

ESG REPORT

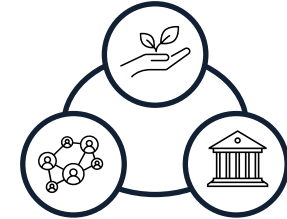
DYNASTY CREDIT SUB



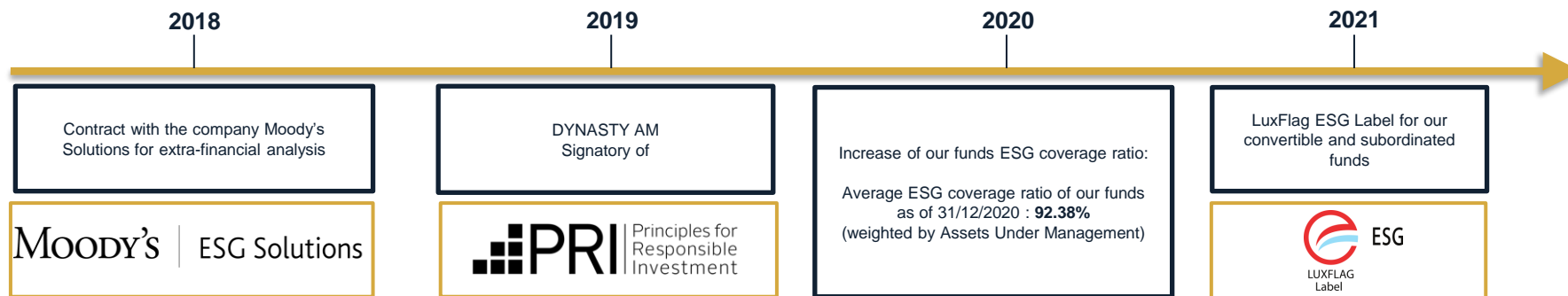
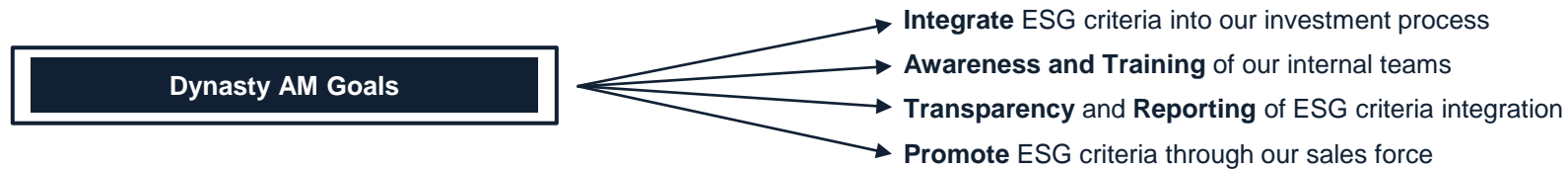
30th April 2024

ESG POLICY

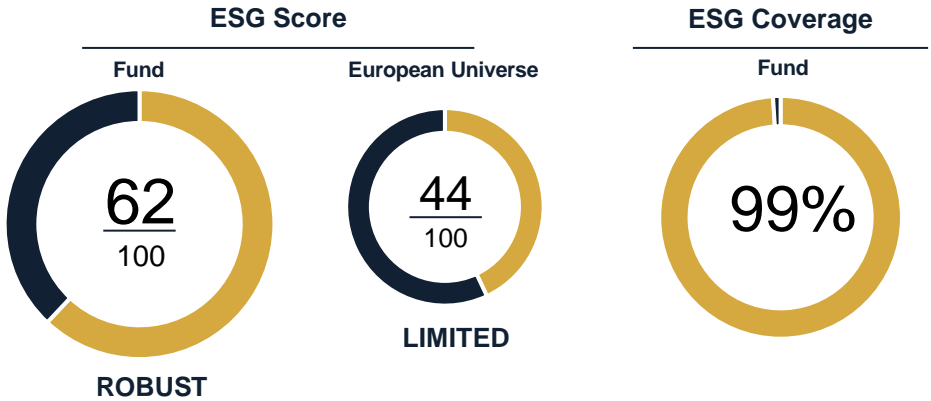
Dynasty AM S.A.'s **ESG (Environment, Social and Governance)** philosophy is based on the principle that there is a positive correlation between taking into account extra-financial criteria and generation of added value. We therefore aim to obtain the best long-term risk- return ratio for our clients,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



