

APPENDIX II

1

Pre-contractual information model for financial products covered by article 8, paragraphs 1, 2 and 2b, of (EU) regulation 2019/2088 and article 6, first subparagraph, of (EU) regulation 2020/852

Sustainable investment implies an investment in an economic activity that contributes to an environmental or social objective, provided it does not have any major adverse impact on such objectives, and the company benefiting from the investment implements good governance practices.

EU taxonomy is a system of classification arising from (EU) regulation 2020/852, which drew up a **list of environmentally-sustainable economic activities**. This regulation does not provide a list of socially-sustainable economic activities. Sustainable investments that have an environmental objective are not necessarily aligned with the taxonomy.

Name of the product:

SEXTANT AUTOUR DU MONDE

a sub-fund of SEXTANT SICAV

Identity of the legal entity: **AMIRAL GESTION**

Environmental and/or social issues

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum engagement to sustainable investments]*



Yes



No



It will make a minimum of **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 will make a minimum of **sustainable investments with a social objective**: ____%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% 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 promotes E/S characteristics, but **will not make any sustainable investments**

Which environmental and/or social issues does this financial product support?

SEXTANT AUTOUR DU MONDE Sub-fund promotes environmental and social issues, while keeping a watchful eye on company governance practices by means of non-financial metrics.

These requirements are notably factored into Amiral Gestion's own fundamental analysis which embraces 10 out of 28 ESG criteria analysed qualitatively in order to obtain a Quality rating, but also to monitor the portfolio's ESG performance, including ESG analysis of the Sub-fund based on the methodology of data agency 'MSCI ESG Ratings'. The structure and the criteria of this independent, external ESG score are described below.

The score supplied by 'MSCI ESG Ratings' identifies ESG risks and opportunities inherent to the sectors in which the companies assessed operate. 'MSCI ESG Ratings' ranks companies in terms of their ESG performance, from AAA (best) to CCC (worst). By means of an analysis of material issues facing the industry and rigorous comparisons of equals operating in the same sector, 'MSCI ESG Ratings' highlights risks and opportunities that have been overlooked by traditional financial analysis.

¹ Publication date of the document: 2 January 2023

Sustainability indicators assess the success of the product in promoting the environmental and social issues in question.

‘MSCI ESG Ratings’ thus carries out a forward-looking analysis of the ESG risks and opportunities facing companies, on the basis of a pre-determined set of key sectoral issues. ‘MSCI ESG Ratings’ identifies 3 to 8 key issues per sector among 37 ESG issues from which companies in the industry generate significant externalities.

MSCI ESG RATINGS: ESG ANALYSIS CRITERIA

3 Pillars	10 Themes	35 ESG Key Issues	
Environment	Climate Change	Carbon Emissions Product Carbon Footprint	Financing Environmental Impact Climate Change Vulnerability
	Natural Capital	Water Stress Biodiversity & Land Use	Raw Material Sourcing
	Pollution & Waste	Toxic Emissions & Waste Packaging Material & Waste	Electronic Waste
	Environmental Opportunities	Opportunities in Clean Tech Opportunities in Green Building	Opportunities in Renewable Energy
Social	Human Capital	Labour Management Health & Safety	Human Capital Development Supply Chain Labour Standards
	Product Liability	Product Safety & Quality Chemical Safety Consumer Financial Protection	Privacy & Data Security Responsible Investment Health & Demographic Risk
	Stakeholder Opposition	Controversial Sourcing Community Relations	
	Social Opportunities	Access to Communications Access to Finance	Access to Health Care Opportunities in Nutrition & Health
Governance*	Corporate Governance	Ownership & Control Board	Pay Accounting
	Corporate Behaviour	Business Ethics Tax Transparency	

The non-financial metrics used by the Sub-fund are not benchmarked against any specific sustainable index.

The Sub-fund also applies sectoral and normative exclusions (thermal coal, tobacco, pornography, unconventional fossil fuels, civilian firearms, controversial arms, non-compliance with the United Nations Global Compact, involvement in severe (i.e. level 5) controversies etc.)

