Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

EM Bond Opp. 2028

Legal entity identifier: **969500SDLDMCEQFDB010**

Sustainable investment objective

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 a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

● ● [x] **Yes**	● ○ [ ] **No**
[x] It will make a minimum of **sustainable investments with an environmental objective**: 100%	[ ] It **promotes Environmental/ Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum portion of ...% of sustainable investments
[ ] in economic activities that qualify as environmentally sustainable under the EU Taxonomy	[ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
[x] in economic activities that do not 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 will make a minimum of **sustainable investments with a social objective**	[ ] It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

This product seeks to reduce the overall carbon intensity of the investments under management by 7.5% per year on average until 2030, to set itself on a trajectory from the outset to achieve carbon neutrality in 2050. The reference level is that measured at the end of 2018. This product is not managed according to a benchmark. Its portfolio cannot be considered as an implementation of the Delegated Regulation (EU) 2020/1818 on "EU Climate Transition Benchmarks" and "EU Paris-aligned Benchmarks”.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

Sustainability Indicators measure how the sustainable objective of this financial product are attained.

To measure the achievement of its sustainable investment objective, the management company calculates the average carbon intensity of investee companies. The intensity is measured in tons of carbon dioxide per million euros of turnover. It is an average weighted by the percentage of the portfolio allocated to each investment. The emissions considered are those of scopes 1 and 2. Other greenhouse gases can be taken into account by converting them into equivalent volumes of carbon dioxide in terms of their contribution to the greenhouse effect.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

In order to ensure that the investments in this product do not significantly harm an environmental or social objective, Anaxis Asset Management has defined a method for selecting investments based on sustainability criteria.

Greenhouse gas emissions

Companies that are likely to have a significant climate impact are excluded if they do not achieve a minimum score that reflects the effective implementation of a strategy to reduce the carbon intensity of their operations. This strategy must include the setting of clear and ambitious targets and a credible plan to achieve these targets. In addition, companies with significant fossil fuel activities are excluded, as well as those developing unconventional projects such as hydraulic fracking or Arctic drilling.

Biodiversity

The fertiliser, pesticide, packaging plastics and non-therapeutic GMO sectors have been identified as causing significant damage to biodiversity. They are excluded from the portfolios. Within other sensitive sectors, such as agriculture, livestock or timber production, companies are screened individually for controversies such as deforestation or pollution. Individual exclusions are decided by our ethics committee when the impact is deemed significant.

Water

The management applies sector exclusions that help protect water resources and aquatic environments. The fertiliser, pesticide and plastics packaging sectors are excluded. Other water-related issues are covered by the monitoring of environmental controversies (which may lead to exclusion by our ethics committee), as well as the qualitative assessment of the impacts that investee companies may have on local communities and other stakeholders. This assessment is part of our social and governance rating grid.

Waste

The issue of waste is difficult to monitor within our investment universe, due to a lack of sufficient transparency from companies in general. Environmental controversies are monitored with the help of the specialist agency ISS. Whenever a significant impact is identified, the case is investigated and then submitted to our ethics committee. The committee makes a decision on the exclusion of the company under review.

Governance and social matters

These aspects are an integral part of the analysis carried out by the management team. A grid of factors is used to identify the main risks attached to the issuer and to assess their intensity. Four main themes have been selected: transparency, organisational quality, respect for stakeholders and probity. Companies are rated on a scale of 1 to 4. A score of 4 in any of the themes mentioned leads to exclusion.

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

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.

1. The management company has chosen to publish the 14 mandatory indicators required by the regulations, as well as all optional indicators for which sufficient information has been gathered.
2. The indicator relating to the GHG intensity of the investee companies and the indicator relating to the share of investments in companies active in the fossil fuel sector are essential indicators for steering the allocation of the fund in line with the defined sustainable investment objective.
3. The indicator relating to violations of the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises is the subject of particular attention through the monitoring of controversies and the normative exclusion procedure led by our ethics committee.
4. The indicator for exposure to controversial weapons must be kept at zero under our sectoral exclusion policy.
5. All social and governance indicators are included in the analysis and rating of portfolio companies on the relevant themes. These indicators can thus contribute to an exclusion in case of an insufficient rating (4 on a scale of 1 to 4).
6. The other indicators are published for information and used as alerts in our responsible investment process.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN?

