

General approach to incorporating ESG criteria in the investment policy

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Anaxis AM applies ESG (environmental, social and governance quality) criteria when implementing its investment policy.

However, these criteria are not systematic. They are left to the portfolio manager's judgement, on a non-formalised and case-by-case basis. The ESG approach calls for personal accountability in a non-binding framework.

ESG criteria can be summed up as follows:

- **environmental criteria:** direct or indirect impact of the issuer's activity on the environment;
- **social (or societal) criteria:** direct or indirect impact of the issuer's activity on other entities with which it interacts. These relations are assessed in accordance with universal values (human rights, international labour standards, anti-corruption);
- **governance criteria:** how the issuer is run, administered and controlled, and particularly the relations it maintains with its shareholders, Board of Directors and Management team.

Anaxis AM assumes its role as a responsible investor through its **line of conduct** and may therefore end up investing in companies that meet a certain number of ESG criteria. To that end, Anaxis AM may rely on some raw ESG data provided by Bloomberg and/or other data providers.

Governance principles

Ethics and Prevention of money laundering

- ✓ Application of the asset manager's code of ethics.
- ✓ Establishment of an anti-money laundering procedure.
- ✓ Compliance procedure.

Shareholder engagement

As an active investor, Anaxis AM does its best to fulfil its responsibility as a shareholder or bondholder, with the aim of protecting its clients' interests and creating value, by exercising its voting rights. Participating in the voting process at General Meetings of Shareholders or Bondholders is an important aspect taken into consideration in the investments made for its mutual funds, in the course of providing third-party portfolio management investment services within the meaning of Article D.321-1, 4° of the French Monetary and

Financial Code, where the size of the position reaches a high enough threshold to exercise significant influence.

Management of conflicts of interest

Anaxis AM takes every reasonable measure to prevent conflicts of interest liable to prove detrimental to its clients. The company regularly updates a register of the types of investment or related services, or other activities conducted by or for the company, for which a conflict of interest liable to prove detrimental to one or more of its clients has arisen or, for a service or activity in progress, may potentially arise.

Remuneration of portfolio managers

The remuneration policy aims to promote sound and effective risk management and does not encourage any risk-taking that would be incompatible with the risk profiles of the products managed by the company. It also aims to ensure consistency between the behaviour of professionals on staff and the asset management company's long-term objectives, including in particular dissuading them from taking risks deemed excessive and unacceptable by the company. It is also determined specifically to avoid conflicts of interest between the asset manager and mutual funds, on the one hand, and investors on the other.

Exclusion of certain business sectors

Anaxis AM takes the reputational and legal risks associated with its investments into consideration.

We are aware of the international consensus on investing in companies whose business activities are in breach of the Anti-Personnel Mine Ban Convention or the Convention on Cluster Munitions (Oslo Convention signed by France in 2008 and ratified in 2010). In accordance with this consensus, no portfolio manager will knowingly invest in companies associated with the manufacture, use or distribution of controversial weapons (including biological or chemical weapons).

Anaxis AM also makes a point of applying the following investment restrictions in its portfolio management strategies, by ensuring that its mutual funds do not invest, even indirectly, in companies or other entities conducting the following activities:

- a- an illegal economic activity: i.e. any manufacture, sale or other activity in breach of the laws or regulations applicable to the investment vehicle under consideration (e.g. human cloning used for reproductive purposes);
- b- research, development or technical application related to IT solutions or programs specifically aimed at taking part in an illegal activity, or pornography, or designed to make illegal entry into data networks or download data.

Furthermore, any investment vehicle used to finance research, development or technical applications associated with human cloning for research or treatment purposes, or for the development of genetically modified organisms (GMOs), is required to perform an appropriate control of the related legal, regulatory and ethical implications.

Content, frequency and resources used to inform investors about the ESG criteria incorporated in the investment policy

Holders of mutual fund shares or units are informed about ESG criteria by Anaxis AM on an (a) ongoing and (b) periodic basis.

(a) Ongoing information is provided in the fund prospectuses: a link is included to the asset manager's website where prospective investors can consult the company's information on the incorporation of ESG criteria.

(b) Periodic information is provided annually in the annual report for each relevant mutual fund, which contains information on the incorporation of ESG criteria at the close of the fiscal year.

List in compliance with Ministerial Decree No. 2012-132 of 30 January 2012 on information provided by portfolio management companies on environmental, social and governance quality criteria incorporated in their investment policy.

Mutual Fund	Legal Form	AMF Classification
Mutual fund that do not simultaneously take into account the 3 ESG criteria		
European Bond Opp. 2022	Mutual funds subject to Directive 2014/91/EU amending Directive 2009/65/EC	Bonds and other international debt securities
US Bond Opp. 2021	Mutual funds subject to Directive 2014/91/EU amending Directive 2009/65/EC	Bonds and other international debt securities
Anaxis Short Duration	Mutual funds subject to Directive 2014/91/EU amending Directive 2009/65/EC	Bonds and other international debt securities
Anaxis Bond Opportunity EM 2020	Mutual funds subject to Directive 2014/91/EU amending Directive 2009/65/EC	Bonds and other international debt securities
Anaxis Income Advantage	Mutual funds subject to Directive 2014/91/EU amending Directive 2009/65/EC	Bonds and other international debt securities
AAM European Equities	Mutual funds subject to Directive 2014/91/EU amending Directive 2009/65/EC	