- ***Which sustainability indicators are used to measure success in supporting the environmental or social issues promoted by the financial product?***

In order to ensure that the Sub-fund supports the environmental and social issues it seeks to promote and respects the principles of good governance, the following indicators are monitored:

- Advanced ESG in the fundamental analysis and in the selection of equity investments: the investment team relies on synthesised internal fundamental analysis to obtain a proprietary overall “Quality rating”.

The Sub-fund’s average external ESG Score²

The Sub-fund’s carbon intensity³

² MSCI ESG Ratings

³ Emissions in tons of CO₂ / € million of revenues

- In accordance with the policy of normative exclusion, the Sub-fund does not invest in companies that have failed to respect the United Nations Global Compact and/or OECD Guidelines for Multinational Enterprises, or companies on the Sustainalytics Watchlist whose status has been confirmed by the Committee for Surveillance of Controversies following an internal review⁴.
- Exclusion / non-investment in companies exposed to severe (i.e. level 5) controversies according to Sustainalytics research and confirmed by the committee for surveillance of controversies following an internal review. Surveillance may be accompanied by active dialogue with issuers exposed to serious (level 4) controversies⁵.
- In accordance with the Sub-fund's policy of sectoral exclusions: coal, tobacco, controversial arms, civilian firearms, pornography, unconventional fossil fuels with the exception North American fracking oil and gas.
- Publication of reports concerning our traceable ESG dialogue-engagement with the companies in which we have invested, with emphasis on:
 - Awareness of ESG best practices, regular discussions on ESG questions and identification of potential factors of value creation and/or risks (notably in terms of their impact on global warming);
 - Close attention to / surveillance of issuers whose transparency on ESG practices (especially those related to climate change) is considered unsatisfactory.

Implementation of these ESG characteristics and requirements is reflected in our analysis techniques which involve the mobilisation of internal and external resources, the use of structured analysis and ESG ratings, monitoring of multi-factor ESG performances (resulting from ratings and targeted impact indicators) for each issuer in the portfolio that influences our dialogue-engagement initiatives with companies to encourage progress, as well as to assist with construction of the portfolio.

- ***Which sustainable investment goals does the financial product have, and how can sustainable investment contribute to these objectives?***

SEXTANT AUTOUR DU MONDE promotes environmental and social issues. However, the portfolio may contain small- and mid-cap stocks listed in emerging and international markets that are not that are not subject to EU normative and regulatory requirements concerning ESG transparency and climate. This may result in incomplete analysis due to non-availability of data, and in data that our analysts would consider unreliable or inaccurate due to estimate bias by non-financial rating agencies. As a result of this bias, the Sub-fund has not committed to a minimum share of sustainable investments. On the other hand, the Sub-fund may reveal its share of sustainable investments on the basis of the characteristics listed below.

Amiral Gestion defines a sustainable investment as the acquisition of a financial instrument that does one or both of the following:

- Contributes significantly to the environmental objective of climate change mitigation, with the goal of reaching carbon neutrality by 2050, in accordance with the Paris Agreement on Climate;
- Makes a net positive contribution to one or several of the United Nations Sustainable Development Goals (SDG) at the social level by 2030;

⁴ When companies in the portfolio are found to be exposed to serious (level 4) or severe (level 5) controversies, or to no longer comply with the UN Global Compact and OECD principles, their case shall be put to the Committee for Surveillance of Controversies in order to verify the severity / status and decide on possible exclusion from the portfolio, or to put the company on surveillance in the hope that the level of severity will decrease following an internal analysis.

⁵ Except where an exceptional technical incident prevents voting

In order to be considered sustainable, investments must not have any major adverse impact on other environmental or social objectives, and the companies in which the investments are made must respect the principles of good governance.

