

Model periodic information for financial products referred to in Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088 and in the first paragraph of Article 6 of Regulation (EU) 2020/852

Product Name: Echiquier Artificial Intelligence B

Legal Entity ID: 5299000XN3AJ5QX5ND70

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

- ☐ It made **sustainable investments with an environmental objective: ____%**
- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
 - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective: ____%**

☒ ☐ ☒ **No**

- ☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 44 % of sustainable investments
- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
 - ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
 - ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**



To what extent have the environmental and/or social characteristics promoted by this financial product been achieved?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The responsible investment strategy is based on ESG criteria highlighting the environmental and/or social characteristics promoted by this financial product, such as the reduction of the environmental impact of companies in terms of air pollution, the protection of biodiversity, the consideration by companies of environmental risks... or the improvement of working conditions, the protection of employees, the fight against discrimination...

All the positions in the portfolio have benefited from an extra financial analysis (excluding SPAC).

● How did the sustainability indicators perform?

Indicators	30/09/2023
ESG rating	
ESG rating (source LFDE)	6,4/10
Note Environment (source LFDE)	6,7/10
Note Social (source LFDE)	5,2/10
Governance note (source LFDE)	7,0/10
Other Indicators	
Carbon Intensity of Induced Emissions (source Carbon4 Finance)	25,3

**The calculation of this indicator can be based on estimated data*

● ...and compared to previous periods?

Indicators	30/09/2022	30/09/2023	Minimum expected
ESG rating			
ESG rating (source LFDE)	6,2/10	6,4/10	4,0/10
Note Environment (source LFDE)	6,0/10	6,7/10	/
Note Social (source LFDE)	4,9/10	5,2/10	/
Governance note (source LFDE)	7,0/10	7,0/10	/
Other Indicators			
Carbon Intensity of Induced Emissions (source Carbon4 Finance)	26,4	25,3	/

**The calculation of these indicators can be based on estimated data*

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The sustainable investment objectives of the financial product were to contribute to the achievement of the United Nations Sustainable Development Goals (including the fight against climate change, the protection of biodiversity and the improvement of access to health in the world). To assess this positive contribution to society and the environment, the financial product uses three impact scores developed internally by La Financière de l'Échiquier (SDG Score (focus on 9 SDGs), Climate & Biodiversity Maturity Score (MCB), AAAA Score (focus on access to health)) and an external score called the "MSCI SDG Score" built from MSCI ESG Research data. If the issuer has a sufficient score on one of these four scores, it will be considered that its economic activity contributes to an environmental or social objective. Finally, in the event that none of the four impact scores mentioned above is available for a company (notably in the case of a company not covered by MSCI), an analysis of the contribution to the SDGs will be carried out internally through the internal "SDG ID Score" (broader than the SDG Score because it focuses on 17 SDGs instead of 9).

In practice, this financial product has achieved 44% of sustainable investments.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

To ensure that the financial product's sustainable investments do not cause significant harm to an environmental or social objective (DNSH), La Financière de l'Échiquier has applied a "DNSH" procedure for products with a sustainable investment objective, including:

- Sectoral and normative exclusions (recalled below) that reduce its exposure to social and environmental harms: tobacco, coal, recreational cannabis, controversial armaments.

How were the indicators for adverse impacts on sustainability factors taken into account?

Regarding negative impacts, this financial product has taken into account 14 mandatory indicators from Table 1 of Annex I of the European Commission's Delegated Regulation (EU) 2022/1288, and also includes 2 additional indicators (investments in companies without carbon reduction initiatives and investments in issuers without a policy to prevent work accidents). These indicators are taken into account in the various aspects of the management company's responsible investment approach: through the exclusion policy (sectoral and normative), the ESG analysis methodology, the various Impact scores, and the measurement and monitoring of ESG performance indicators (carbon intensity, ESG controversy score) as follows

