Additional Information (Unaudited) (continued)

SFDR (continued)

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that it does not cause significant harm to either of these objectives and that the companies in which the financial product has invested apply good governance practices.

Product name: La Française LUX – Inflection Point Carbon Impact Global

Legal entity identifier: 54930047GP13I413CC79

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ Yes ☐ No

☒ It made sustainable investments with an environmental objective: 95.4%*

- ☒ 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 an social objective: N/A

☐ It promoted environmental and social (E/S) characteristics and although it did not have a sustainable investment objective, it had a N/A proportion 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 sustainable investments

The EU Taxonomy is a classification system established by Regulation (EU) 2020/852, which lists environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective are not necessarily aligned with the taxonomy.

To what extent was the sustainable investment objective of this financial product met?

Sustainability indicators measure how the sustainability objectives of this financial product are met.

The fund pursued the following sustainable investment objective: the carbon footprint of its portfolio should be limited to 50% of the carbon footprint of its investment universe, expressed in tonnes of CO2 per million euros invested. This objective was achieved throughout the period.
This 50% emissions reduction target compared to the traditional market index is at the same level of reduction as recommended for the Paris Aligned Benchmark (PAB) indices which aim to align with the Paris agreements.
The taxonomy alignment target is a minimum of 10%. The alignment percentage as of 31/12/2022 was from 13.34%.

*The fund reached a target of 100% sustainable investments on 28/02/2023.

How did the sustainability indicators perform?

As at 31/12/2022, the portfolio's ESG score was 7.07 compared to 6.49 for its universe.
Furthermore, the carbon intensity of the portfolio (scope 1 and 2 in tCO2 per million euros of turnover) was 100.45 compared to 203.57 for its universe.
The carbon footprint (scope 1 and 2 in tCO2 per million euros invested) was 25.69 compared to 70.10 for its universe.

Additional Information (Unaudited) (continued)

SFDR (continued)

ESG Linked Bonus was 47.3% for the fund versus 46.7% for the universe.

...and compared to previous periods?

Not applicable, this is the first SFDR periodic report (31/12/2022).

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

How did the sustainable investments not cause significant harm to any sustainable investment objective?

In accordance with Article 2(17) of the SFDR Regulation (EU 2019/2088 of the European Parliament and of the Council), the management company LFAM ensures that the sustainable investments selected by the financial product have not caused significant detriment to an environmentally sustainable investment objective. To this end, LFAM:
- Calculates a selection of significant indicators measuring the Principal Adverse Impacts defined by the EU;
- Applies its exclusion policy;
- Excludes securities that are the subject of major controversy.

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

The DNSH criteria is applied as a first screen to identify sustainable investments. After finding a contribution to an environmental or social objective, we screen out companies that breach the DNSH on the following principal adverse impact indicators:

- CO2 emissions: our screen is based on our top-down product objective to reduce the footprint versus benchmark by 50%
- Exposure to fossil fuel companies: we exclude companies that extract/produce more than 33% of their total Oil and Gas production from unconventional sources (fracking, tar sands, coalbed methane, extra heavy oil, ultra deepwater, arctic).
- Production of non-renewable energy: we exclude power companies which have more than 20% of production or revenues coming from coal.
- Biodiversity: Activities negatively affecting biodiversity: sensitive areas Companies negatively affecting biodiversity sensitive areas . Share of investments in investee companies with sites/operations located in or near biodiversity-sensitive areas where activities of those investee companies negatively affect those areas.
- UNGC violation and OECD principles: Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
- Bribery and corruption: Share of investments in investee companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery.
- Controversial weapons: We exclude companies involved with controversial weapons.

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

The selection of principal adverse impacts, also selected for assessment of the DNSH, incorporates a test of compliance with the "OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights" provided by our subscription to the ISS (UNGCOECD Guidelines Violation) data platform.

Additional Information (Unaudited) (continued)

SFDR (continued)

How did this financial product consider the principal adverse impacts on sustainability factors?

The DNSH criteria is applied as a first screen to identify sustainable investments. After finding a contribution to an environmental or social objective, we screen out companies that breach the DNSH on the following principal adverse impact indicators:

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What were the top investments of this financial product?