Criteria for qualification as a sustainable investment⁶

The indicators that assess the real contribution of companies in the portfolio to the environmental objective of climate change mitigation are:

1) Temperature alignment: < or = 2°C ⁷
or
2) Taxonomy alignment – minimal green share > or = 10 % of revenues ⁸
or
3) Companies that have accepted SBTi ("Target set") or have made a public commitment ("Committed") to the process, or supplied a letter of intent to join the SBT initiative within 12 months following a traceable engagement action by the Asset Management Company ⁹ .
or
4) Companies that derive at least 25% of revenues from enabling ¹⁰ or transitory ¹¹ activities that contribute to an objective that is environmental, but not yet identified in the taxonomy due to their innovative nature or very specific usefulness ¹²

Criteria for qualification as a sustainable investment on the basis of net positive contribution to the social SDGs¹³ presented below.

Of the 17 Sustainable Development Goals, **seven SDGs that are social in nature** are selected to measure the net positive contribution:

- **SDG 1: No poverty**
Eradicate poverty in all its forms
- **SDG 2: Zero hunger**
Put an end to global hunger, attain food security, improve nutrition, promote sustainable agriculture
- **SDG 3: Health and well-being**
Allow people to live in good health and promote well-being for all age groups
- **SDG 4: Quality education**
Access to good, inclusive education; apprenticeship opportunities for all throughout the working life
- **SDG 5: Equality of sexes**
Achieve gender equality and promote autonomy of women and girls
- **SDG 8: Decent working conditions and economic growth**
Promote sustainable, inclusive economic growth, full productive employment, and a good job for all
- **SDG 10: Reduced inequalities**
Reduce inequalities between and within countries

⁶ Source: Amiral Gestion's Methodological Note on sustainable investment

⁷ Source: Iceberg Data Lab and - when not available - S&P Trucost

⁸ Source: Sustainalytics, prioritising data supplied by companies, otherwise estimated data

⁹ Source: SBT _ <https://sciencebasedtargets.org/reports/sbti-progress-report-2021/progress-data-dashboard#datadashboard>; Amiral Gestion

¹⁰ « Enabling » activities allow other activities to contribute to an environmental objective

¹¹ "Transitory" activities allow a reduction in the environmental impact in sectors where there is no alternative

¹² Source: Amiral Gestion. Companies whose securities qualify as a sustainable investment under this criteria will be documented by the fund manager and approval will be requested from the IR/RSE team or the IR/RSE committee.

¹³ Source: MSCI ESG - Sustainable Impact Metrics Research

On the basis of SDGs 1, 2, 3, 4, 5, 8, 10, for a company to qualify as a sustainable investment under the Asset Management Company's definition, it must obtain:

----> a Net Alignment score = or > 2 for one or several SDGs

+

----> A positive DNSH ¹⁴ SDG filter:

The company must have a neutral score (i.e. = or > -1) on the Product Alignment and Operational Alignment criteria for all social SDGs

This research assesses alignment of companies in the portfolios of our Sub-funds with social SDGs via:

- identification of companies supplying potential solutions to the challenges mentioned above, thanks to products and services that generate revenues related to these objectives and by estimating the percentage of underlying revenues (« Product alignment score »).
- an analysis of the ways in which companies contribute to SDGs through their business activities by improving operational practices, drawing up long-term strategies and being transparent about their progress (« Operational alignment score »).

To determine their net alignment contributions, the methodology includes a measure of the positive contribution, but also another key component of DNSH by identifying as the adverse impacts cases of non-alignment by the company due to major ESG controversies, key metrics related to the SDG in question, or exposure to controversial activities. The net alignment score is the average of the Product Alignment and the Operational Alignment scores. DNSH of social SDGs is included in each of the scores.

Scores range from -10 (« strongly misaligned ») to +10 (« strongly aligned ») on the basis of two assessment levels: Product Alignment, which weighs up positive contribution / adverse impacts of goods and services, and Operational Alignment, which weighs up positive contribution / adverse impacts on social SDGs in business and operations.

The net alignment score is the average of the Product Alignment and Operational Alignment scores.

The principal adverse impacts are the worst negative consequences of investment decisions for sustainability factors related to environmental and social issues, human resources, respect for human rights, the fight against corruption and acts of corruption.

