

Model pre-contractual information for financial products referred to in Article 8(1), 2 and 2(a) of Regulation (EU) 2019/2088 and in the first paragraph of Article 6 of Regulation (EU) 2020/852

Name of the product:
MANDARINE VALEUR

Legal entity identifier: 969500DY08VL8T4QAF46

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

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 and Social (E/S) characteristics** and, while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% 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 features, but **will not make sustainable investments**

By **sustainable investment**, we mean an investment in an economic activity that contributes to an environmental or social objective, provided that it does not cause significant harm to any of these objectives and that the investee companies apply good governance practices.

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

The **sustainability indicators** assess the extent to which the environmental or social characteristics promoted by the financial product are achieved.



What environmental and/or social characteristics are promoted by this financial product?

ESG criteria are integrated into the strategy by excluding companies and issuers based on their exposure to certain activities that are disapproved on ESG grounds.

The Fund seeks to select issuers according to a Best-in-Universe approach. This ESG selection process consists of favouring the best rated companies in the investment universe from an extra-financial perspective, regardless of their sector of activity. The Best-in-Universe approach includes a Best-Effort approach that also aims to select companies that are initiating an ESG process and actively working to improve their ESG practices.

Further information on the general investment policy of the Fund is available in the "Investment Objective and Policy" section of the prospectus.

Minimum proportion of sustainable investments The Fund invests partly in sustainable investments, i.e. companies and issuers involved in activities that contribute to an environmental or social objective, while not causing significant harm to other environmental or social objectives and respecting minimum governance standards.

ESG Rating The fund invests in securities issued by companies that have been analysed and rated using Mandarin Gestion's proprietary ESG tool to ensure that only securities issued by companies that meet the minimum ESG score requirement are eligible. Securities issued by companies that meet the minimum ESG score requirement are eligible. . This rating is based on the following pillars:

- Environment pillar
- Social pillar
- Governance pillar
- Stakeholder pillar

Exclusions based on sectors and values Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers that have significant exposure to certain activities that may be detrimental to the environment or society at large:

- Any direct investment in companies involved in the manufacture, trade, stockpiling or services for anti-personnel mines, cluster bombs, in accordance with the Ottawa and Oslo Treaty;
- Companies producing, stockpiling or trading in chemical, biological and depleted uranium weapons;
- Companies that seriously and repeatedly violate one or more of the 10 principles of the UN Global Compact;
- The companies which are subject to the most serious controversies (severity level 5 on a scale of 1 to 5);
- Companies or sectors considered to be particularly exposed to sustainability risk (see infra) .

Benchmark: The Benchmark Indices used by the Fund is not "EU Paris-Aligned and Climate Transition-Benchmark", whether it is a Climate Transition Benchmark "CTB" index of climate transition or Paris Aligned Benchmark "PAB" index aligned with the Paris Agreement.

○ ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

To measure the achievement of environmental or social characteristics, the manager will use the following indicators, where relevant data is available.

The main sustainability indicators are the criteria for the selection of corporate issuers grouped into the four pillars of the Best-in-Universe filter:

"Environment" pillar: this takes into account, among other issues, the way in which waste management, the reduction of greenhouse gas emissions and the prevention of environmental risks are addressed;

"Social" pillar: it studies aspects relating to the prevention of accidents at work, training, respect for employees' rights, respect for human rights in the subcontracting chain (supply chain) and social dialogue, etc.;

"Governance" pillar: ensures the independence of governance and management bodies such as the composition of the board, the management structure, the transparency of remuneration and the presence of an audit committee, the respect of the rights of the minority shareholder, etc.;

"Stakeholder" pillar: this pillar examines aspects relating to the quality of the offer and customer service, responsible purchasing policy, monitoring of the value chain, human rights policy in direct activities and in the value chain, formalised commitments, monitoring of UN recommendations, interactions with NGOs, exhibitions in sensitive countries, inclusion and development programmes for local communities, etc.

Fossil fuel policy The Fund monitors its exposure to fossil fuels in accordance with the management company's dedicated internal policy.

