LA FRANÇAISE

SYSTEMATIC ASSET MANAGEMENT

Product-related disclosure obligations pursuant to Article 10 of the Transparency Regulation (Regulation (EU) 2019/2088) for La Française Systematic European Equities

Environmental and social features of the investment fund

The fund's assets are invested in equities selected on the basis of sustainability criteria. Sustainability is understood to mean environmental (Environment - E) and social (Social - S) criteria as well as good government and corporate governance (Governance - G). The fund's assets are invested in companies that systematically take account of environmental, social or responsible corporate governance criteria (ESG criteria), like environmental and climate protection, human rights, security and health, reporting and the combating of bribery and corruption. In addition, the investment fund takes companies' CO_2 emissions into account in the investment process.

Applied methods for measuring, assessing and monitoring environmental and social features

Discretionary stock picking takes place for La Française Systematic European Equities, with management actively applying its own proprietary set of stock picking rules. Stocks are picked using a purely systematic, non-predictive points system based on rankings, with sustainability criteria and good corporate governance also being taken into consideration.

To assess sustainability, the first step is to calculate a sustainability score, the 'ESG score'. The ESG score is calculated and made available by the La Française Group research centre.

The top 80% of companies by ESG score are selected from the investment universe.

In the next step, stocks without a sufficient trading volume on stock exchanges are excluded from the investable universe.

From the reduced investment universe, the La Française Systematic Asset Management GmbH fund management selects at least 30 stocks using its multi-factor model, and these are bought into the fund with equal weighting.

The multi-factor model consists of the factors quality, value, momentum, low risk and low carbon. The low carbon factor gives a high score to companies with low CO_2 emissions. The picking process is repeated quarterly.

The investment strategy is monitored on an ongoing basis and adjusted as necessary in order to meet sustainability targets, among other objectives. The La Française Group puts its own research centre, based in London and Paris, at the heart of its sustainable investment approach in order to offer appropriate solutions, CO_2 footprint calculation and tailored CO_2 offsets.

CO_2 data are provided by the Carbon Disclosure Project (CDP). Estimated CO_2 emissions of companies by industry are calculated using a proprietary model. The model takes into account the following criteria of a company: sector allocation, sales, number of employees and energy consumption.

The CO_2 intensity is first measured at the level of the individual stocks. The portfolio's CO_2 emissions are thus controlled by selecting companies within CO_2-intensive sectors. The portfolio's CO_2 emissions are measured regularly and compared with a benchmark index. The goal is to significantly reduce the portfolio's carbon footprint compared with the investment universe.

The company also applies the UN Principles for Responsible Investment (**"PRI"**).

As of May 2021