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



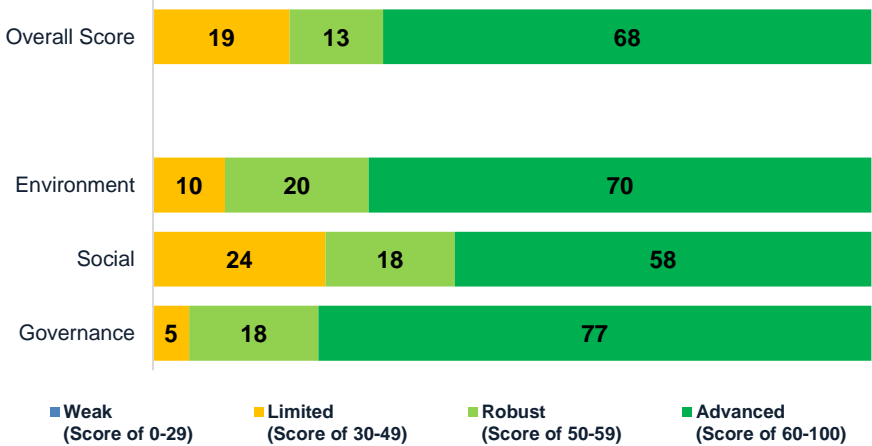
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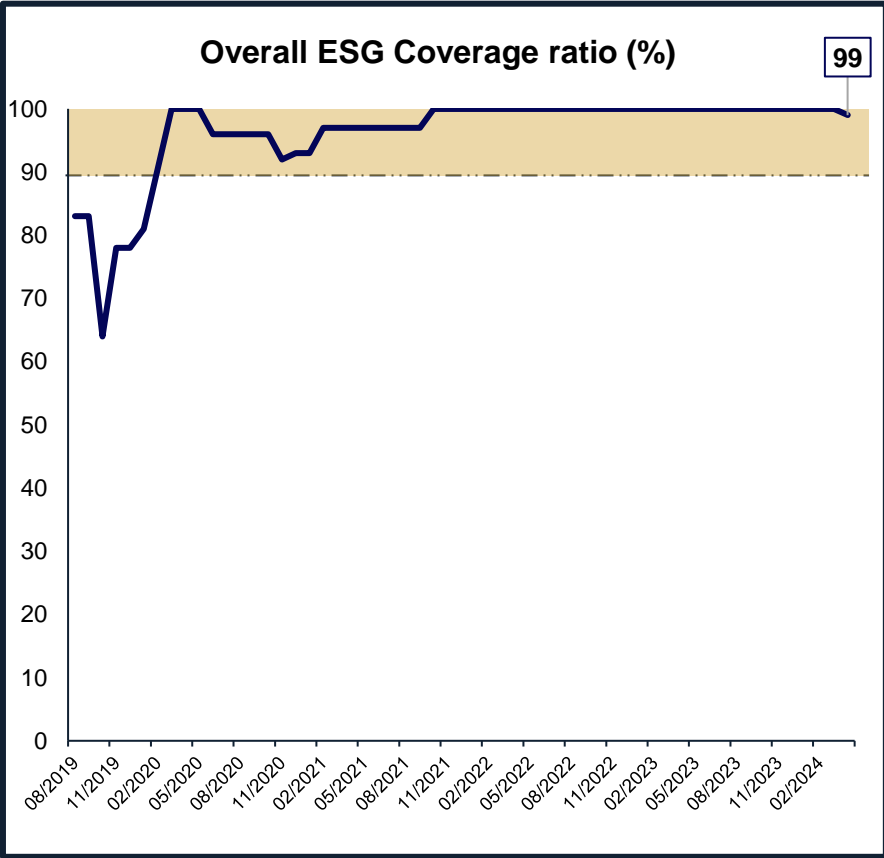
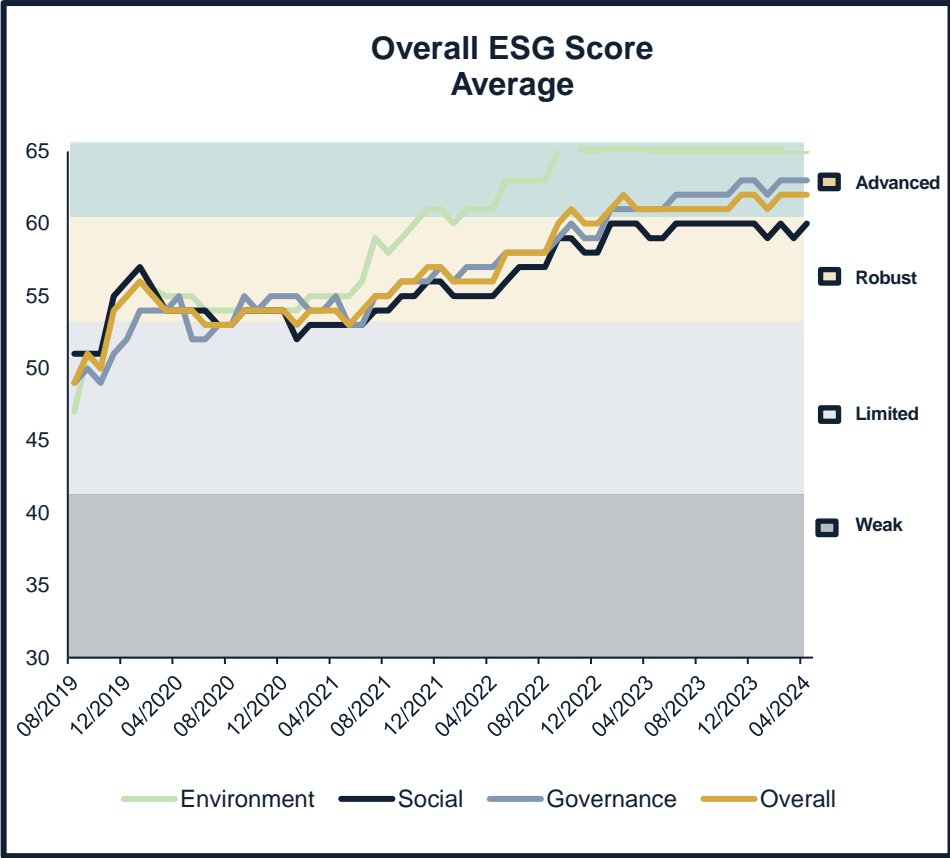
Overall and Domain Scores

