



Ofi invest
Asset Management







MARCH 2023

OFI INVEST ESG EURO HIGH YIELD

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OFI-INVEST-AM.COM

OFI INVEST ESG EURO HIGH YIELD

 EXPOSURE	Euro-denominated High Yield ⁽¹⁾ bonds, excluding bonds issued by financials
 BENCHMARK INDEX	Merrill Lynch Euro Non-Financial Fixed & Floating Rate High Yield Index
 CURRENCY	Euro
 OBJECTIVE	To outperform the benchmark index ⁽²⁾ , net of fees, by favouring securities of issuers with an active approach to the energy and ecological transition over the recommended investment horizon.

(1) Speculative High Yield bonds have lower credit ratings (from BB+ to D according to Standard & Poor's and Fitch, and from C to Ba1 according to Moody's) than Investment Grade bonds (which are rated from AAA to BBB- according to Standard & Poor's and Fitch, and from Baa3 to Aaa according to Moody's) as their issuers are in poorer financial health according to research by the rating agencies. They are therefore regarded as riskier by the rating agencies and, accordingly, offer higher yields.

(2) Merrill Lynch Euro Non-Financial Fixed & Floating Rate High Yield Index

OFI INVEST ESG EURO HIGH YIELD



RESPONSIBLE APPROACH



EXPERTISE & COLLABORATION



CONVICTION



- Investment universe excluding financials
- Ofi Invest Asset Management's norm-based and sector exclusions⁽¹⁾
- Exclusion of the 20% least virtuous issuers on ESG issues (SRI Label⁽²⁾)
- Energy and ecological transition thematic filter applied to business sectors with high greenhouse gas emissions

- Research and fund management tailored to the investor
- An experienced High Yield fund management team, a dedicated credit analyst
- Specific strategic allocation geared towards the High Yield market
- A robust issuer selection process

- A highly selective fund management process
- A portfolio built on 3 pillars
- Portfolio construction geared towards capturing market opportunities across all investment horizons



The fund is exposed to a sustainability risk. An event or situation arising in the environmental, social or governance arena could have a significantly adverse impact.

The fund is exposed to high yield risk. This is the credit risk incurred from "speculative" securities, which have higher default probabilities than investment grade securities.

The fund offers no guarantee or protection for the capital invested. There is therefore a risk that investors may not recover the full amount of their initial investment.

(1) For more information about our norm-based and sector exclusion policies, please refer to our website: <https://www.ofi-invest-am.com/>

(2) For more information about France's SRI label, please refer to the dedicated website: <https://www.lelabelisr.fr/>

(3) Speculative High Yield bonds have lower credit ratings (from BB+ to D according to Standard & Poor's and Fitch, and from C to Ba1 according to Moody's) than Investment Grade bonds (which are rated from AAA to BBB- according to Standard & Poor's and Fitch, and from Baa3 to Aaa according to Moody's) as their issuers are in poorer financial health according to research by the rating agencies. They are therefore regarded as riskier by the rating agencies and, accordingly, offer higher yields.



1

A RESPONSIBLE APPROACH

A RESPONSIBLE APPROACH AT THE VERY HEART OF THE INVESTMENT PROCESS



The market for euro-denominated High Yield⁽¹⁾ bonds by companies from OECD member countries*
Diversification expect OECD : 20 % max



Univers d'investissement, indice excluant les financières
BofA Merrill Lynch euro non-financial fixed & floating rate High Yield index (HEAE)



ESG exclusions

- Normative & sectoral
- 20% of the least virtuous (SRI label)
- Less committed to the energy and ecological transition (TEE)



Investable universe



Strategic High Yield Allocation



Issuer selection: financial analysis and incorporation of ESG factors









Portfolio construction, monitoring of securities and of ESG indicators



- The fund may also invest in the same way in forward financial instruments such as credit derivatives (CDS, CDS indices), and up to 10% of its assets in shares of private companies in OECD countries.
- Speculative High Yield bonds have lower credit ratings (from BB+ to D according to Standard & Poor's and Fitch, and from C to Ba1 according to Moody's) than Investment Grade bonds (which are rated from AAA to BBB- according to Standard & Poor's and Fitch, and from Baa3 to Aaa according to Moody's) as their issuers are in poorer financial health according to research by the rating agencies. They are therefore regarded as riskier by the rating agencies and, accordingly, offer higher yields.

OUR NORM-BASED AND SECTOR EXCLUSION POLICIES

NORM-BASED EXCLUSIONS	 CONTROVERSIAL WEAPONS	Exclusion of 9 categories of “conventional” and “non-conventional” weapons and other types of weapons governed by the Oslo and Ottawa conventions.
	 NON-COMPLIANCE WITH THE 10 GLOBAL COMPACT PRINCIPLES	Human rights, international labour standards, the environment, anti-corruption
SECTOR EXCLUSIONS	 THERMAL COAL	<ul style="list-style-type: none"> • Ownership of coal mines • Over 20% of revenue⁽¹⁾ derived from thermal coal-related activities • Over 20% of total energy output based on thermal coal • Full withdrawal from thermal coal by 2030
	 OIL AND GAS	<p>New investments are excluded if:</p> <ul style="list-style-type: none"> • at least 5% of revenue is derived from non-conventional (NC) hydrocarbons • the production of NC hydrocarbons accounts for at least 25% of total fossil energy output* • they heavily finance (CAPEX⁽²⁾) the development of new oil & gas projects*
	 TOBACCO	<ul style="list-style-type: none"> • Tobacco growers • Distributors, suppliers or retailers deriving more than 10% of their revenue from the tobacco industry
	 PALM OIL	Growers and distributors of palm oil deriving more than 5% of their revenue from the palm oil industry

For more information about our norm-based and sector exclusion policies, please refer to our website: <https://www.ofi-invest-am.com/>