Issuers concerned: The gas, oil and coal sectors, both upstream/midstream and downstream and from the^{first} euro of turnover or capital employed.

Engagements: Shareholder engagement, in particular by checking the consistency of the divestment scenarios of the issuers concerned. The managers are systematically alerted to the level of exposure of eligible issuers in their investment universe. The assessment of exposure to fossil fuels is also carried out at the level of all the investments of the management company.

With regard to coal, the management company is committed to the cessation of all investments in funds managed by Mandarin Gestion by 2030.

○ **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund promotes environmental and social characteristics and will invest at least 50% of its assets in sustainable investments, i.e. those engaged in economic activities that contribute substantially to a sustainable social or environmental objective (including the European taxonomy), while not significantly undermining other sustainable objectives and meeting a minimum standard of governance. The Fund uses a benchmark that is not aligned with its sustainable objective.

The EU taxonomy identifies six environmental objectives: climate change mitigation, adaptation to climate change, sustainable use and protection of water and marine resources, transition to a circular economy (including waste prevention and recycling), pollution prevention and reduction, and protection and restoration of biodiversity and ecosystems, and identifies economic activities considered environmentally sustainable for investment purposes. The alignment of companies' activities with the objectives of the EU taxonomy is identified and assessed provided that data is available and of adequate quality. Depending on the availability of feasible investment opportunities, the Fund may contribute to one of the environmental objectives set out in the taxonomy regulation.

To qualify as a sustainable investment, all issuers are assessed on the basis of Mandarin Gestion's own Extra-Financial Rating, which is based on four ratings (the "Extra-Financial Ratings") assigned by the ESG view proprietary tool on each of the Environmental ("E"), Social ("S"), Governance ("G") and Stakeholder ("SH") pillars.

This rating enables:

- the identification of the significant contribution to a sustainable objective on the 'E' or 'S' pillar;
- to qualify the absence of significant harm to the other "E" or "S" objective;
- to ensure a minimum of compliance with governance principles.

More information on the methodology of the Extra-Financial Rating is available in the Article 10 SFDR publication on the management company's website.

For more information on Mandarin Gestion's sustainable investment approach, please go here.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Fund shall ensure that investments (other than investments in cash or cash equivalents and derivatives held for hedging purposes) do not have a significant negative impact on one or more environmental and social objectives.

To this end, all issuers that qualify as sustainable investments are assessed on the basis of an Extra-Financial Rating that takes into account the following main negative impacts

Greenhouse gas (GHG) emissions	<ol style="list-style-type: none"> 1. Greenhouse gas emissions; 2. Carbon footprint; 3. Greenhouse gas emission intensity of invested companies; 4. Exposure to companies operating in the fossil fuel sector; 5. Share of non-renewable energy consumption and production; 6. Energy consumption intensity by high climate impact sectors;
Biodiversity	<ol style="list-style-type: none"> 7. Activity with a negative impact on biodiversity-sensitive areas
Water	<ol style="list-style-type: none"> 8. Activity with a negative impact on water
Waste	<ol style="list-style-type: none"> 9. Ratio of hazardous waste
Social and employee issues	<ol style="list-style-type: none"> 10. Violation of the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises; 11. Lack of monitoring and compliance with point 10. ; 12. Unadjusted gender pay gap; 13. Gender balance on the Board of Directors; 14. Exposure to controversial weapons.

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

- How have the indicators for adverse impacts on sustainability factors been taken into account?

The main negative impacts of each of the issuers identified as sustainable investments in the portfolio are analysed and taken into account at the time of the investment decision, in particular to ensure that issuers do not significantly undermine environmental and/or social objectives. In particular, within the Extra-Financial Rating, a specific score is given on the 14 indicators listed above in order to identify the level of negative impact of an issuer's activity on sustainable investment objectives.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In addition, the Fund takes into account the sustainability risks implemented at the level of the management company through its sustainability policy (available here). At Fund level, risk analysis may lead to the exclusion of particularly exposed issuers, whether or not they are already in the portfolio. The management company has set up an indicator called "SSRI" (Synthetic Sustainability Risk Indicator) for each investment in the portfolios, which is divided into five parts:

- Company risk exposure, which is mainly a function of the risks associated with its sector of activity;
- The portion of risk exposure that may be taken on by the company;
- The portion of risk exposure taken on by the company;
- The portion of unhedged risk that can be taken on by the company;
- And finally the portion of unhedged risk that cannot be taken on by the company.