CLIMATE & ENVIRONMENT PILLAR

- Scope 1, 2 and 3 greenhouse gas emissions by measuring and monitoring CO2 emissions and equivalents for all scopes (1, 2, 3),
- The carbon footprint, measured and monitored using the Carbon Impact Ratio methodology (ratio of saved emissions to induced emissions),
- The carbon intensity of the invested companies (in tCO2) calculated according to the intensity of the induced emissions (WACI),
- The exposure of invested companies to fossil fuels is taken into account in the ESG analysis,
- The share of non-renewable energy consumption and production taken into account in the ESG analysis,
- The impact on biodiversity through ESG analysis, the Climate and Biodiversity Maturity Score and the measurement of the biodiversity footprint,
- The impact on biodiversity through ESG analysis and the measurement of the biodiversity footprint,
- Tons of priority substances discharged into water considered in ESG analysis
- Tons of hazardous waste considered in the ESG analysis,
- Investments in companies without carbon reduction initiatives in the ESG analysis (additional indicator).

SOCIAL PILLAR, HUMAN RESOURCES AND RESPECT FOR RIGHTS INCLUDING HUMAN RIGHTS

- The share of issuers involved in violations of the UN Global Compact or the OECD Guidelines, through MSCI ESG Research's normative exclusion policy and controversy monitoring,
- The proportion of investments in issuers without a compliance process and mechanism to monitor compliance with the principles of the UN Global Compact or the OECD Guidelines, through MSCI ESG Research's normative exclusion policy and controversy monitoring,
- The gender pay gap taken into account in the ESG analysis,

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Additional Information (unaudited) (continued)
Sustainable Finance Disclosure Regulation ("SFDR") (continued)

- Diversity on company boards in terms of % of women according to the different legislation between countries and the level of voluntarism and proactivity of companies on the subject, taken into account in the ESG analysis,
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, etc.) taken into account in the sectoral exclusion policy,
- Investments in issuers without a policy of prevention of occupational accidents taken into account in the ESG analysis (additional indicator).

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Through our normative exclusion policy and MSCI ESG Research's controversy monitoring, including the exclusion of the most controversial companies (including companies guilty of violating the UN Global Compact), we have ensured that the following two PAIs are included:

- The share of issuers involved in violations of the UN Global Compact or the OECD Guidelines,
- The proportion of investments in issuers without a compliance process and mechanism to monitor compliance with the UN Global Compact or OECD Guidelines.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product address key negative impacts on sustainability factors?

Regarding negative impacts, this financial product has taken into account 14 mandatory indicators from Table 1 of Annex I of the European Commission's Delegated Regulation (EU) 2022/1288, and also includes the following two additional indicators: investments in companies without carbon reduction initiatives and investments in issuers without a policy to prevent work-related accidents. These indicators are taken into account in the various aspects of the management company's responsible investment approach: through the exclusion policy (sectoral and normative), the ESG analysis methodology, the various Impact scores, and the measurement and monitoring of ESG performance indicators (carbon intensity, ESG controversy score). The details of the indicators taken into account are mentioned above.



What were the main investments in this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:

Largest investments as of 30/09/2023	Economic sectors	of assets	Country
NVIDIA	IT	6,01%	USA
CROWDSTRIKE	IT	5,26%	USA
AMAZON.COM	Consumer Discretionary	5,04%	USA
SERVICENOW	IT	4,93%	USA
PALO ALTO NETWORKS	IT	4,75%	USA
MICROSOFT	IT	4,49%	USA
ZSCALER	IT	4,30%	USA
TESLA	Consumer Discretionary	4,29%	USA
DATADOG	IT	4,23%	USA
MERCADOLIBRE	Consumer Discretionary	4,21%	USA