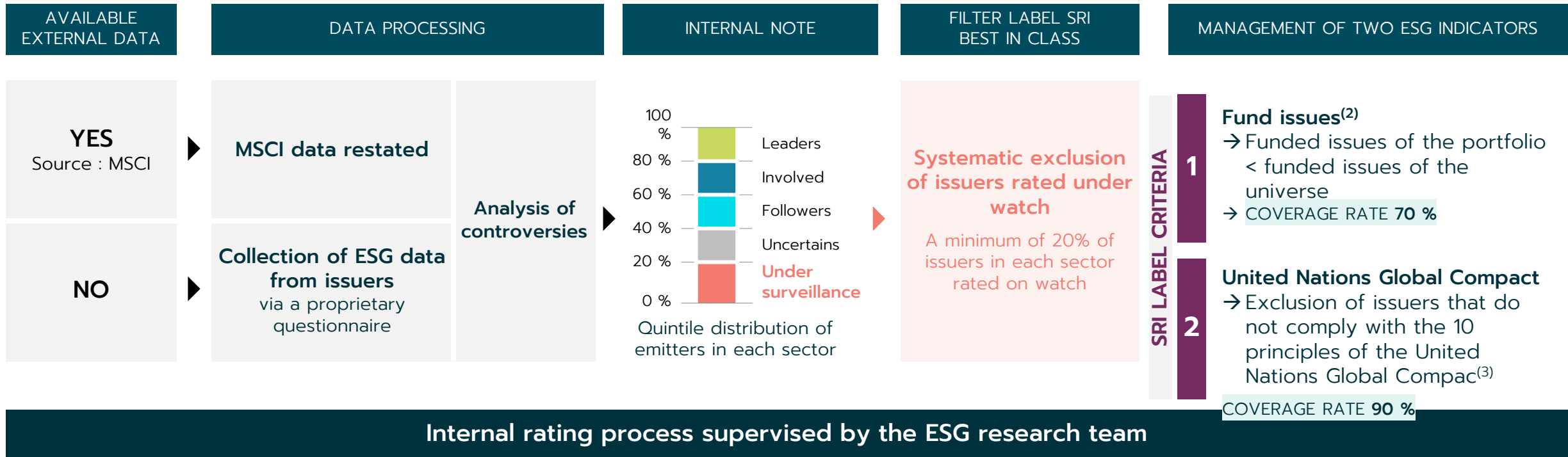
* These exclusions only concern bond investments; an engagement policy applies to equity investments.

(1) Sales revenue

(2) Capital expenditure

EXCLUSION OF 20% OF THE LEAST VIRTUOUS ISSUERS ON ESG ISSUES

INTERNAL ESG RATING & BEST IN CLASS SRI LABEL (1)



Source : Ofi Invest Asset Management

- (1) In the context of socially responsible investment, the "best in class" approach is a positive approach to selecting companies that give preference to those with the highest ESG ratings or that demonstrate the strongest ESG (Environmental, Social and Governance) convictions within their sectors of activity, without favouring or excluding any sector in relation to the stock market index that serves as a basis. <https://www.lelabelisr.fr/>
- (2) Emissions produced indirectly by an investor by the companies it finances. They are calculated as follows: Assets held x Total carbon emissions of the company / Total liabilities of the company (m€). They are expressed in tons of CO2 equivalent per million euros invested.
- (3) The Global Compact requires companies to align their strategies and operations with the ten universal principles related to human rights, labor, environment, and anti-corruption, and to take steps to advance societal goals and implementation of the SDGs. Excluded are only those issuers facing high or very high severity controversies related to the 10 Global Compact principles, on a frequent or recurring basis, with insufficient corrective measures. <https://www.globalcompact-france.org/p-28-les-10-principes>

EXCLUSION OF THE LEAST COMMITTED TO THE ECOLOGICAL AND ENERGY TRANSITION

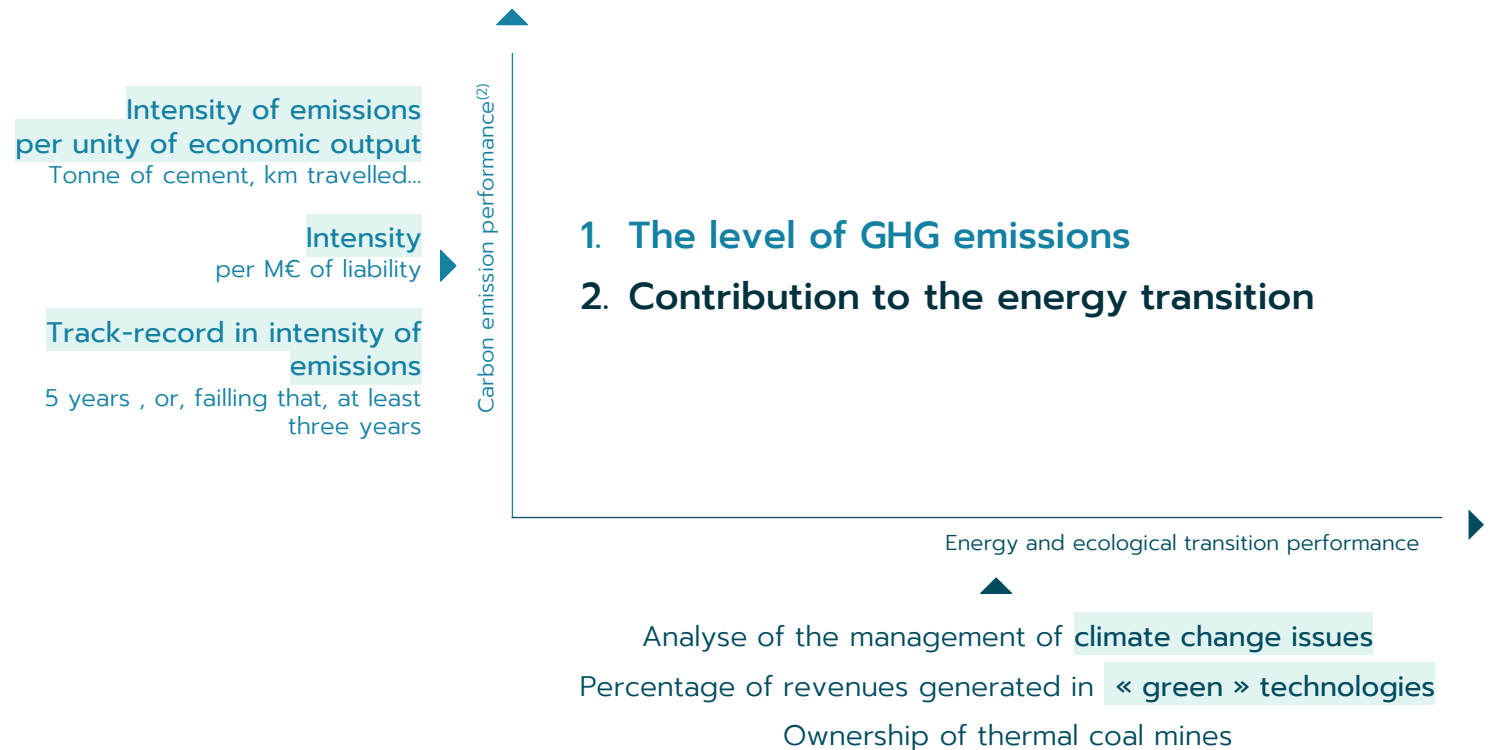
METHODOLOGY OF ANALYSIS AND INTERNAL RATING

Focusing the analysis on issuers belonging to the 8 most carbon-intensive sectors⁽¹⁾ :

1. Automobile
2. Chemicals
3. Industrial goods & services
4. Basic Resources
5. Construction & Materials
6. Energy
7. Services aux collectivités
8. Travel & leisure