The management company monitors controversies, as well as procedures initiated under the OECD mechanism for multinational companies. Cases deemed serious are specifically analysed and submitted to our ethics committee, which decides on the eligibility of the company based on its compliance with these principles. As a result, the portfolio aims to be fully aligned with the OECD and United Nations guidelines, including the principles contained in all the fundamental conventions to which these institutions refer.

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

☒ Yes
☐ No

The principal adverse impacts are taken into consideration in the various stages of the management company's responsible investment approach: through the sector exclusion policy, the identification of sensitive activities (climate and water issues), the rating of climate alignment, the rating of efforts to reduce water-related impacts, the rating of social and governance matters, the assessment of the seriousness of controversies, the review of OECD procedures and the identification of possible links with authoritarian regimes. The measurement and monitoring of the above-mentioned indicators is part of the strategy to reduce adverse impacts on sustainability factors. Information on these impacts will be published in the fund's annual report in the second part of the management report.

What investment strategy does this financial product follow?

The investment objective must be achieved by building a portfolio comprised predominantly of high-yield, high credit risk corporate bonds. The investment strategy is based first and foremost on an extensive fundamental analysis of emerging markets private-sector bonds including consideration of ESG criteria. The investment strategy aims to build a robust and diversified allocation based on the selection of individual bonds each for their own merits. The investment strategy assesses the issuer's financial solidity, development outlook and sensitivity to economic conditions, the liquidity of available issues and their legal characteristics. This analysis aims to identify the most attractive securities. It includes a comparative approach between similar securities in terms of issuer, sector, maturity, subordination rank, etc.

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

Financial analysis is supplemented by an extra-financial analysis combining the following six components:

1. Exclusions. Anaxis Asset Management excludes companies operating in the fossil fuels or nuclear energy sectors, as well as the weapons, tobacco and GMO sectors. Furthermore, we exclude companies with significant activities in the field of plastic packaging or pesticides due to their adverse impact on the sustainability objectives of the European Union. The major areas of concern are pollution as well as damage to ecosystems, to biodiversity and to aquatic resources.

2. Environment. Anaxis Asset Management assesses bond issuers on the basis of their environmental policies and their commitment to the transition to greenhouse gas neutrality. Companies are rated and assigned scores. The criteria applied are all the more stringent the more likely a company’s activity is to affect the environment or the climate, as is the case in the fields of transport or cement production. The approach followed favours the selection of companies using the best efforts in their field.

3. Aquatic environments. In addition to its commitment to climate action, the management company applies an environmental policy aiming at protecting aquatic environments and water resources. This topic relates also to food security, public health and biodiversity preservation (without covering all their aspects). Aquatic environments are especially fragile and poorly protected by national policies. Accordingly, Anaxis Asset Management identifies economic activities that are likely to have a strong impact on aquatic environments, fisheries resources, the quantity and quality of available water reserves, access to drinking water or

other water-related issues. Investments in companies operating in these sensitive fields are subject to specific rating criteria on a best-efforts basis.

4. Social responsibility. Anaxis Asset Management ensures that the companies selected comply with ethical standards of human rights and social responsibility. The principles of the UN Global Compact act as a guide for this analysis. The approach is to exclude companies which engage in practices deemed to be unacceptable.

5. Governance. Governance is part of the risk analysis performed by the management team. To this end, the analyst relies on a table of factors enabling him/her to identify the major risks associated with the issuer and to assess their severity. Since the fund focuses on bond markets, the governance factors used take the creditor’s perspective. The approach taken here prioritises the best practices in each sector (so-called “best-in-class approach”).

6. Controversies. Anaxis Asset Management monitors the controversies affecting the issuers in the fund’s portfolio. The management company makes use of published reports and information gathered from numerous sources. Public inquiries, legal actions and serious events are impartially analysed by the ethics committee of the management company. Controversies are assessed according to their severity, their impact, their frequency, and the response given by the relevant company. If a company is excluded from the fund’s portfolio due to controversy, the exclusion is set for a defined period, after which the case will be re-examined.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

Companies are ranked according to the carbon intensity of their business. An investment in a greenhouse gas sensitive sector is eligible if the company's climate rating is equal to or higher than B on a scale from A (best rating) to E (worst rating). This grade corresponds to companies that demonstrate transparency, have procedures in place to assess and manage climate risks and impacts, have defined medium and long-term objectives that can realistically contribute to the objectives of the Paris Agreement, have a credible plan to reduce their greenhouse gas intensity, and have begun to do so. Companies that only partially meet these criteria (companies rated B- and considered to be in the process of alignment) are also eligible on a provisional basis, provided we enter into a process of investor engagement aimed at making them eligible within one year. The various steps described above should lead to the exclusion of at least one issuer out of five.