- ***To what extent do the financial product's sustainable investments have a significant adverse impact on an objective of environmental or social sustainable investment?***

Sustainable investments are selected by the Asset Management Company on the basis of positive contribution criteria, while ensuring that these investments do not adversely impact **environmental and social objectives**. 16 indicators are used to assess the Principal Adverse Impacts on sustainability factors for qualification as a sustainable investment. Good governance practices are also a decisive factor.

Moreover, this Sub-fund implements a policy of exclusion / non-investment in companies that are exposed to severe controversies (i.e. level 5 on the Sustainalytics scale), where our internal analysis has confirmed this assessment.

This whole procedure for identifying sustainable investments has been summarised above, but also in the Methodological Note dedicated to our definition of sustainable investment and available on our website under the heading « Responsible investment ».

- ***How are indicators concerning adverse impacts taken into consideration?***

The Sub-fund's investment policy has several steps that allow a demonstration of how adverse impacts are taken into consideration by a **DNSH SFDR for which the criteria (listed below) are applicable to all Sub-fund's classed SFDR 8 and SFDR 9, and notably relying on 16 indicators of Principle Adverse Impacts (PAIs)**.

¹⁴ The DNSH (« Do no significant harm ») filter comprises criteria that show the asset does not cause significant harm to social SDGs other than the one to which it is making a positive contribution.

1) Respect for Amiral Gestion's sectoral policy for SFDR 8 and 9 funds

i.e. non-involvement by companies in the portfolio in certain prohibited activities: controversial arms, unconventional fossil fuels, coal, tobacco, pornography
(conditions and thresholds of our sectoral policy are available on the Amiral Gestion website)

and

2) Respect for Amiral Gestion's normative policy

i.e. compliance with the United Nations Global Compact and OECD Guidelines for Multinational Enterprises

and

3) Exclusion of companies exposed to severe (level 5) ESG controversies*

** or even serious (level 4) controversies, depending on the rules that apply to the fund*

and

4) Awareness of PAIs

Monitoring of the fund's performance on the basis of 16 ESG indicators*

** Dialogue-engagement may be initiated with company management if some indicators underperform seriously*

and

5) Assessment of good governance practices

Monitoring of the fund's performance on the basis of its governance rating*

** Dialogue-engagement may be initiated with a company whose governance appears weak*

Furthermore, these DNSH (« Do No Significant Harm ») SFDR are underpinned by:

- Eligibility criteria associated with indicators of substantial contribution to the environmental objective of mitigating climate change, presented in Appendix 3 to the Methodological Note on our definition of a sustainable investment;
- Eligibility criteria associated with indicators of net positive contribution to the social objective of social SDGs.

As mentioned above, to determine contributions to net alignment, the methodology includes assessing positive contribution, but also another key component of DNSH by identifying, among the adverse impacts, cases of non-alignment by a company due to major ESG controversies, key metrics related to the SDG in question, or exposure to controversial activities. The net alignment score corresponds to the average of the Product Alignment and Operational Alignment scores. DNSH of social SDG criteria is included in each of these scores.

- **To what extent do sustainable investments comply with OECD Guidelines for Multinational Enterprises and United Nations Principles on Business and Human Rights?**

To ensure that the Sub-fund's investments, including those which are considered sustainable, comply with the principles of the United Nations Global Compact and OECD Guidelines for Multinational Enterprises, Amiral Gestion's normative exclusion policies are implemented ex-ante and ex-post on the basis of Sustainalytics research, whose conclusions may be confirmed or adjusted following an internal analysis by the fund manager and approved by Amiral Gestion's committee for surveillance of controversies. If a company in the portfolio is added to the Sustainalytics Watchlist, it is put on surveillance.

In addition, ESG and investment teams are particularly vigilant when assessing and monitoring the quality of company ESG profiles, especially their exposure to events, controversies or other risk factors related to the following issues:

- Human rights (notably forced and child labour)
- Controversies related to climate change
- Fiscal responsibility and transparency

The normative exclusion policy contained in DNSH SFDR applies to sub-funds classed SFDR 8 and 9, as mentioned above.

EU taxonomy contains a principle of « Do not significant harm » according to which investments aligned with the taxonomy should not seriously damage EU taxonomy objectives, in addition to the EU's very specific criteria.