Source : nomenclature ICB d'Euronext

TWO AXES FOR EACH CARBO-INTENSIVE SECTOR



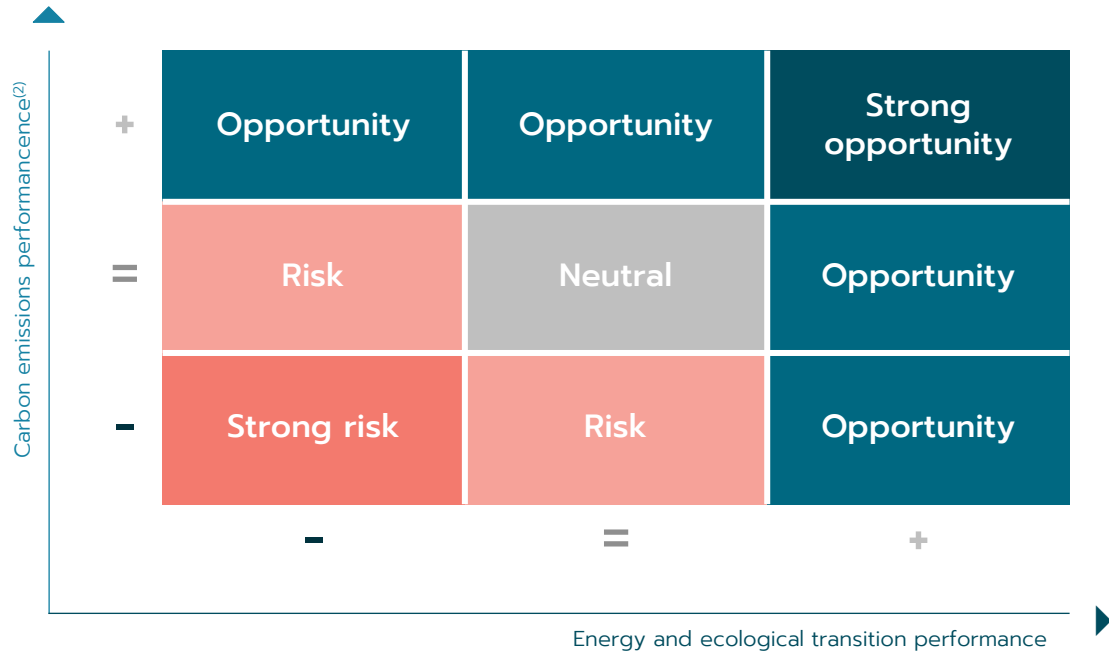
Source : Ofi Invest Asset Management

(1) Most polluting sectors in terms of CO2 emissions

(2) Scope 1 (all direct emissions from fossil fuels) and Scope 2 (indirect emissions from electricity consumption and heat/cold networks)

OUR ECOLOGICAL AND ENERGY TRANSITION MATRIX

NOTE EACH TRANSMITTER BELONGING TO THE 8 MOST CARBO-INTENSIVE SECTORS⁽¹⁾



Calculation of the score

+ « Emissions Intensity » Score : by quintile for each sector; scale of -2 to 2



+ « Energy Transition » Score : by quintile for each sector; scale of -6 to 6



Malus : Owning thermal coalmines

Bonus : Percentage of revenues generated in « green » technologies

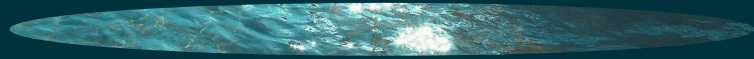
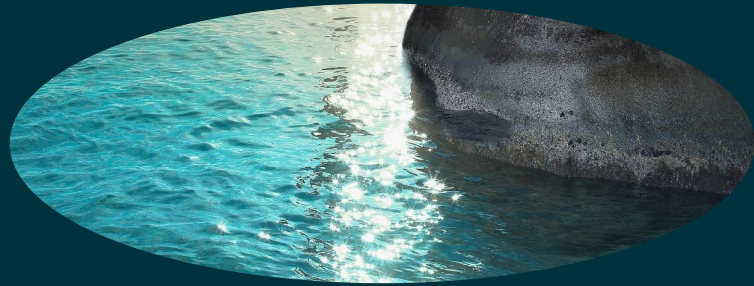
Systematic exclusion of « High risk » and « Risk » issuers

Consideration of the carbon footprint and transition dynamics

Source : Ofi Invest Asset Management

(1) Most polluting sectors in terms of CO2 emissions

(2) Scope 1 (all direct emissions from fossil fuels) and Scope 2 (indirect emissions from electricity consumption and heat/cold networks)



2

EXPERTISE & TEAMWORK

RESEARCH AND FUND MANAGEMENT TAILORED TO THE INVESTOR

ESG RESEARCH



11 experts ⁽²⁾ of which 7 ESG analysts

MACRO RESEARCH



2 economists⁽²⁾

CREDIT RESEARCH



15 analysts⁽²⁾

HIGH YIELD FUND MANAGEMENT



4 High Yield fund managers⁽²⁾

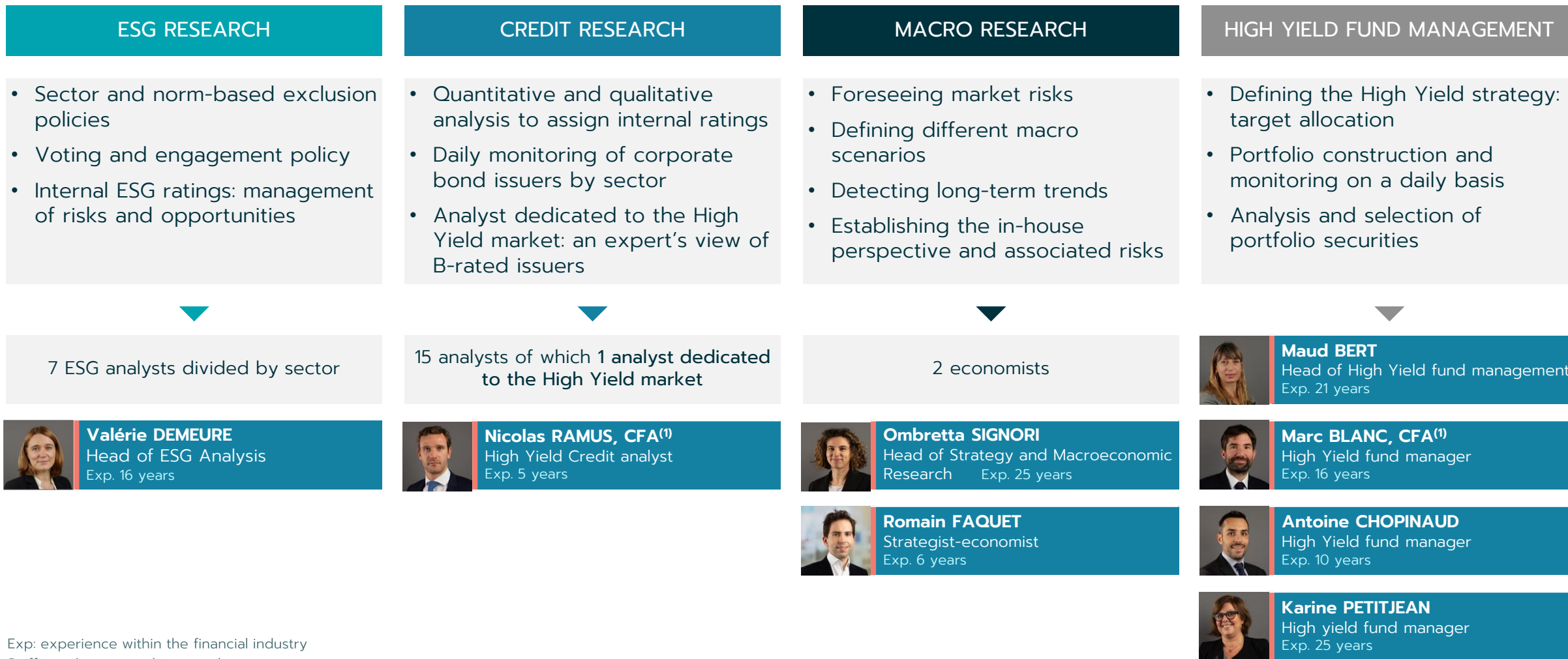
Exp: experience within the financial industry