	Average
Overall	62
Environment	65
Social	60
Governance	63

ESG Score Breakdown (% investment)



DYNASTY CREDIT SUB



DYNASTY CREDIT SUB

5 highest rated ESG positions

Rank	Holding Name	Portfolio Weight	Sector (GICS)	Rating
1	La Poste 3.125% Perp (Call 2025)	3.0%	Industriel	Advanced
2	Enel 6.375% Perp (Call 2028) / 4.75% (Call 2029)	2.4%	Consumer, Non-Cyclical	Advanced
3	Danone 1% Perp (Call 2026)	0.7%	Consumer, Non-Cyclical	Advanced
4	Casino 4.87% Perp (Call 2024)	0.01%	Consumer, Non-Cyclical	Advanced
5	Electricité de France 2.875% Perp (Call 2026)	4.4%	Utilities	Advanced

5 lowest rated ESG positions

Rank	Holding Name	Portfolio Weight	Sector (GICS)	Rating
1	Aroundtown 1.625% Perp (Call 2026)	2.4%	Real Estate	Limited
2	Abertis 3.248% Perp (Call 2025)	3.1%	Industrial	Limited
3	Bertelsmann 3% 2075 Perp (Call 2027)	3.2%	Communications	Limited
4	Energie Baden-Wuerttemberg 1.875% Perp (Call 2026) / 5,25% Perp (Call 2029)	2.3%	Utilities	Limited
5	AT&T 2.875% Perp (Call 2025)	1.6%	Communications	Limited



DYNASTY CREDIT SUB

5 largest positions

Rank	Holding Name	Portfolio Weight	Sector (GICS)	Rating
1	BP Capital Markets 3.25% Perp (Call 2026)	4.7%	Energy	Limited
2	Eni Spa 2.625% Perp (Call 2025)	4.6%	Energy	Advanced
3	Electricité de France 2.875% Perp (Call 2026)	4.4%	Utilities	Advanced
4	Infineon Technologies 2.875% Perp (Call 2025)	3.8%	Technology	Advanced
5	Evonik 1.375% (Call 2026)	3.6%	Basic Materials	Advanced