The list includes the investments constituting **the largest proportion of investments** of the financial product during the reference period, namely: 01/01/2022-30/12/2022

Most significant investments	Sector	% of assets	Country
Microsoft Corp.	Technology	4.91%	United States
Apple Computer Inc	Technology	4.89%	United States
Alphabet INC-CL	Communications	4.42%	United States
Prologis	Financials	4.22%	United States
Danaher Corp.	Manufacturing	2.19%	United States
T-Mobile US	Communications	2.12%	United States
Bank Of America	Financials	2.02%	United States
Host Hotels & Resorts Inc	Hospitality	1.91%	United States
American Tower Corp	Financials	1.81%	United States
Amazon.com Inc	Technology	1.69%	United States
Equinix	Communications	1.65%	United States
Analog Devices Inc	Technology	1.49%	United States
Merck & Co Inc	Non-cyclical consumption	1.49%	United States
Samsung Sdi Co	Communications	1.44%	Republic of Korea
Cellnex Telecom SA	Industry	1.40%	Spain

Additional Information (Unaudited) (continued)

SFDR (continued)

What was the proportion of sustainability-related investments ?

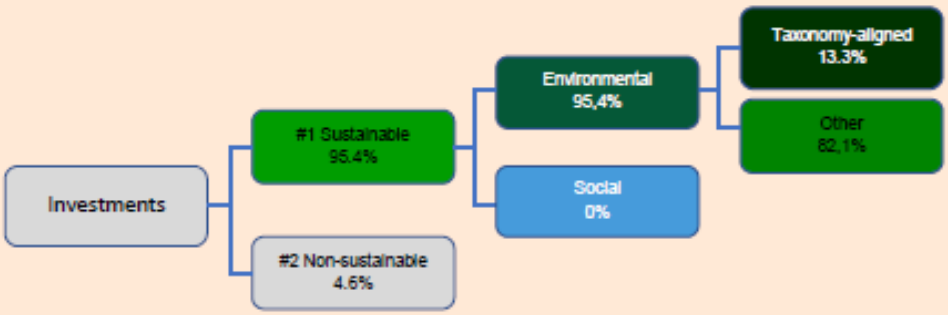
Asset allocation describes the share of investments in specific assets.

The proportion of sustainable-related investments was 95,4%.

What was the asset allocation?

Taxonomy-aligned activities are expressed as a percentage of:

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



The #1 Sustainable category covers sustainable investments with environmental or social objectives.
The #2 Non-sustainable category includes investments that are not considered sustainable investments.

In which economic sectors have the investments been made?

The main economic sectors were:
- Semiconductors and Semiconductor Equipment (15.90%)
- Capital goods (13.87%)
- Real estate (10.53%)
- Software and Services (10,29%)
- Technology Hardware and Equipment (10,25%)
- Utilities (5,24%)
- Telecommunication Services (4,89%)
- Pharmarceuticals, Biotechnology and Life Sciences (4,27%)
- Media and Entertainment (4,22%)
- Banks (2,95%)
- Food, Beverage and Tobacco (2,41%)
- Materials (2,36%)
- Commercial and Professional Services (2,19%)
- Automobiles and Components (2,19%)
- Diversified Financials (2,01%)
- Food and Stables Retailing (1,63%)
- Health Care Equipment and Services (1,62%)
- NA (1,26%)
- Consumer Durables and Appareil (1,13%)
- Retailing (0,78%)

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

Additional Information (Unaudited) (continued)

SFDR (continued)

We use a data provider to measure reported revenues percentage alignment to the taxonomy, as per Art 3 of the taxonomy, which is then weighted by the portfolio contribution.
In view of the recency of the taxonomy regulations, we haven't been subject to an assurance provided by one or more third parties on the data aligned with the EU Taxonomy.

To comply with the EU Taxonomy, the criteria for **fossil gas** include emission limits and switching to fully renewable electricity or low-carbon fuels by the end of 2023.

With respect to **nuclear energy**, the criteria include comprehensive rules for nuclear safety and waste management.

Did the financial product invest in fossil gas related activities and/or in nuclear energy complying with the EU Taxonomy[1]?