Staff members are subject to change.

(1) Chartered Financial Analyst, a certificate delivered by the CFA Institute: <https://www.cfainstitute.org/>

(2) Including team managers

RESEARCH AND FUND MANAGEMENT TAILORED TO THE INVESTOR



Exp: experience within the financial industry

Staff members are subject to change.

For more information about our norm-based and sector exclusion policies, please refer to our website: <https://www.ofi-invest-am.com/>

AN EXPERIENCED HIGH YIELD FUND MANAGEMENT TEAM⁽³⁾

RESPONSIBILITIES

PREVIOUS EXPERIENCE

QUALIFICATIONS



Maud BERT
Head of High Yield fund management
Exp. 21 years



Marc BLANC, CFA⁽¹⁾
High Yield fund manager
Exp. 16 years



Antoine CHOPINAUD
High Yield fund manager
Exp. 10 years



Karine PETITJEAN
High yield fund manager
Exp. 25 years

2019 > Head of High Yield fund management
2009–2019 High yield fund manager
2009 Joined Ofi Invest AM

2019 > High Yield fund manager
2014–2019 High Yield credit analyst
2014 Joined Ofi Invest AM

2021 > High Yield fund manager
2018–2021 Credit analyst covering the utilities, mining and chemicals sectors
2018 Joined Ofi Invest AM

2014 > Credit fund manager, including High Yield credit since 2021
2011–2014 Buy-side credit analyst
2011 Joined Ofi Invest AM

2004–2009 High Yield and Absolute Return fund manager
ADI ALTERNATIVE INVESTMENTS
2001–2003 Quantitative analyst-fund manager in the High Yield division
ADI ALTERNATIVE INVESTMENTS

2012–2014 Investor Relations
GROUPE CASINO
2006–2012 Sell-side credit analyst
SOCIÉTÉ GÉNÉRALE CIB
2006 Joined the financial industry

2015–2018 Credit risk analyst covering the chemicals, building materials and transportation sectors
SANTANDER INVESTMENT BANKING
2013–2015 Management consultant for financial services
CAPGEMINI CONSULTING.
2013 Joined the financial industry

2003–2011 Sell-side credit analyst
BNP PARIBAS FORTIS
1996–2003 Sell-side equity analyst,
MEESCHAERT-ROUSSELLE / FORTIS BANK
1996 Joined the financial industry

- Master's degree in Financial Strategies and Collective Savings Management from Université de Poitiers

- Master's degree in Finance from EDHEC Business School
- CFA certificate

- Master's degree in Finance from Audencia Nantes

- Post-graduate diploma in Finance from Université Paris II
- Post-graduate degree in Finance from Université de Lille
- SFAF certificate⁽²⁾

Exp: experience within the financial industry

(1) Chartered Financial Analyst, a certificate delivered by the CFA Institute: <https://www.cfainstitute.org/>

(2) A certificate delivered by the Société Française des Analystes Financiers: <https://www.sfaf.com/>

(3) Staff members are subject to change

DEFINING THE HIGH YIELD STRATEGY

INTERNAL RATING: HIGH YIELD SCORECARD

- Impact analysis of the key factors in the High Yield market
- Horizon of 3 to 6 months
- Monthly review during the Credit Committee meeting
- Macro and strategy views factored in

FACTORS	WEIGHTING	SCORE N	SCORE N-1	Δ*
Macro	35%	3.1	3.1	0
Fundamental	30%	4.0	4.1	-0.1
Valuation	25%	4.4	3.8	0.6
Technical	10%	3.5	3.3	0.2
Rating		3.7	3.6	



Source: Ofi Invest Asset Management at 31/03/2023 // * Variations

- (1) Speculative High Yield bonds have lower credit ratings (from BB+ to D according to Standard & Poor's and Fitch, and from C to Ba1 according to Moody's) than Investment Grade bonds (which are rated from AAA to BBB- according to Standard & Poor's and Fitch, and from Baa3 to Aaa according to Moody's) as their issuers are in poorer financial health according to research by the rating agencies. They are therefore regarded as riskier by the rating agencies and, accordingly, offer higher yields.
- (2) High-quality bonds, referred to as Investment Grade, receive ratings of between BBB- and AAA from Standard & Poor's and Fitch and between Baa3 and Aaa from Moody's, with the most solid issuers rated triple-A.

	FACTORS	WEIGHTING	NEGATIVE						NEUTRAL						POSITIVE						Δ N-1	
			1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6		
01/03/2023																						
MACRO	Inflation	40%																				=
	Economic growth	40%																				=
	Job market	5%																				=
	Politics and geopolitics	15%																				=
FUNDAMENTAL	Prospect of default	40%																				=
	Cyclical issuers	24%																				=
	Non-cyclical issuers	21%																				=
	Financials	12%																				-
	Real estate	3%																				=
VALUATION	Spread vs recent levels	30%																				++
	Spread vs long-term levels	30%																				=
	Yield / carry	40%																				=
TECHNICAL	Flows	35%																				=
	New issuances	25%																				=
	HY ⁽¹⁾ vs IG ⁽²⁾	10%																				++
	Market sentiment	30%																				=

DEFINING THE HIGH YIELD STRATEGY

STRATEGIC HIGH YIELD ALLOCATION...