DYNASTY CREDIT SUB

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		

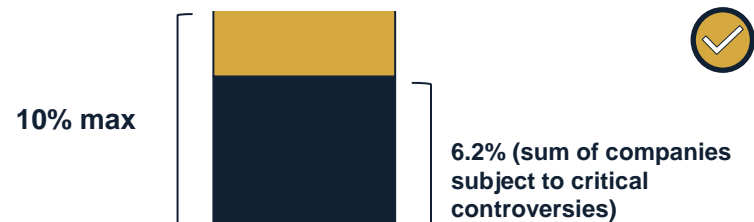


DYNASTY CREDIT SUB

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
Holcim 3% Perp (Call 2024)	1.6%	Industrial	4
Volkswagen 3.375% Perp (Call 2024)	1.6%	Consumer, Cyclical	5
Bayer 4.5% 2082 (Call 2027)/ 6.625% 2083 (Call 2028)	3.0%	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.

DYNASTY CREDIT SUB

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

None in portfolio

Controversial Weapons

Holding Name	ISIN	Portfolio Weight

None in portfolio

Nuclear Weapons

Holding Name	ISIN	Portfolio Weight

None in portfolio

Anti Personal Mines

Holding Name	ISIN	Portfolio Weight

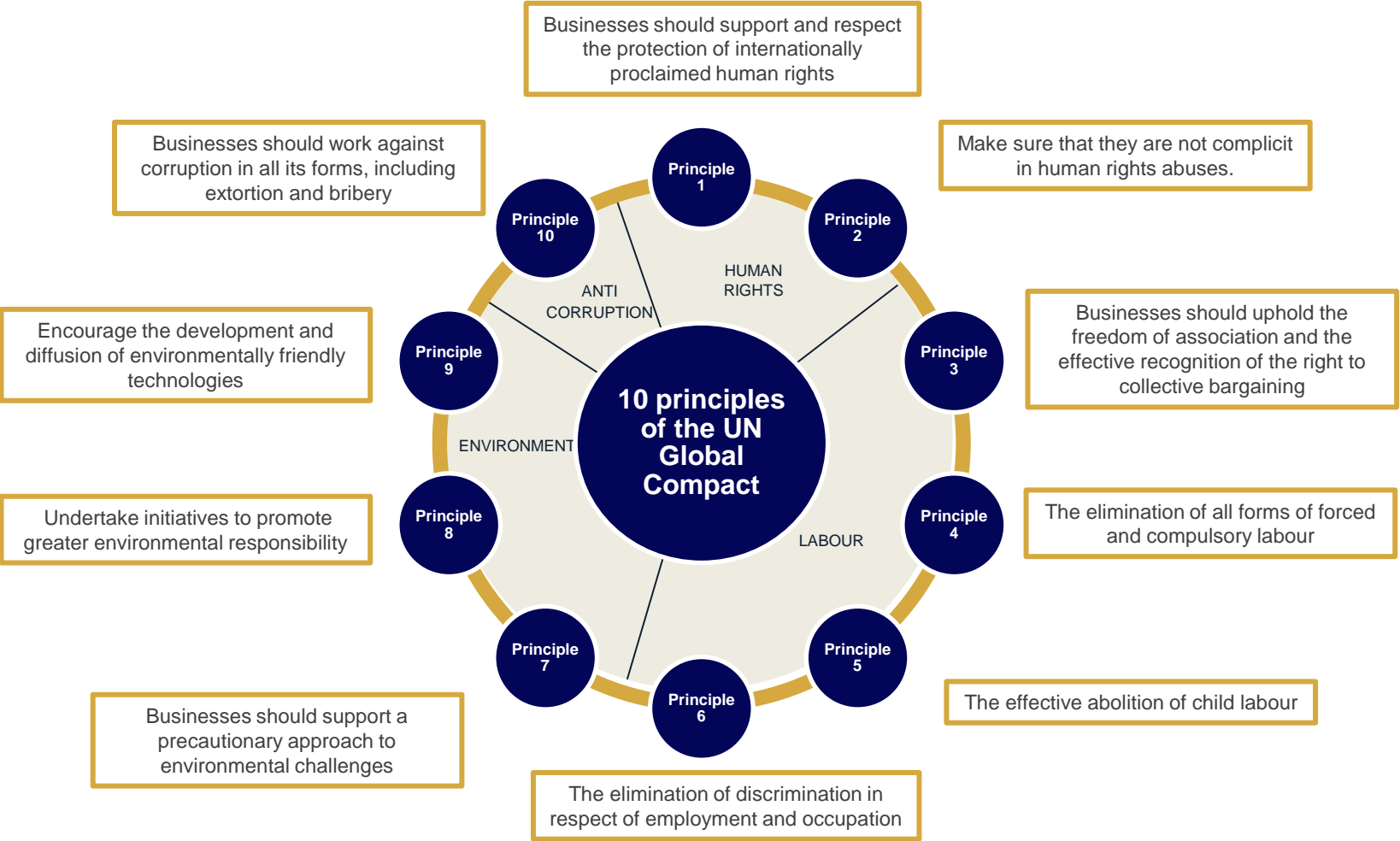
None in portfolio

Anti Personal Landmines

Holding Name	ISIN	Portfolio Weight

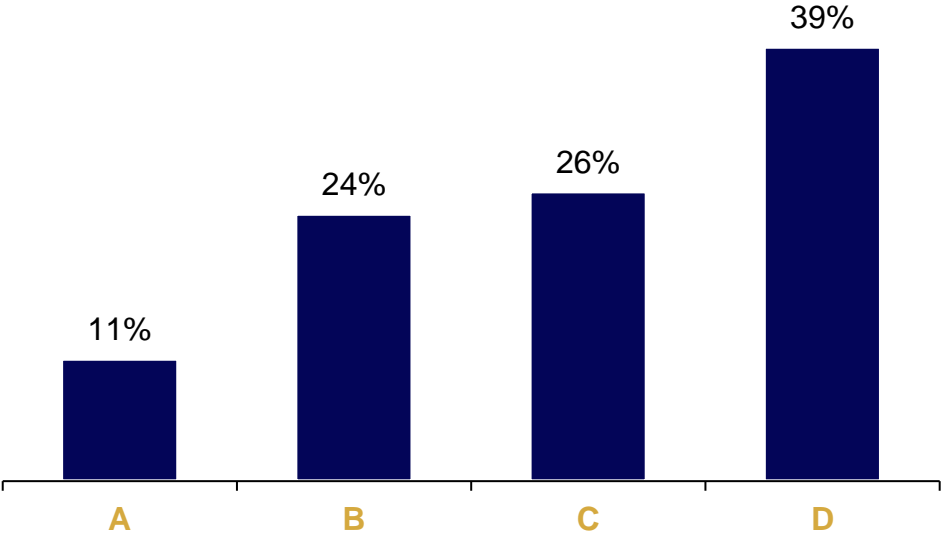
None in portfolio

DYNASTY CREDIT SUB



DYNASTY CREDIT SUB

Carbon Footprint (of investments)