The figure used by the management company is the net risk carried by the issuer, i.e. its gross risk exposure (Company exposure below) minus an amount corresponding to the risk covered by the company (Managed risk). Fund-level monitoring is then applied on the basis of aggregated scores.

- How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and ensured through the process of identifying sustainable investments. Indeed, the analysis of compliance with the OECD Guidelines is an integral part of the definition of sustainable investment activities.

The EU taxonomy establishes a 'do no significant harm' principle whereby taxonomy-aligned investments should not cause significant harm to the objectives of the EU taxonomy and is accompanied by specific EU criteria. The "do no significant harm" principle only applies to investments underlying the financial product that take into account the European Union's criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the European Union's criteria for environmentally sustainable economic activities. Any other sustainable investment must also not cause significant harm to environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

- Yes
- No

The negative impacts of investments on sustainability factors are taken into account **when selecting sustainable investments** in their own right in the investment process.

What investment strategy does this financial product follow?

The objective of the Fund is to outperform the STOXX® Europe 600 Net Return EUR index over the recommended investment horizon by selecting, through an active stock picking strategy, European companies that positively respond to ESG criteria (Best-in-Universe approach).

To achieve this objective, the Fund's investment strategy is to:

- Dynamic exposure to the European equity markets following a management philosophy that can be described as "Value with Catalyst". The portfolio is built and managed according to a qualitative and quantitative analysis of companies whose value is deemed to be "discounted" or "undervalued" and that offers potential for appreciation with regard to the identification of catalysts (balance sheet consolidation, reduction in stress, factors of change or cyclical recovery, extra-financial dynamics, etc.) which, according to the analysis of the Management Company, would lead to a market revaluation.
- Selecting securities according to a "Best-in-Universe" approach.

For further information on the general policy, please refer to the general investment policy in the "Investment Objectives" section of the Fund factsheet.

○ **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

- The Fund implements an exclusion from its "Best-in-Universe" strategy, which means that it is not possible to invest in entities representing the lowest 20% of ESG ratings;
- The Fund respects a minimum sustainable investment level of 30% of its net assets;
- The Fund is committed to ensuring that at least 90% of its net assets are ESG rated.

The Fund also implements a "group" exclusion related to:

- To companies exposed to controversial weapons;
- To companies commit a serious or repeated violation of one or more of the 10 principles of the UN Global Compact;
- The most controversial companies (severity level 5 on a scale of 1 to 5).

○ **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Fund's investment constraints lead to a minimum exclusion of 20% of the investment universe (last quintile of the Fund's investment universe rating). To this proportion should also be added entities subject to sectoral and/or normative exclusions (i.e. where a sustainability risk or the existence of a level 5 controversy has been identified for example).