	HIGHLY NEGATIVE	NEGATIVE	NEUTRAL	POSITIVE	HIGHLY POSITIVE
Duration ⁽¹⁾					
Spread duration ⁽²⁾					
BB rating					
B rating					
CCC rating					

- Horizon of 3 to 6 months
- Monthly review during the Credit Committee meeting
- Macro and strategy views factored in

... THE GOAL UNDERLYING OUR FUND MANAGEMENT PILLARS

- 1 Allocation by sector
- 2 Allocation by rating
- 3 Duration adjustment

Source: Ofi Invest Asset Management at 31/03/2023

(1) The duration of a fixed-income financial instrument, such as a bond, is the average life of its cash flows weighted by their present value. The longer the duration, the greater the risk.

(2) Spread duration is the sensitivity of a bond's price to variations in its credit spread. The credit spread is the difference between a bond's yield and a benchmark yield, such as the interest rate or yield on a sovereign bond.

TEAMWORK AND CONSTANT DISCUSSION



MORNING MEETING

3 times a week

Equity + Bond + Multi-Asset +
Mandate + Commodity +
Convertible fund managers;
Macro + Credit + ESG analysts

To share views on fund
management, macroeconomic
developments and issuer
newsflow

HIGH YIELD FUND MANAGEMENT UPDATE

Weekly

High Yield fund managers + High
Yield analyst

To monitor "sensitive" issuers,
decide on arbitrage transactions
and build portfolios

HIGH YIELD CREDIT MEETING

Monthly

HY fund managers + Credit
analysts

To enable the fund managers and
credit analysts to discuss the
themes selected by the fund
management team

CREDIT COMMITTEE MEETING

Monthly

IG⁽¹⁾ + HY fund managers; Credit +
ESG analysts

To define the target allocation
and its main changes (credit
scorecard⁽²⁾), and to discuss the
recommendations issued by the
Credit and ESG research teams

(1) High-quality bonds, referred to as Investment Grade, receive ratings of between BBB- and AAA from Standard & Poor's and Fitch and between Baa3 and Aaa from Moody's, with the most solid issuers rated triple-A.

(2) Refer to slide 17

CREDIT RESEARCH: IN-DEPTH COVERAGE OF THE HIGH YIELD MARKET

CREDIT ANALYSTS SPECIALISED BY SECTOR

Technology, Media & Telecommunications	Consumer & Healthcare	Industrials & Utilities
Energy & Materials	Banks	Insurance & Real Estate

- Overview of the market

AN ANALYST DEDICATED TO THE HIGH YIELD MARKET

- Expert view of the category of B-rated issuers not covered by our sector analysts (80 issuers covered)
- Analysis of legal documentation and covenants
- Rapid response so as to cover current events
- Close integration with the fund management team

Take advantage of an overview of the market as well as an expert view of the High Yield segment

CREDIT RESEARCH: IN-DEPTH COVERAGE OF THE HIGH YIELD MARKET

OUR ISSUER SELECTION PROCESS

FUNDAMENTAL ANALYSIS

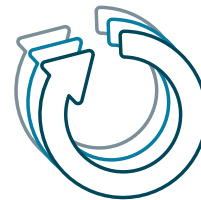
- Analysis of business models
- Analysis of debt levels and debt sustainability
- Cash-flow modelling
- Structure/seniority and covenants

Buy / Hold / Sell

VALUATION ANALYSIS

- Historical valuation
- Relative Value with respect to peers, sector, rating and yield curve
- Analysis of the basis* vs CDS⁽¹⁾
- Examination of the default risk and recovery rate**

Attractive / Fair value / Dear



ANALYSIS OF TECHNICAL FACTORS

- Issuance size
- Bid-Ask spread⁽²⁾
- Covenants
- Flows: retail / institutional investors
- Market conditions
- Member of the Itraxx index⁽³⁾

Good / Medium / Poor

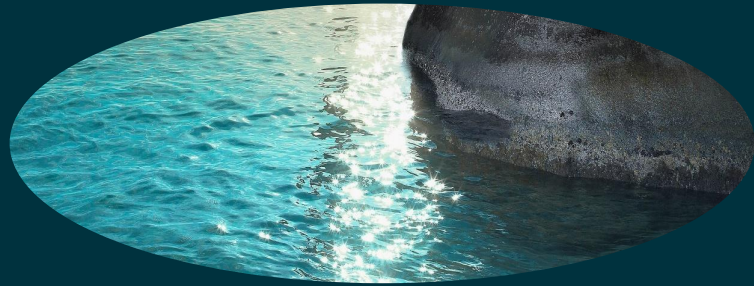
* Basis: difference between the spread on the CDS and that on the bond of a same issuer and similar maturity

** Recovery rate: proportion of exposure that would be recoverable in the event of a default

(1) A CDS (credit default swap) is a type of insurance through which a financial institution can protect itself from the risk of a credit payment default by paying a premium

(2) The difference between the bid price and ask price is referred to as the bid-ask spread

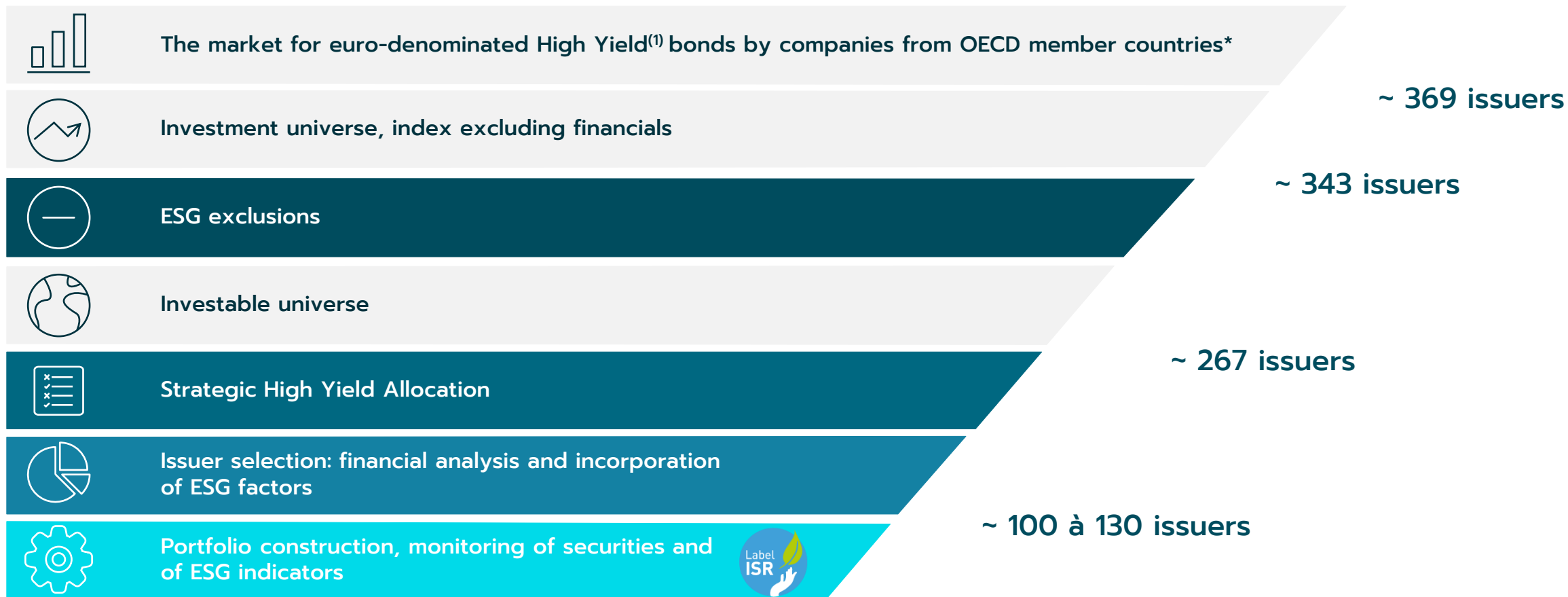
(3) The iTraxx index is a composite index referencing a basket of CDSs