The « Do not significant harm » principle only applies to the investments underlying the financial product which take account of EU criteria concerning environmental sustainability of investments. The investments underlying the remaining share of this financial product do not take account of EU criteria concerning environmental sustainability of economic activities.

All other sustainable investments should not do significant harm to environmental or social objectives.

Does the financial product take into consideration the Principle Adverse Impacts on sustainability factors?

YES, since 31 December 2022, SEXTANT AUTOUR DU MONDE takes account of Principle Adverse Impacts (« SFDR PAIs ») on sustainability factors

Within this framework, the Sub-fund has committed to monitoring ESG performance on the basis of the 16 SFDR PAIs listed below and taken from Appendix 1 of SFDR regulatory technical standards (RTS). When a company's indicators are underperforming the Sub-fund's benchmark universe, a dialogue-engagement may be judged appropriate to facilitate continuous improvements to the performance of the portfolio and to mitigate the adverse impacts of underlying investment on sustainability factors.

The information related to accounting for PAIs will be reproduced in the Sub-fund's annual report and will adopt the reporting format for PAIs as used by Appendix 1 of SFDR RTS. This appendix will be included for the first time in the 2023 publication, which will appear in first-half 2024.

SFDR PAIs monitored

Nature of PAI	Reference	Name	Data source	Supplier	Status (proxy, target)	Calculation method
Environment	PAI 1	GHG emissions	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Target model	The calculation is on each scope and the sum of emission scopes. It is weighted average of emissions X Each investment in PF / EV
Environment	PAI 2	Carbon footprint	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Target model	Same as previous except calculation is weighted average of emissions X Each Investment in PF / EV. Result is normalised by total value of PF

Environment	PAI 3	Carbon intensity	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Target model	Same as previous except calculation is weighted avg of emissions by annual sales of Co X Each investment in PF / Total Invested by PF (See Appendix RTS)
Environment	PAI 4	Expo. to fossil energy Cos	MSCI	Climate Change Metrics	Target model	Share of investments in Companies that generate sales in the fossil energy value chain
Environment	PAI 5	Share of renew. energy prod. & consumption	MSCI	Climate Change Metrics	Target model	Share of investments in PF that consume or produce non-renewable energy
Environment	PAI 6	Energy consumption	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Target model	For Companies in sectors that emit most GHG, the sum of energy consumption intensity is calculated (normalisation by revenues)
Environment	PAI 7	Biodiversity	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Proxy model	Undergoing tests
Environment	PAI 8	Emissions in water	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Proxy model	Undergoing tests
Environment	PAI 9	Rate of hazardous waste	MSCI (default: Ethifinance)	GSS	Proxy model	Undergoing tests
Social / Co. / Governance	PAI 10	Violation of UN Compact / OECD guidelines	Sustainalytics	GSS	Target model	Share of investments in PF that are judged in violation of UN Compact / OECD guidelines
Social / Co. / Governance	PAI 11	No tools to monitor respect for UN GC / OECD guidelines	Sustainalytics	GSS	Proxy model	Undergoing tests
Social / Co. / Governance	PAI 12	Gender wage gap	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Target model	Average gender wage gap for all companies in the PF
Social / Co. / Governance	PAI 13	Board diversity	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Target model	Average ratio of female board members to male board members
Social / Co. / Governance	PAI 14	Exposure to controversial arms	MSCI	MSCI Rating / Ethifinance R.	Target model	Share of investments in Companies that generate sales in product. or distribution of controversial arms
Environment	PAI 15	Water usage & recycling	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Proxy model	Undergoing tests
Social	PAI 16	No rights of man policy	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Target model	Undergoing tests

What is the investment strategy of this financial product?

SEXTANT AUTOUR DU MONDE largely invests in international equities, most notably those of emerging markets

The Sub-fund is highly selective with respect to equities and convertible bonds, relying on fundamental analysis that is internal to the Fund Management company and based on the following criteria:

- quality of company management
- solidity of the financial structure
- visibility with respect to the company's future earnings
- growth prospects for the business activity
- policy with respect to minority shareholders (transparent information, dividends etc)
- and to a lesser extent, speculative appeal arising from a special situation (takeover bid, swap, repurchase offer, buy-out, squeeze out) and their equivalents in the countries concerned.

