



**DYNASTY AM**  
PASSION FOR YIELD

## **RESPONSIBLE INVESTMENT POLICY**

### **1. INTRODUCTION**

Dynasty AM S.A. is a Luxembourg management company authorized by the CSSF, specializing in UCITS management, AIF management, and discretionary management. Dynasty AM offers its institutional, private, and Family Office clients a range of funds invested in classic and convertible bonds.

Our approach is based on a clear investment philosophy: our interests are aligned with those of our clients, and our investment policy is the result of teamwork and continuous idea exchange.

Dynasty AM is convinced that there is a positive correlation between considering extra-financial (ESG) criteria and generating long-term value. Integrating Environmental, Social, and Governance criteria into the investment process helps optimize the risk/return ratio for our clients.

### **2. SFDR CLASSIFICATION AND SCOPE**

Three funds in the range are classified SFDR **Article 8**:

- **Dynasty Convertibles Europe**
- **Dynasty Credit Sub**
- **Dynasty Global Convertibles**

These funds promote, among other characteristics, ESG criteria, without pursuing a sustainable investment objective.

Their investment process remains focused on a **combined financial and extra-financial analysis**, systematically integrating ESG dimensions.

### **3. PRINCIPLES AND PILLARS OF ESG INTEGRATION**

The integration of ESG criteria is structured around 5 key pillars:

#### **Pillar 1: ESG Coverage**

- Objective: ensure a minimum ESG coverage rate of portfolios:
  - ≥ 90% for European universe funds
  - ≥ 80% for global universe funds

Securities not covered by our external data providers are subject to internal qualitative assessment (reports, press releases, controversies...) by our ESG analyst.



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## **Pillar 2: Normative Exclusions**

Systematic exclusion of issuers:

- Located in controversial jurisdictions considered high-risk and subject to a "Call to Action" identified by the Financial Action Task Force
- Non-compliant with the United Nations Global Compact (UNGC).
- Linked to the U.S. Executive Order 13959 related to Chinese military companies.

## **Pillar 3: Sectoral Exclusions**

Exclusion of issuers involved in:

- Unconventional weaponry (chemical, biological, nuclear weapons, anti-personnel mines, cluster bombs).
- Extraction and exploitation of thermal coal.
- Activities related to tobacco.
- Gambling activities.

## **Pillar 4: Controversy Monitoring**

Implementation of continuous monitoring of controversies related to issuers in the portfolio.

We have decided to include a special filter on companies subject to very serious controversies.

These companies will remain investable, but the sum of these investments cannot exceed 10% of the portfolio if the investment universe is European or 20% of the portfolio if the investment universe is global.

## **4. GOVERNANCE AND INTERNAL RESPONSIBILITY**

The ESG policy is supervised by the Investment Committee, which ensures its proper implementation. Managers, analysts, and control functions are involved in daily monitoring.

Regular internal reporting is provided to measure compliance with ESG coverage thresholds, the monitoring of exclusions, and the evolution of controversies.