3

CONVICTION

A HIGHLY SELECTIVE FUND MANAGEMENT PROCESS



- The fund may also invest in the same way in forward financial instruments such as credit derivatives (CDS, CDS indices), and up to 10% of its assets in shares of private companies in OECD countries.
- Speculative High Yield bonds have lower credit ratings (from BB+ to D according to Standard & Poor's and Fitch, and from C to Ba1 according to Moody's) than Investment Grade bonds (which are rated from AAA to BBB- according to Standard & Poor's and Fitch, and from Baa3 to Aaa according to Moody's) as their issuers are in poorer financial health according to research by the rating agencies. They are therefore regarded as riskier by the rating agencies and, accordingly, offer higher yields.

THE PORTFOLIO'S THREE PILLARS FOR A CONVICTION-BASED APPROACH

1 Allocation by sector

- Exclusion of banks and insurance companies
- Sector analysis according to the macroeconomic outlook and reviews prepared by the Credit team

▶ Overweighting/
Underweighting

2 Allocation by rating

- Allocation by credit rating bracket according to the portfolio's risk level and targeted exposure, based on the scorecard ⁽¹⁾

▶ Overweighting/
Underweighting

3 Duration adjustment

- Management of the portfolio's sensitivity to interest-rate movements according to the outlook defined by the macroeconomic research team

▶ Portfolio maturity extended or shortened via the selection of bonds and/or futures

Resolute investment bets

(1) Refer to slide 17

GEARED TOWARDS CAPTURING MARKET OPPORTUNITIES ACROSS ALL INVESTMENT HORIZONS

TYPE OF STRATEGY	INVESTMENT HORIZON	CHARACTERISTICS
<p>"CORE" STRATEGIC POSITIONS⁽¹⁾ 50-60% of the portfolio</p>	<p>MEDIUM / LONG TERM</p>	<ul style="list-style-type: none"> • Portfolio core / Low rotation • Crossover⁽²⁾ issuers / BB to established leaders • Credit profile very stable or improving over the medium/long term • Liquid and low-volatility instruments • Coverage by the credit research team
<p>TACTICAL POSITIONS 20-40% of the portfolio</p>	<p>SHORT / MEDIUM TERM</p>	<ul style="list-style-type: none"> • Moderate rotation • Issuers with cyclical or defensive profiles (BB/B) • Credit stable over the holding period • Liquid instruments with moderate volatility • Coverage by the HY fund management team/analyst⁽²⁾
<p>OPPORTUNISTIC POSITIONS 0-20% of the portfolio</p>	<p>SHORT TERM</p>	<ul style="list-style-type: none"> • High rotation / holding period < 6 months • Issuers with generally cyclical profiles (B/CCC) • A weaker or deteriorating credit profile • Instruments with lower liquidity and high volatility • Coverage by the HY fund management team/analyst

MAIN CHARACTERISTICS

Fund name	Ofi Invest ESG Euro High Yield
ISIN code	GI unit: FR0013274966 / GR unit: FR0013274974
Fund managers	Maud BERT – Marc BLANC
Fund inception date	29/08/2017
Investment objective	The Fund's objective is to outperform the Merrill Lynch Euro Non-Financial Fixed & Floating Rate High Yield Index, calculated in euro on all units over the recommended investment horizon, by favouring securities of issuers taking an active approach to the energy and ecological transition.
Investment universe	All the securities of the benchmark index
Benchmark index	Bank Of America Merrill Lynch Euro Non-Financial Fixed & Floating Rate High Yield Index
Investment horizon	More than 3 years
SFDR category ⁽²⁾	Article 8
External financial management and administrative fees incl. tax	GI units: 1,10% maximum / GR units: 1,80% maximum
Maximum transaction fee ⁽³⁾	From €0 to €450 excl. tax
Maximum front-end fee incl. tax	2%

RISK PROFILE⁽¹⁾



⁽¹⁾ The risk indicator is based on the assumption that you will hold the product for the full recommended holding period. Actual risk may differ if you opt to withdraw before the end of the recommended holding period, and you may obtain less in return. The synthetic risk indicator assesses the product's risk level in relation to other products. It is an indication of the likelihood that this product will incur losses in the event of market movements or if we are unable to pay out.

This product does not offer protection against market fluctuations, so you may lose some or all of your investment.

⁽²⁾ REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2019 on sustainability-related disclosures in the financial services sector

⁽³⁾ Refer to the fund's prospectus for more details. These fees are collected by the depository/custodian.

MAIN RISKS (1/2)

CAPITAL RISK AND PERFORMANCE RISK

The investor is advised that the performance of the UCITS might not conform to their objectives and that their capital might not be returned in full, the UCITS not benefiting from any guarantee or protection of capital invested.

INTEREST RATE RISK

Because of its composition, the UCITS may be subject to an interest rate risk. This risk results from the fact that, in general, the price of debt securities and bonds falls when rates rise. The investor in bonds or other fixed-income securities may record negative performances as a result of fluctuations in interest rates.

CREDIT RISK

In the case of downgrading of private issuers (for example, of their rating by financial rating agencies), or of public issuers, or their defaulting, the value of private bonds may fall. The net asset value of the UCITS would then be affected by this drop.