As far as possible, the investment team tries to have direct meeting with the companies in which the fund has invested or is likely to invest.

Investment decisions then depend largely on the existence of a "safety margin" which is the difference between the value of the company as assessed by the fund managers and its market value (capitalisation). It is thus possible to talk of "value investing".

Assets that are not invested in equities due to the lack of a safety margin or a shortage of opportunities are invested in bonds, interest-rate or money market instruments.

- **What are the constraints of the investment strategy when selecting investments that respect all the environmental and social issues promoted by this financial product?**

The SEXTANT AUTOUR DU MONDE portfolio is based on DNSH SFDR criteria that are appropriate for the Sub-fund and some others such as:

- Respect for the Sub-fund's policy of sectoral exclusions
- Compliance with the policy of normative exclusions
- Ban on investment and exclusion of companies exposed to severe (level 5) controversies

Investment strategy
guides investment decisions, taking into account factors such as investment objectives and risk tolerance

Furthermore, the investment process puts ESG criteria at the centre of the fundamental analysis underlying the Quality rating that guides investment decisions, as part of the ESG approach applied to our equity sub-funds.

- Fund managers of the Sub-fund apply synthetised internal fundamental analysis to arrive at a proprietary global “Quality rating. It is based on an analysis of various aspects of the business model: quality of the management team, solidity of financial structures, and criteria related to the environment, social issues and society, governance (ESG) which are the object of a specific independent rating, the internal ESG rating, which is integrated into the “Quality rating”.
- The internal ESG rating integrated into fundamental analysis is based on several complementary sources: direct contacts between our fund managers and company managements, public sources and the research of specialist ESG agencies. This ESG integration allows our investment teams to identify non-financial issues that may have a significant impact in terms of sustainability, on stakeholders and/or on finances. These impacts may take the form of new investment opportunities arising from awareness of the growing importance of sustainability issues, providing fertile ground for development of certain products and services (e.g., energy efficient solutions that would be positive for climate change). Such opportunities are generally classed as “social and/or environmental utility” in our internal ESG Quality rating. On the other hand, the impacts may take the form of risks due to regulatory changes, normative or even behavioural, resulting from these same sustainability issues.
- This ESG rating, based on a qualitative assessment, is not exhaustive and accounts for one-third of the Overall Quality rating¹⁵. A study of the various criteria leads to a “Quality rating” on a scale from 0 to 10. A higher Overall Quality rating reflects the company’s good quality in terms of fundamentals for a given level of valuation.
- This rating, which integrates ESG issues, is one of the factors that guides investment decisions and may inspire regular dialogue with companies, or even prompt engagement actions where they are considered necessary due to potentially material ESG risks.

- ***What is the minimum rate to reduce the scope of planned investments before implementation of this investment strategy?***

The results of ESG research (application of sectoral and normative exclusions and exclusions due to level-5 controversies) are the filter for the Sub-fund’s ESG selection procedure.

However, the Sub-fund has not set a minimal rate for exclusion from the investment universe arising from use of this filter.

- ***How does the Sub-fund assess governance practices at the companies in which it has invested?***

The Sub-fund’s managers assess governance at two levels:

- The internal quality rating arising from our fundamental analysis: ex-ante qualitative assessment in our fundamental analysis considers 10 out of 28 that are environmental, social or governance in nature. The governance criteria assessed for this rating are quality of the management, respect for minority shareholders, transparency and quality of financial communication, responsible remuneration of management and employees. These criteria have recently been strengthened thanks to three new items: assessment of the structure of governance, fiscal transparency and business ethics.
- The external ESG Score ESG¹⁶ which assesses six aspects of governance:
 1. Ownership and control
 2. Board of directors
 3. Payments

¹⁵ 10 out of the 28 criteria are environmental, social or governance issues

¹⁶ Source: MSCI ESG Ratings

Good governance practices for sound management structures, good relations with – and remuneration of – employees and respect for tax commitments

4. Accounting
5. Business ethics
6. Fiscal transparency

These criteria allow us to assess and to factor into our analysis the dimensions necessary for sound management structures, good relations with – and fair remuneration of – employees and respect for tax commitments.