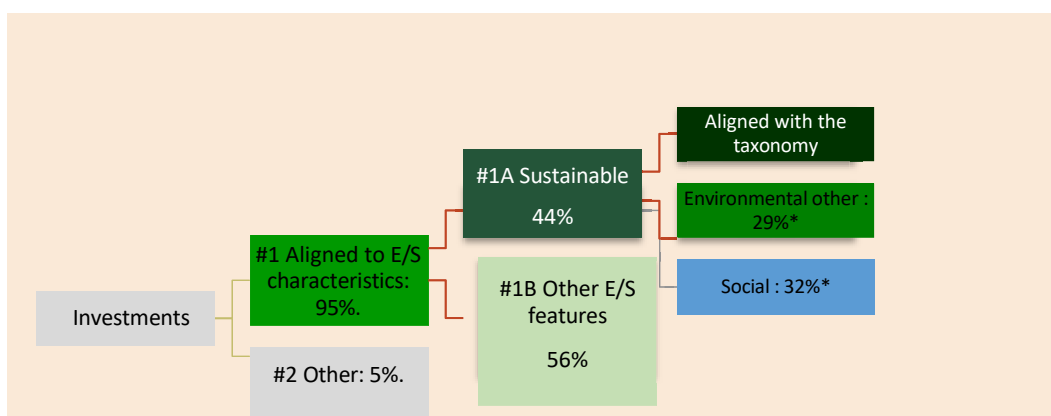


What was the proportion of sustainability-related investments?

What was the asset allocation?

To date, the methodology used to calculate sustainable investments does not allow us to precisely differentiate environmental and social sustainable investments.

Asset allocation
describes the
share of
investments in
specific assets.



Category **#1 Aligned with E/S Characteristics** includes financial product investments used to achieve the environmental or social characteristics promoted by the financial product.

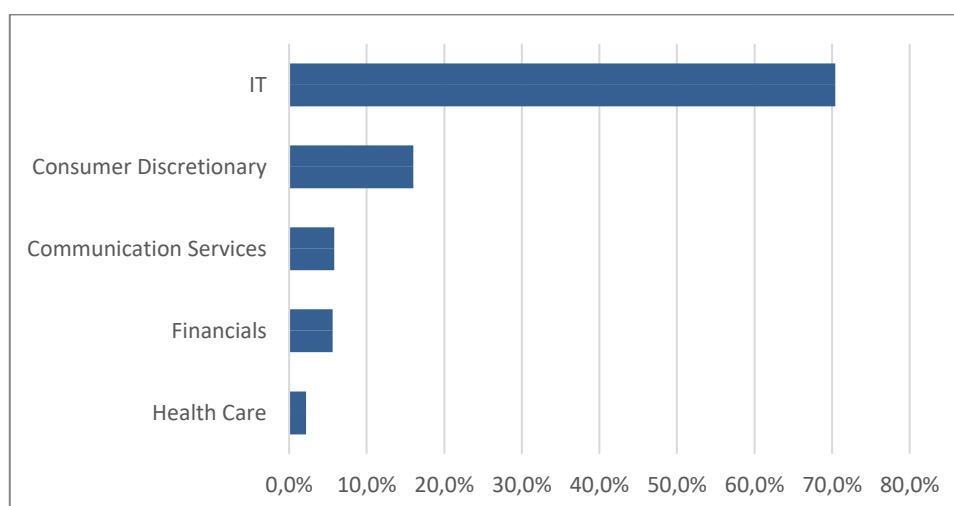
Category **#2 Other** includes the remaining investments in the financial product that are neither aligned with environmental or social characteristics nor considered sustainable investments.

Category **#1 Aligned to E/S Features** includes:

- Sub-category **#1A Sustainable** covering environmentally sustainable investments and social.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

A security in the portfolio qualified as a sustainable investment may, given all of its activities, contribute both to a social objective and to an environmental objective (aligned or not with the EU taxonomy), and the reported figures take this into consideration. However, an issuer can only be considered as a sustainable investment once.

In which economic sectors were the investments made?