HIGH YIELD RISK

This is the credit risk applied to what are known as "speculative" securities which present probabilities of default higher than those of Investment Grade securities. In return, they offer higher levels of return, but can, in the case of downgrading of the rating, significantly reduce the net asset value of the UCITS. The unrated signatures which are selected will, for the most part, come under this category in the same way and may present equivalent or greater risks because of their unrated nature.

COUNTERPARTY RISK

This is the risk associated with use by the UCITS of futures, OTC instruments and/or resorting to acquisitions and temporary purchase and sale of securities. These transactions concluded with one or more eligible counterparties potentially expose the UCITS to a risk of defaulting of one of these counterparties possibly resulting in failure to pay which will reduce the net asset value.

EMERGING MARKETS RISK

The conditions of functioning and supervision of the emerging markets may deviate from standards prevailing on major international markets: information about certain securities may be incomplete and their liquidity more reduced. Evolution in the price of these securities may therefore vary markedly and significantly impact the net asset value.

SUSTAINABILITY RISK

Sustainability risks are primarily related to climate events resulting from climate change (known as physical risks), the ability of companies to respond to climate change (known as transition risks) and which may result in unanticipated losses affecting the mutual fund's investments and financial performance. Social events (inequalities, labour relations, investment in human capital, accident prevention, changes in consumer behaviour, etc.) or governance gaps (recurrent and significant breach of international agreements, corruption, product quality and safety and sales practices) can also translate into sustainability risks.

Consequently, the investor may be exposed to the following risk:

EQUITY RISK

If the shares to which the portfolio is exposed fall, the net asset value of the fund may fall. The UCITS may also be exposed to convertible bonds; these may display a residual share sensitivity and experience marked fluctuations linked to changes in the prices of the underlying shares. The investor's attention is drawn to the fact that the net asset value of the UCITS will drop in the case of an unfavourable change.



4

APPENDICES


OUR ESG ANALYSIS TEAM⁽¹⁾



Yann FERRAT
Head of ESG quantitative modelling
Exp. 7 years



Valérie DEMEURE
Head of ESG Analysis
Exp. 16 years




Éric VAN LA BECK
Senior advisor
Exp. 43 years

▼ QUANTITATIVE MODELLING

▼ ESG ANALYSIS

ADVISORY



Anastasiia KASHTANOVA
Exp. 2 years




Léa BOZZI
Engagement manager
Exp. 4 years



Lionel HEURTIN
Utilities, Chemicals, Real Estate
Exp. 25 years



Benoit TANGUY
Exp. 4 years




Dorothée LAFFITE
Voting manager
Exp. 5 years



Dorothée LAFITTE
Food, Retail, Consumer
Exp. 5 years

▼ SOLUTIONS



Christophe LAUGÉ
Energy, Materials
Exp. 4 years



Camille PONS CABRITA
Exp. 7 years



Alice Mary MEGGS
Banks, Insurance, Finance
Exp. 13 years




Tom RENAUX
Exp. 2 years



Pauline PAPILLON
Health Care, Business Services
Exp. 2 years



Marie ROYER
Tech, Telecoms, Media
Exp. 5 years



Sining ZHANG
Industrials, Transport
Exp. 13 years

Exp: experience within the financial industry

Staff members are subject to change.

(1) ESG: Environment, Social, Governance

OUR CREDIT RESEARCH TEAM



Jean-Philippe Dorp, CFA⁽¹⁾
 Joint Head of Credit Research
 Exp. 22 years



Alessandro ROVELLI
 Joint Head of Credit Research
 Exp. 24 years

▼ CORPORATE RESEARCH

▶ TECHNOLOGY, MEDIA AND TELECOMMUNICATIONS



Nathaniel MCNARY
 Exp. 5 years



Valentin PARENT, CFA⁽¹⁾
 Exp. 4 years

▶ CONSUMER AND HEALTH CARE



Alessandro ROVELLI
 Exp. 24 years



Serge Hervé SAME
 Exp. 9 years

▶ INDUSTRIALS AND UTILITIES



Pierre LEJEUNE
 Exp. 6 years



Ahmed MEDDEB
 Exp. 7 years

▶ ENERGY AND MATERIALS



Jean-Philippe DORP, CFA⁽¹⁾
 Exp. 22 years



Benoit GARNIER, CFA⁽¹⁾
 Exp. 7 years

▼ FINANCIAL RESEARCH

▶ BANKS



Alvaro CUCCHIARA VELAZQUEZ
 Exp. 10 years



Elena JALBA
 Exp. 9 years



Nicolas PEYRICHOUX, CFA⁽¹⁾
 Exp. 4 years

▶ INSURANCE AND REAL ESTATE



Tina CHAN
 Exp. 1 year
 Back-up: : Jean-Philippe DORP



Patrick NOËL, SFAF⁽³⁾
 Exp. 33 years
 Back-up: Alvaro CUCCHIARA VELAZQUEZ

▼ HIGH YIELD DESK



Nicolas RAMUS, CFA⁽¹⁾
 Exp. 5 years

▼ CONVERTIBLES DESK



Hiring in progress

Exp: experience within the financial industry

Staff members are subject to change.