In addition, we keep a watchful eye on the governance ratings of companies in the portfolio. The fund manager may initiate a dialogue–engagement with companies whose governance practices are weak, in accordance with the DNSH SFDR mentioned previously. Lastly, the Sub-fund cannot invest in companies that are exposed to severe controversies, notably concerning governance. Moreover, we are particularly vigilant with respect to controversies related to the responsibility to be fiscally transparent whatever the level of gravity, and any such controversies may prompt us to initiate a dialogue-engagement.

What asset allocation for this financial product?

The net assets of SEXTANT AUTOUR DU MONDE have up to 60% exposure to equities listed in regulated markets around the world, irrespective of their market capitalisation, and up to 10% that and up to 10% of its net assets in companies not authorised to trade on unorganized or unregulated markets.

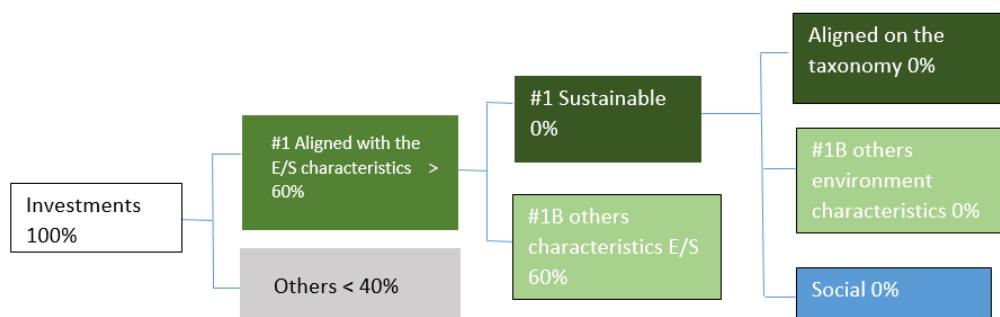
Non-financial¹⁷ analysis and ratings cover 90% of equity investments, with a minimum coverage rate of 60% required for the overall portfolio.

The Sub-fund may also invest in:

- Credit notes and money market instruments up to 40% of its net assets
- Investments in others UCITS and AIFs or foreign funds, up to a maximum of 10% of net assets
- Other off-balance sheet assets such as:
 - Derivatives, solely to gain exposure to – or partially hedge against – unfavourable trends in equities, indices, interest rates and forex
 - securities with derivatives attached
 - Deposits up to 20% of net assets for each instrument
 - Cash borrowings up to 2% of net assets

In order to calculate the share of sustainable investments, the numerator comprises exclusively equity investments and bonds. The denominator is based on the net assets.

In order to calculate alignment with E/S characteristics, we focus on all instruments except cash, derivatives, UCITS and short-term debt.



¹⁷ Can be the ratings of various external ESG agencies (MSCI ESG Ratings or, where unavailable, the ESG performance rating of Ethifinance's Gaia database) or internal (ESG Quality Rating based on fundamental analysis)

Category #1 Aligned with E/S characteristics includes investments by the Sub-fund to achieve the environmental and social characteristics that it promotes.

Category #2 Others is the Sub-fund's remaining investments that are neither aligned with environmental and social characteristics, nor qualified as sustainable investments.

Category #1 Aligned with E/S characteristics covers:

- The **#1A Sustainable** sub-category covering sustainable investments that have environmental or social objectives
- The **#1B Other E/S characteristics** sub-category covering investments aligned with environmental or social issues that do not qualify as sustainable investments.

- **How does the use of derivatives help to achieve the environmental and social objectives promoted by the financial product?**

SEXTANT AUTOUR DU MONDE may use derivatives in order to gain exposure to – or partially hedge against – favourable or unfavourable trends in equities, indices, interest rates and forex. These instruments are not used to achieve the environmental or social characteristics promoted by the product.