To what extent were sustainable investments with an environmental objective aligned with the EU taxonomy?

In the absence of declarative data from companies, we do not produce data on this indicator.

- **Has the financial product invested in fossil gas and/or nuclear energy activities that comply with the EU taxonomy¹ ?**

☐ Yes :

☐ In fossil gas ☐ In nuclear energy ☐

☒ No

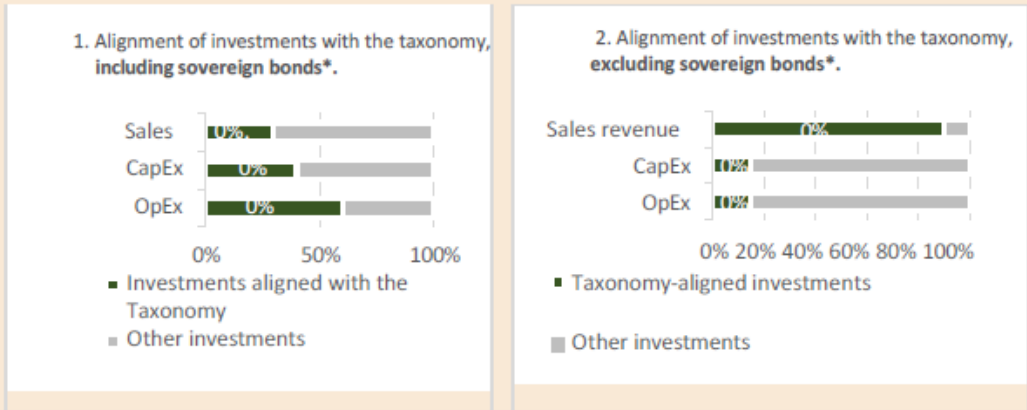
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules. **Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

¹ Fossil gas and/or nuclear activities will only be consistent with the EU taxonomy if they contribute to limiting climate change ("mitigation") and do not cause significant harm to any objective of the EU taxonomy - see explanatory note in the left margin. The set of criteria for economic activities in the fossil gas and nuclear energy sectors that are consistent with the EU taxonomy are defined in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) shows the green investments made by investee companies, e.g. relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purposes of these charts, "sovereign bonds" include all sovereign exposures.

How much of the investment was in transitional and enabling activities?

Not applicable

What is the percentage of investments aligned with the EU taxonomy compared to previous reporting periods?

Not applicable



are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU taxonomy?

29%



What was the share of socially sustainable investments?

32%



What investments were included in the "other" category, what was their purpose, and were there any minimum environmental or social safeguards?

Not applicable



What actions were taken to meet environmental and/or social characteristics during the reporting period?

The extra-financial approach integrated into the investment strategy, which has enabled this financial product to achieve its objective in terms of environmental and social characteristics, is as follows:

o Sectoral and normative exclusion filter: Recreational cannabis, Tobacco production, Controversial weapons as defined by the Ottawa and Oslo Conventions, Thermal coal, companies subject to controversies deemed very severe by MSCI ESG Research (a list which includes companies guilty of a proven violation of one or more of the ten principles of the United Nations Global Compact) and companies affected by US sanctions (Executive Order 13959).

o ESG rating coverage rate: 100% ESG rating of securities in the portfolio. ESG analysis of issuers is systematic and prior to investment.

o The minimum ESG rating of each company in the portfolio must be greater than or equal to 4.0/10. To assess the minimum ESG rating, a number of ESG indicators are used, as described in the question "What sustainability indicators are used to measure the achievement of each of the environmental or social characteristics promoted by the financial product? If an issuer's ESG rating falls below this threshold, it is automatically excluded from the investable universe.



How has this financial product performed against the benchmark?

Not applicable

● How does the benchmark differ from a broad market index?

Not applicable

● How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

Not applicable

● How has this financial product performed against the benchmark?

Not applicable

● How has this financial product performed against the broad market index?

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.