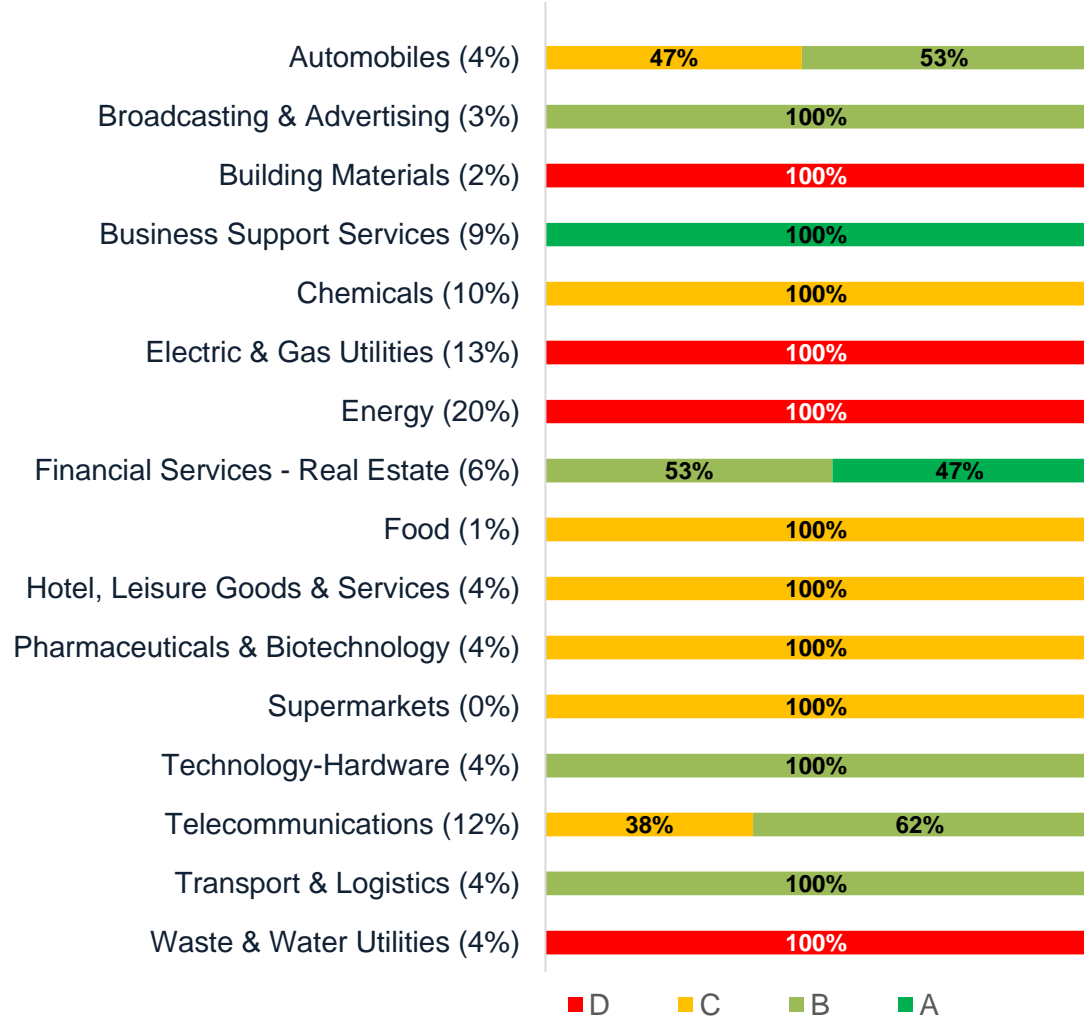
Scale	Emissions (T CO2 Equivalent)*	Categories
A	<100 000	Moderate
B	>= 100 000 and <1 000 000	Significant
C	>= 1 000 000 and <10 000 000	High
D	>= 10 000 000	Intense

* Scope 1 & 2

% of the covered companies



DYNASTY CREDIT SUB



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 CREDIT SUB

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 Behavior → 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.