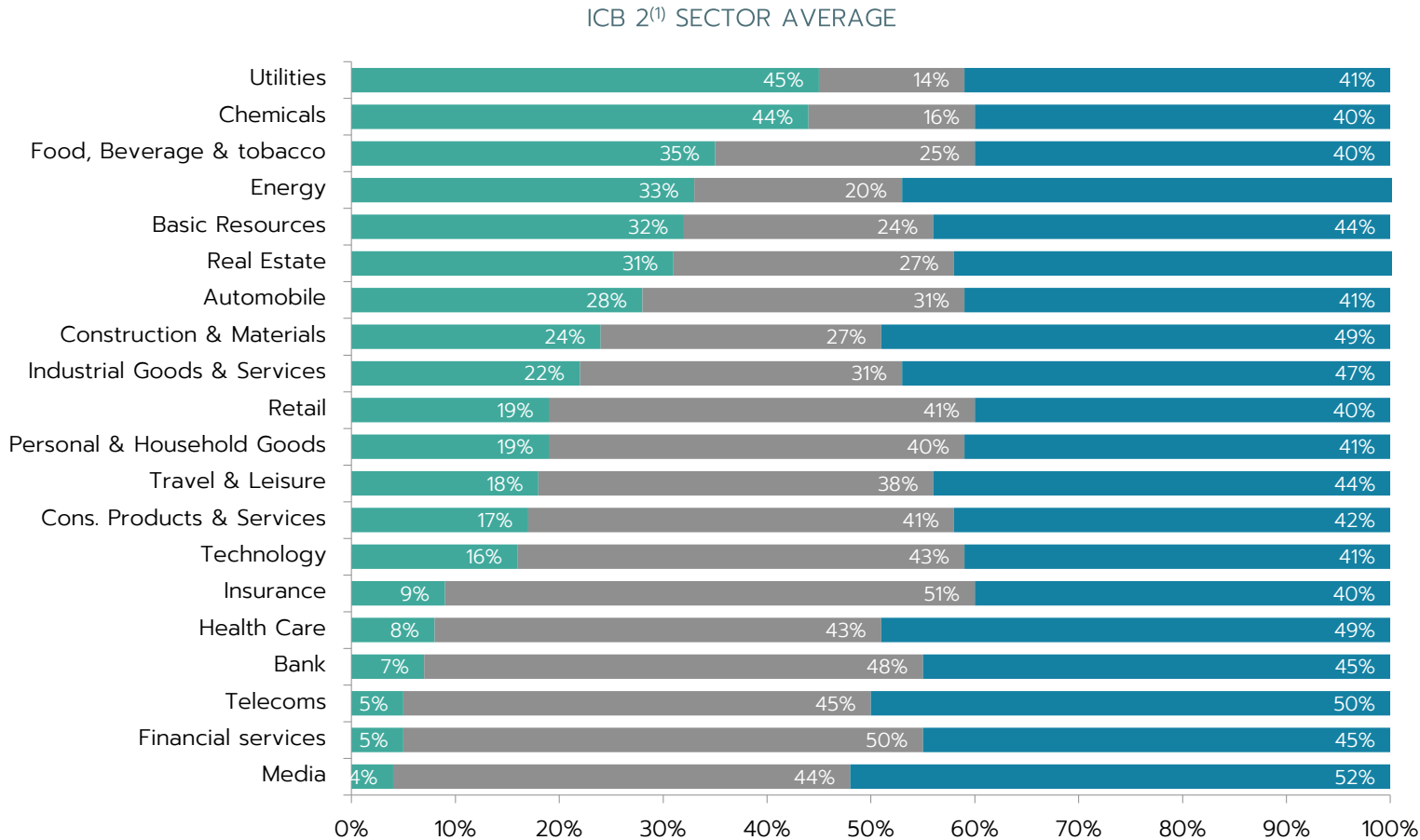
(1) Chartered Financial Analyst, a certificate delivered by the CFA Institute: <https://www.cfainstitute.org/>

(2) Doctor of Philosophy

(3) Société Française des Analystes Financiers, a certificate delivered by the SFAF association: <https://www.sfaf.com/>

EXCLUSION OF 20 % OF THE LEAST VIRTUOUS ISSUERS ON ESG ISSUES

AN INTERNAL ESG RATING ADAPTED TO EACH SECTOR



An overweighting of governance (40% minimum), a prerequisite for the proper management of environmental and social issues:

- Constant weighting for corporate governance structure: 30%.
- Sector weighting for management behavior: from 10% to 40%
- An analysis of intentions and results on E & S issues

■ E average weight
 ■ S average weight
 ■ G average weight

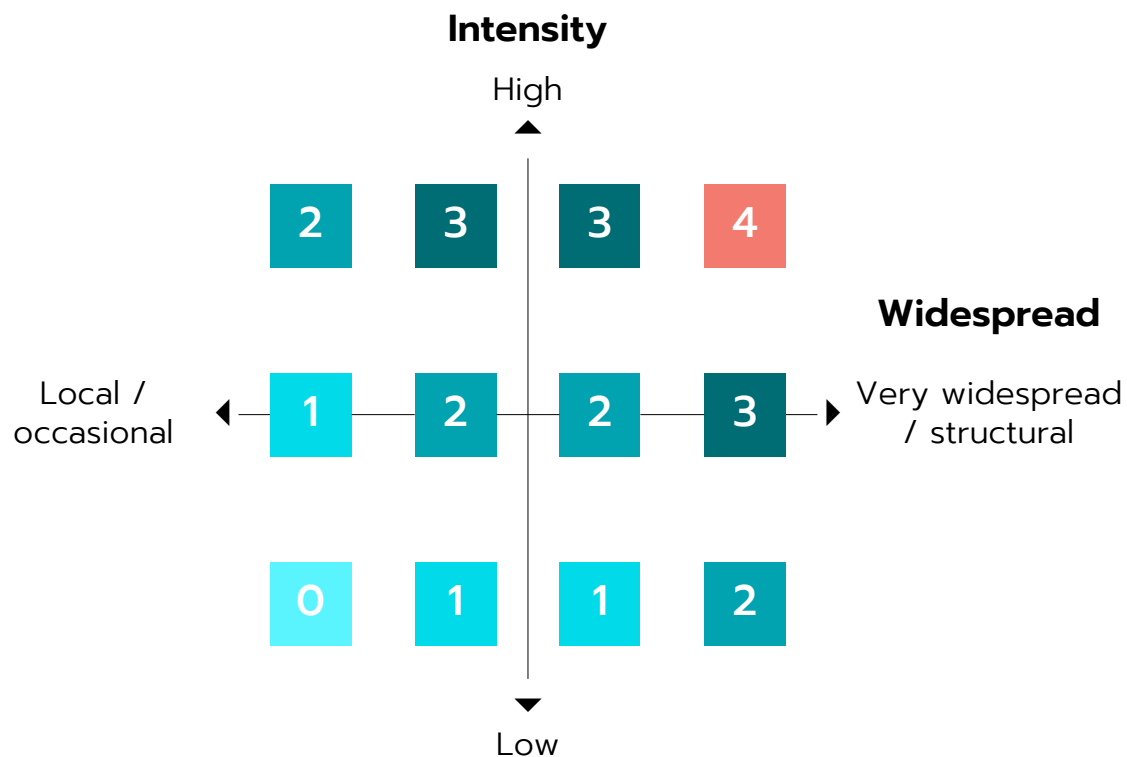
Source : Ofi Invest Asset Management at 31/12/2022

(1) Euronext classification, based on sectors and not on industries (ICB 1)

ANALYSIS OF THE CONTROVERSIS

QUALIFICATION OF CONTROVERSIS FOR CONSIDERATION IN INTERNAL GRADING

DETERMINATION OF 4 LEVELS OF CONTROVERSY



Weekly analysis of the characteristics of the controversy

- How widespread the controversy is : localised / very widespread, occasional / structural
- Intensity of the controversy : from the lowest severity to the highest
- Whether the matter in question is intentional or accidental
- Frequency of the same type of controversy
- Company response
- Settlement of the litigation (compensation, fines...)

- **Controversy of minor severity** : a limited and/or one-off impact
- **Controversy of average severity** : significant impacts but limited in time or space
- **Controverse de sévérité élevée** : proven and/or systemic abus(es)
- **Controversy of very high severity**: proven and/or systemic abus(es) on a large scale

Source : Ofi Invest Asset Management at 31/12/2022

(1) Euronext classification, based on sectors and not on industries (ICB 1)

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