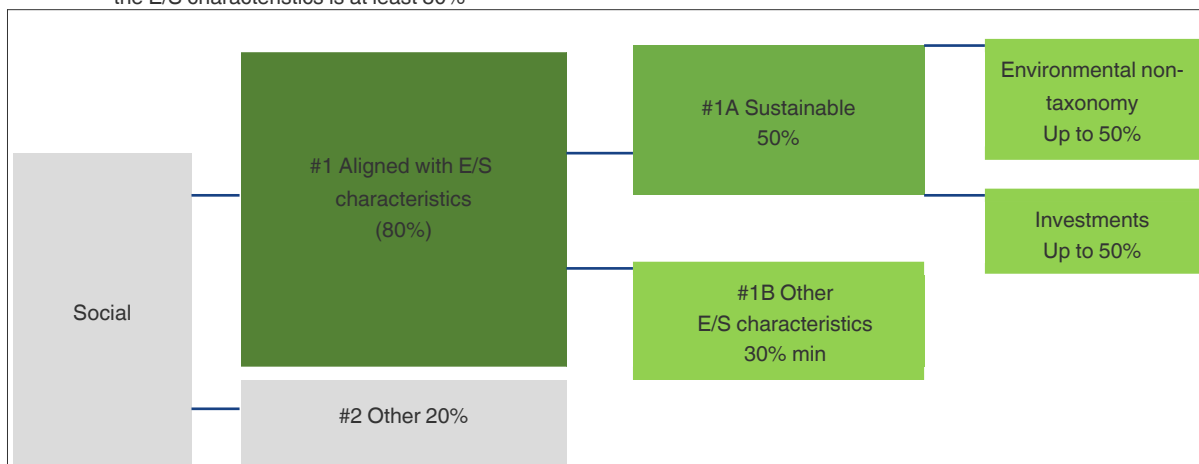
○ **What is the policy to assess good governance practices of the investee companies?**

The analysis of the good governance practices of the invested entities is taken into account at several levels of the portfolio construction process:

- ✓ Prior to investment, governance is taken into account in the rating of the company eligible for investment. The rating is particularly influenced by criteria such as the composition and functioning of the board of directors, remuneration policy and distribution among employees, treatment of shareholders and dialogue, internal anti-corruption and anti-money laundering policies (...).
- ✓ In addition, the quality of the governance practices of the entities invested by the fund may also influence the rating of the companies. Indeed, the outcome of the shareholder dialogue between the Fund's teams and the company's representatives may lead to the adoption of malus or bonus on the ESG rating.

What is the asset allocation planned for this financial product?

The expected asset allocation for this financial product is as follows: the percentage of portfolio assets aligned with the E/S characteristics is at least 80%



The category **#1 Aligned with E/S characteristics** includes investments in the financial product that are used to achieve the environmental or social characteristics promoted by the financial product, as well as investments that qualify as sustainable. The category **#2 Other** includes the remaining investments of the financial product that are neither aligned with environmental or social characteristics nor considered as sustainable investments.

The category **#1 Aligned with E/S characteristics** includes:

- the sub-category **#1A Sustainable** covering sustainable investments with environmental or social objectives. These investments will be a minimum of 50% with no restriction on the allocation between social or environmental objectives;
- the sub-category **#1B Other E/S characteristics** covering investments aligned with environmental or social characteristics that are not considered sustainable investments.

Good governance practices relate to sound management structures, staff relations, staff remuneration and compliance with tax obligations.

The **asset allocation** describes the share of investments in specific assets.

The activities aligned with the taxonomy are expressed in percentages:

- of **turnover** to reflect the share of revenue from the green activities of the investee companies;
- of **investment expenditure** (CapEx) to show the green investments made by the investee companies, for a transition towards a green economy, for example;
- of **operating expenses** (OpEx) to reflect the operational activities of the investee companies.

The **enabling activities** directly allow other activities to make a substantial contribution to the achievement of an environmental objective. The **transitional activities** are activities for which low-carbon alternatives are not yet available and, among others, whose greenhouse gas emission levels correspond to the best achievable performances.



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.

The asset allocation is likely to change over time and the percentages should be considered as averages over long periods of time. Calculations may be based on incomplete or fragmentary data from the company or third parties.