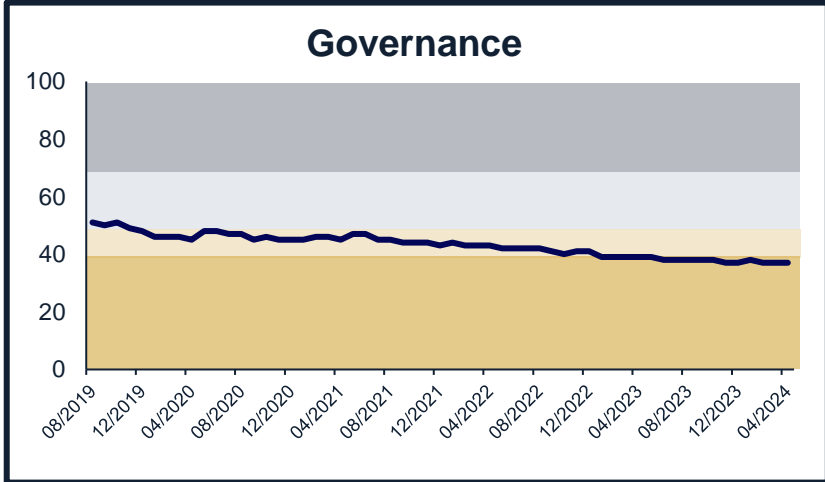
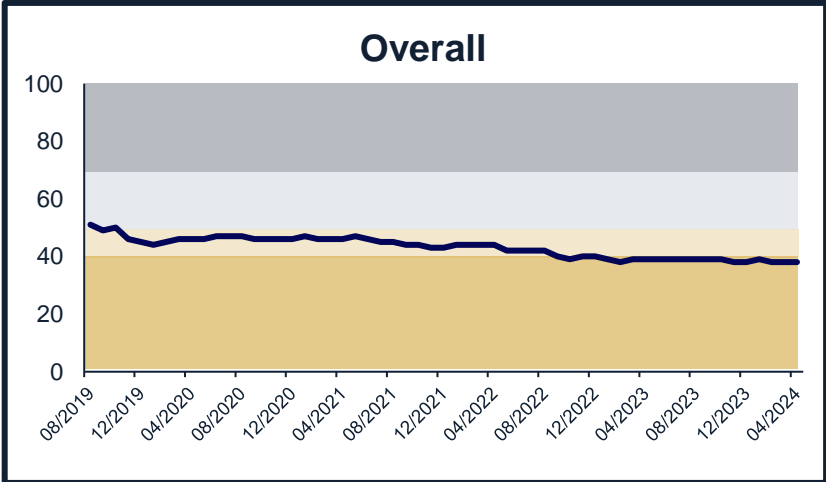
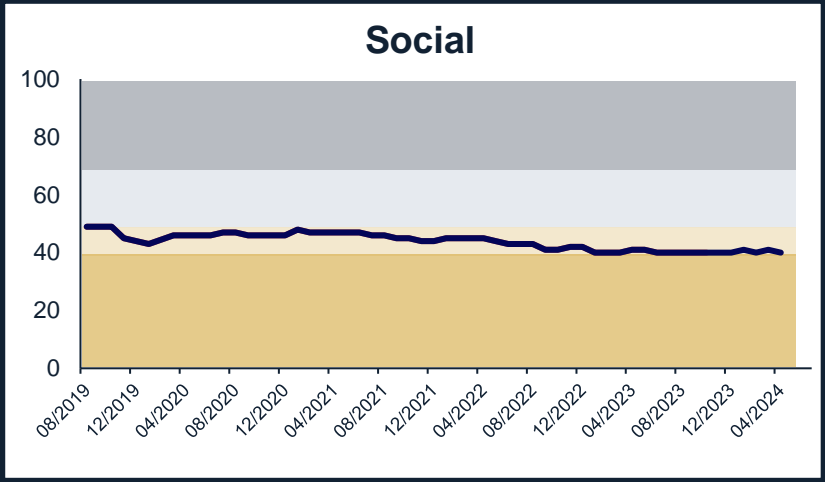
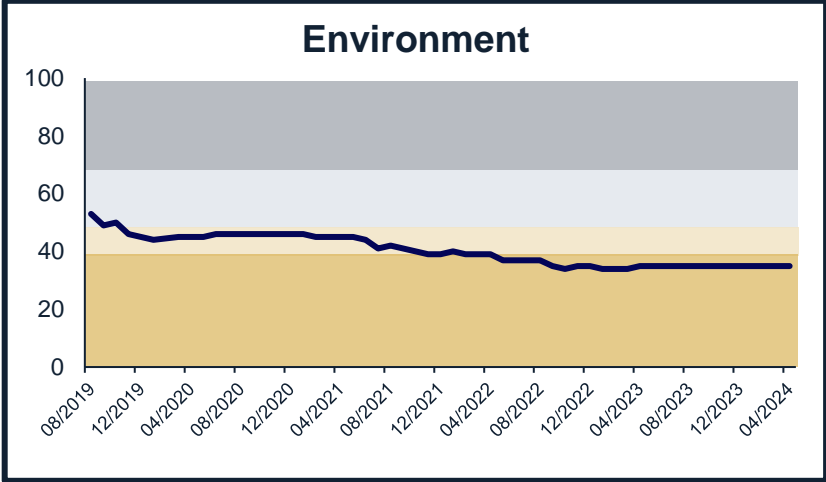
If this engagement does not lead to the desired change in a period of **2 years** from the **start** of this engagement, the company will join our **Global Compact Exclusion List**.

Holding Name	Portfolio Weight	UN Global Compact principle	Dynasty AM Status	Start of engagement	Time remaining below 2 years ?
Volkswagen 3.375% Perp (Call 2023)	1.6%	Principles No. 9, 10	Not active		
Bayer 4.5% 2082 (Call 2027)/ 6.625% 2083 (Call 2028)	3.0%	Principle No. 9	Not Active		
Holcim 3% Perp (Call 2024)	1.6%	Principles No. 1,2, 10	Not Active		



DYNASTY CREDIT SUB

ESG RISKS



- Advanced
- Robust
- Limited
- Weak

DYNASTY CREDIT SUB

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 CREDIT SUB

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 2023)	1.6%	Principles No. 9, 10	Not active		
Bayer 4.5% 2082 (Call 2027)/ 6.625% 2083 (Call 2028)	3.0%	Principle No. 9	Not Active		
Holcim 3% Perp (Call 2024)	1.6%	Principles No. 1,2, 10	Not Active		



Get in touch/ Sales contact

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Thank You