☐ Yes

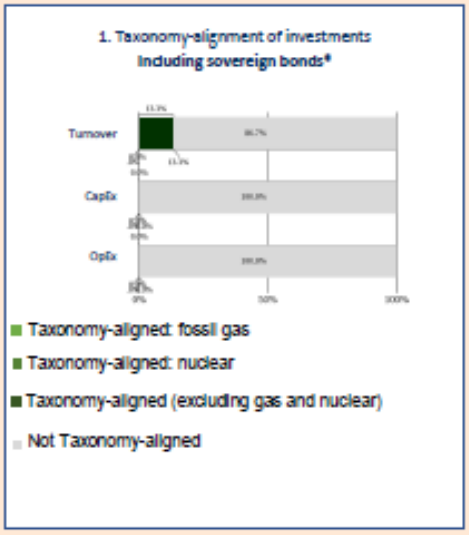
☐ In fossil gas ☐ In nuclear energy

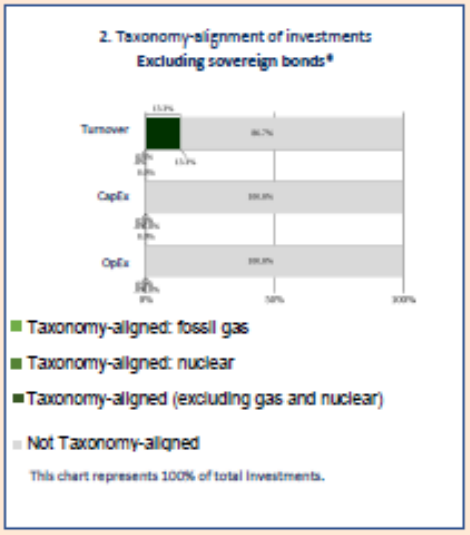
☒ No

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 represents the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

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

Transitional activities are economic activities for which low-carbon solutions do not yet exist and which, among other things, have greenhouse gas emission levels corresponding to the best performance.





* For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures

What was the share of investments made in transitional and enabling activities?

The share of investments in transitional and enabling activities was as follows:
% alignment enabling activities: 0,29%
% alignment transitional activities: 7,06%

[1] Fossil gas and/or nuclear activities will only be consistent with the EU taxonomy if they contribute to mitigating climate change ("climate change mitigation") and do not cause significant harm to any of the objectives 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 in line with the EU Taxonomy are defined in Commission Delegated Regulation (EU) 2022/1214.

Additional Information (Unaudited) (continued)

SFDR (continued)

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

Not applicable, this is the first SFDR periodic report (31/12/2022).

The symbol represents sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy

What was the proportion of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

This strategy has a minimum share of sustainable investments with an environmental objective that are not aligned with Taxonomy is 84%.
The share of sustainable investments with an environmental objective not aligned with the taxonomy can be explained by the choice of companies in transition towards a taxonomy alignment of their activities or by activities not directly captured by the taxonomy.

What was the proportion of socially sustainable investments?

Not applicable.

What investments were included in the "not sustainable" category, what was their purpose and were there any minimum environmental or social safeguards?

The "not sustainable" category included non-sustainable investments, liquidity management tools and derivatives used for hedging or temporary exposure purposes.
As at 31/12/2022, the weight of the "not sustainable" category was 4,6% of the portfolio.

What actions have been taken to attain the sustainable investment target during the reference period?

In order to identify the environmental and/or social characteristics of the investment cases we systematically integrate their performance on E, S and G factors in the fundamental analysis of the latter. Additionally, to define investments as sustainable, we apply our group definition which will add a level of selectivity.
In parallel to the case analysis, we analyse past controversies, participate in individual or collaborative engagement initiatives and engage directly with companies to better understand their characteristics.
The calibration of the carbon footprint of the portfolio is integrated before each new investment. The emission reduction target must be consistently met.

How did this financial product perform compared to the sustainable benchmark?

The benchmark is used to define the investment universe. It also serves as a baseline for the measurable carbon footprint reduction target of -50% (fund vs index) which assesses the fund's performance against the index in terms of funded emissions reduction. The performance of the fund vs index is shown below.

Additional Information (Unaudited) (continued)

SFDR (continued)

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objectives.

How did 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 sustainable investment objective?
Not applicable.

How did this financial product perform compared with the reference benchmark?
Not applicable.

How has this financial product performed compared to the broad market index?

Annual performances:
Fund: -17.35%
Index: -13.01%