○ **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

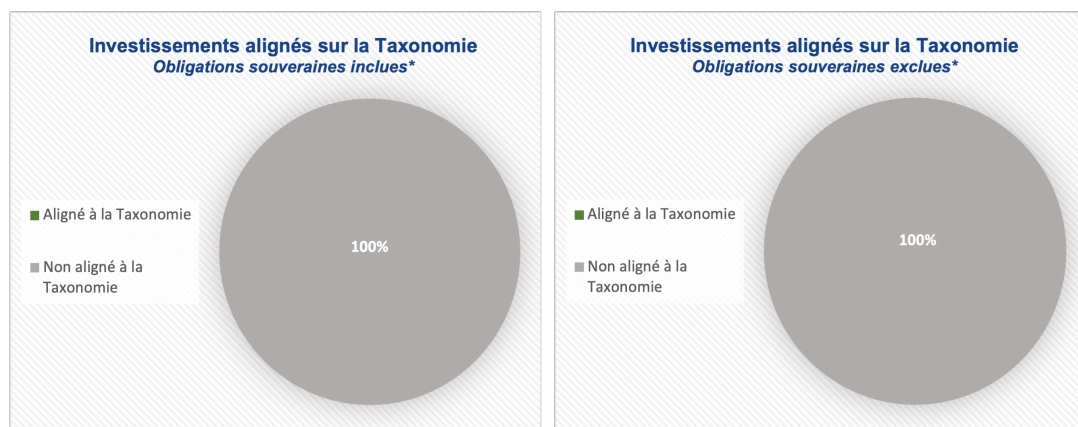
N/A



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

Sufficiently reliable data on taxonomy alignment is scarce and data coverage remains too low to support a meaningful commitment to a minimum proportion of taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings may qualify as taxonomy-aligned investments. The information to be provided and the reporting on alignment with the taxonomy will develop as the European framework evolves and company data becomes available.

The two graphs below show in green the minimum percentage of investments aligned with the EU taxonomy. As there is no appropriate methodology for determining the taxonomy alignment of sovereign bonds*, the first graph shows the taxonomy alignment with respect to all investments in the financial product, including sovereign bonds, where applicable, while the second graph represents the taxonomy alignment only with respect to investments in the financial product other than sovereign bonds.



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

○ **What is the minimum share of investment in transitional and enabling activities?**

There is no commitment to a minimum proportion of investment in transitional and enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU taxonomy?

The Fund will invest a minimum of 50% in sustainable investments, with no minimum allocation to environmental or social sustainable investments.

The Fund may invest in economic activities that are not yet eligible as environmentally sustainable economic activities or for which technical standards are not yet finalised. Company data on alignment with the European taxonomy is not yet widely available in the information published by investee companies. However, some investments may be linked to environmental objectives because of their contribution to the United Nations' SDGs.

What is the minimum share of socially sustainable investments?

the Fund includes investments with both an environmental and social objective. The investment process takes into account the combination of environmental and social objectives, leaving the manager the flexibility to allocate them according to the availability and attractiveness of investment opportunities.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

- Assets #2 "other" represent a maximum of 20%; these are entities that have not been evaluated due to lack of available information or contradictions; or
- Cash, possible UCIs including MMFs. The Fund may use derivatives, for example, for hedging purposes or to manage investments in issuers listed in a currency other than the Fund's reference currency (i.e: USD, GBP, CHF, etc.).



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The Fund does not have a reference benchmark aligned with the E/S characteristics it promotes. N/A

○ **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

The Fund does not have a reference benchmark aligned with the E/S characteristics it promotes. N/A

○ **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

The Fund does not have a reference benchmark aligned with the E/S characteristics it promotes. N/A

○ **How does the designated index differ from a relevant broad market index?**

The Fund does not have a reference benchmark aligned with the E/S characteristics it promotes. N/A

○ **Where can the methodology used for the calculation of the designated index be found?**

The Fund does not have a reference benchmark aligned with the E/S characteristics it promotes. N/A

The **reference benchmark** are indices that measure whether the financial product achieves the environmental or social characteristics it promotes.



Where can I find more product specific information online?

More information on the product is available on the website:

- The transparency code:
(<https://www.mandarine-gestion.com/FR/fr/docs/funds/mandarine-valeur/TRANSPARENCY>),
- the sustainability policy:
(https://www.mandarine-gestion.com/uploads/reg/reg_mandarine_durabilite-politique_fr.pdf),
- the prospectus:
(<https://www.mandarine-gestion.com/FR/fr/docs/funds/mandarine-valeur/PROSPECTUS>).