

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

Product name: **OUESSANT**

Legal entity identifier: **969500766ISKQBVB1L06**

## 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/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 characteristics, but **will not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

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

Vivienne Investissement integrates extra-financial analysis into the selection process for negotiable debt securities or money market instruments issued by OECD countries that make up the fund through a weighted ESG score that reflects an overall assessment of the issuer.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

The "governance" score measures the quality of a country's power structures. It is composed of several sub-pillars such as: freedom of expression, quality of the regulatory system, government efficiency, control of corruption, political stability and rule of law.

The "social" criteria measures social and societal performance, including lifestyles, social cohesion, demographics and human capital.

Finally, the "environmental" criteria measures performance in terms of carbon footprint, energy efficiency and green growth.

● ***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 inclusion of ESG criteria in the investment process seeks to complement Vivienne Investissement's historical approach of investing in negotiable debt securities or money market instruments issued by the most advanced OECD countries in terms of compliance with ESG criteria and to reduce the negative impact of investments (particularly in the fight against climate change).

● ***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 purpose of the extra-financial analysis model for governments is to provide a synthetic view of the compliance of issuers with each of the E, S and G criteria. The overall rating reflects all of the climate commitments made by the latter as well as their adherence to universal values. If a country's strategic decision concerning one of the three criteria were to have a negative impact on one or both of the other criteria, the issuer's overall rating would be adjusted accordingly.

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

Indicators of negative impacts are tracked on a monthly basis. Negative impacts are identified according to their degree of severity.

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

The OUESSANT fund does not invest directly in equities. On the other hand, countries that do not adhere to universal values such as freedom of expression, respect for human rights, the fight against corruption and the rule of law are excluded from the scope of selection of negotiable debt securities making up the fund.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

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



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

- Yes, Vivienne Investissement considers the main negative impacts of its investment decisions on sustainability factors. Information on the consideration of the main negative impacts of investment decisions on sustainability factors is available in the fund's annual report.

Negative impacts on sustainability factors are considered through the monitoring of the following two indicators:

- Greenhouse gas (GHG) emission intensity of each country
- The monitoring and exclusion of countries with social violations

No



## What investment strategy does this financial product follow?

- ***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 extra-financial score (between 0 and 100) reflects an overall assessment of the ESG rating for the evaluated issuer. A high score corresponds to a more virtuous issuer in terms of ESG. Issuers are classified into three categories according to their rating level: low (0 to 33), intermediate (34 to 67), and high (68 to 100).

The objective of the selection process is to ensure that the average ESG rating of the fund remains permanently higher than the average rating of the reference universe, which is itself composed of the best-rated countries in terms of credit quality, and from which only the most advanced in terms of ESG compliance are selected.

ESG analysis is applied to at least 90% of negotiable debt securities.

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

The minimum ESG rating of each issuer and the ESG Controversy Score are binding elements of the investment strategy.

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

As a signatory of the PRI, an analysis of governance controversies is carried out during the ESG analysis of the debt securities of eligible issuers in the fund's assets and throughout their holding in the portfolio.

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

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



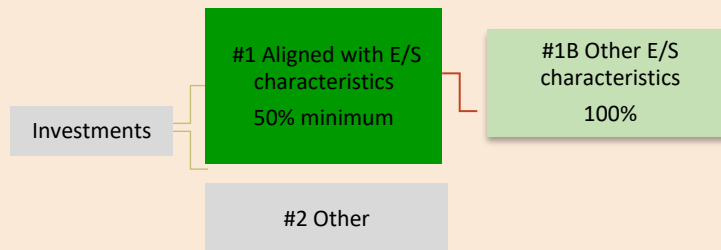
## What is the asset allocation planned for this financial product?

Vivienne Investissement integrates extra-financial analysis into the selection process of negotiable debt securities or money market instruments issued by OECD countries that make up the fund for liquidity management, through a weighted ESG score that reflects an overall assessment of the issuer. As the product is a flexible and diversified fund, the asset allocation is likely to be modified, on a discretionary basis, to adapt to market conditions. For this reason, the fund cannot commit to a minimum threshold of sustainable investments, but may, conversely, also hold significant proportions of them.

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from 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 expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

ESG criteria are not taken into account when using derivatives as a management technique.



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

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

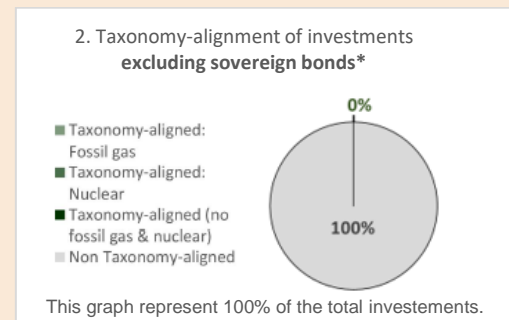
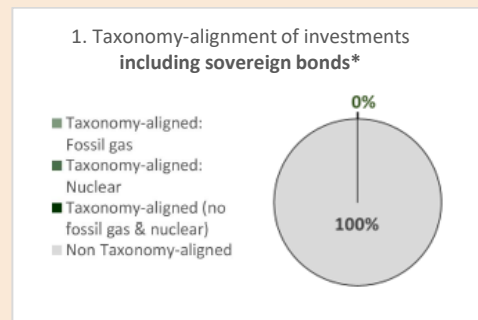
Yes :

In fossil gas

In nuclear energy

No

*The two graphs below show in green the minimum percentage of investments that are 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 shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



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

- **What is the minimum share of investments in transitional and enabling activities?**

Not applicable

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



States are not considered to be within the scope of the European taxonomy since there is currently no methodology to determine their alignment. For this reason, the proportion of investments not aligned with the European taxonomy is 100%.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate changes mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EY Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



### What is the minimum share of socially sustainable investments?

The OUESSANT fund does not invest directly in equities and there is no methodology to estimate the share in socially sustainable activities of states or supranational organizations. For this reason, the minimum share of socially sustainable investments is 0%.



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

These are derivative instruments used either for exposure or for hedging, which are not currently covered by the various European regulations, as well as the fund's liquid assets, which do not have environmental guarantees.



### 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?

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



### Where can I find more product specific information online?

More product-specific information can be found on the website: [www.vivienne-investissement.com](http://www.vivienne-investissement.com)