active		
Bayer 0.375% 2024	1.1%	Principles No. 9	Not Active		
Shell 0.750% 2024	0.1%	Principles No. 7,8	Not Active		





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