What is the minimum level to which sustainable investments with an environmental objective are aligned with EU taxonomy?

SEXTANT AUTOUR DU MONDE makes sustainable investments, as defined by the taxonomy, for which the aligned green share is at least 0% of its assets. At present, communication of alignment data remains partial: the CSRD regulation concerning publication by companies of aligned green share only became compulsory at end-2022. Furthermore, as the strategy of the Sub-fund is focused on international equities, many companies present in the portfolio are not subject to European taxonomy regulation and thus do not provide access to company information.

However, this Sub-fund will communicate its green share in its annual report on the basis of reported or estimated data currently available, although some are not aligned with regulatory requirements of equivalent data.

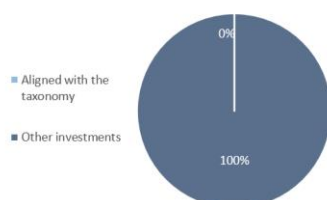
The two charts below show (in green) the minimum percentage of investments aligned with EU taxonomy. As there is no appropriate methodology to determine alignment of sovereign bonds* with the taxonomy, the first chart presents alignment of the financial product with the taxonomy relative to all component investments including sovereign bonds, while the second chart illustrates alignment with the taxonomy solely for investments other than sovereign bonds.

Not applicable

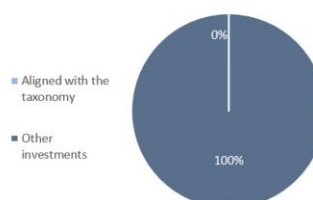
Enabling activities directly allow other activities to make a substantial contribution to an environmental objective

Transitory activities are activities for which there is still no low-carbon alternative and, among others, whose GHG emissions correspond to the best performances achievable

1. Alignment of investments with the taxonomy, including sovereign bonds*



2. Alignment of investments with the taxonomy, excluding sovereign bonds*



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

What is the minimum share of net assets invested in transitory and enabling activities?

Not applicable



What is the minimum share of sustainable investments with an environmental objective non-aligned with EU taxonomy?

SEXTANT AUTOUR DU MONDE has not committed to a minimum share of sustainable investments with an environmental objective non-aligned with EU taxonomy.



This symbol represents sustainable investments that have an environmental objective but do not take into account criteria applicable to environmentally sustainable economic activities as defined by EU taxonomy

What is the minimum share of sustainable investments with a social objective?

SEXTANT AUTOUR DU MONDE has not committed to a minimum share of investments in sustainable investment that have a social objective.

Which investments are included in the « #2 Others » category? What is their purpose and are there any minimum environmental and social guarantees?

The instruments in the « #2 Others » category are diversification tools principally used to manage the portfolio's cash holdings and to counter unfavourable short-term market trends. As mentioned above, this category includes UCITS/AIFs, hedging derivatives, securities with derivatives attached, deposits and cash holdings and borrowed funds. It may also include equities that are not rated by external agencies (very small capitalisations, IPOs etc.).

These investments may be subject to the Sub-fund's sectoral and normative exclusions and Amiral Gestion's policy with respect to controversies mentioned above and included in the DNSH SFDR, subject to data availability.

Benchmark indices allow us to ascertain if a financial product has the environmental or social characteristics that it promotes

Has an index been selected as a benchmark to determine if this financial product is aligned with the environmental and/or social objectives it promotes?

The non-financial approach adopted by SEXTANT AUTOUR DU MONDE is not benchmarked against any specific index.

- **How is the benchmark index permanently aligned with each of the environmental or social characteristics promoted by the financial product?**
Not applicable
- **How is alignment of investment strategy with the methodology of the index guaranteed on a permanent basis?**
Not applicable
- **How is the index different from a general market index?**
Not applicable
- **Where can one find the method used to calculate the selected index?**
Not applicable

Where on the web can information be found that is specifically for the product?

More detailed information about an individual product is available on the Asset Management Company website:

<https://www.amiralgestion.com/fr/sextant-autour-du-monde>