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

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

The policy to assess good governance practices of investee companies is as follows: companies are rated on a scale of 1 (low risk) and 4 (very high risk). A rating of 4 for a company should lead to an exit from the corresponding position. The criteria to be taken into account in investment decisions are listed below. Other elements may be added to the analysis, depending on each particular case, at the initiative of the analyst or manager in charge.

1. Transparency and information quality: the publication of regular, fair and accurate financial information; the legibility of the strategy; the communication on objectives, investments and projects; the access to information and availability of management for exchanges with investors.
2. Organisation: the independence and effective role of the directors; the qualifications of the management; the existence of control bodies and the balance of powers; the quality of internal control and audit work.
3. Respect for the interests of the various stakeholders: the alignment of the interests of the directors with those of the other stakeholders; the absence of obvious abuse; the prevention of risks of conflicts of interest (e.g. in the case of loans to other group entities); the absence of actions unfavourable to creditors (e.g. unplanned or excessive dividend distributions, changes in financial strategy) and the management of past restructurings, if any; the management of social conflicts and the protection of workers.
4. Probity: the absence of involvement in fraud, corruption or controversy; the absence of links with tax havens, authoritarian governments or dubious clients; the compliance with regulations and the absence of financial irregularities; the clarity and legitimacy of the group structure.

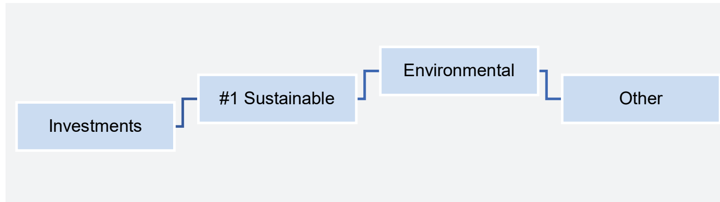
The criteria listed are an integral part of the files used to assess the appropriateness of an investment (and then to review the positions in the portfolio), just like the financial elements and the assessment of the credit risk. These criteria contribute directly to a comprehensive assessment of the financial risk attached to investments, under the responsibility of the fund managers. These governance criteria are part of our investment process. They are reviewed by the Management Committee as part of its regular operations.

What is the asset allocation and the minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

The fund has a sustainable investment objective. As such, the minimum share of sustainable investments within the meaning of Article 2(17) of Regulation (EU) 2019/2088 (SFDR) amounts to 100% of assets, excluding cash. This minimum includes all investments with an environmental objective.

#1 Sustainable covers sustainable investments with environmental or social objectives.



How does the use of derivatives attain the sustainable investment objective?

Not applicable.

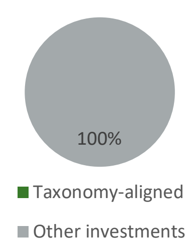
Taxoomy-aligned activities are expressed as a share of **turnover** reflecting the share of revenue from green activities of investee companies.

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

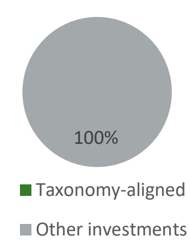
The management company wishes to invest in environmentally sustainable economic activities. However, these investments do not take into account the criteria of the EU Taxonomy because the information published by the companies does not allow us, at this stage, to assess their degree of alignment. The fund is therefore committed to a 0% alignment with the European Taxonomy. This percentage will be reviewed as soon as the necessary transparency is available.

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.

1. Taxonomy-alignment of investments, **including sovereign bonds***



2. Taxonomy-alignment of investments, **excluding sovereign bonds***



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

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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

At this stage, no minimum threshold could be defined in relation to the European Taxonomy.

These are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

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

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 100%.

What investments are included under '#2 Not sustainable', what is their purpose and are there any minimum environmental or social safeguards?

There is no investment included under '#2 Not sustainable'. 100% of the securities are covered by an ESG rating, an ESG analysis and binding elements such as climate ratings and sector and normative exclusions. It should be noted, however, that the fund may hold cash on an ancillary basis for its operating needs and that it carries out forward exchange transactions for hedging purposes with BNP Paribas.

Where can I find more product-specific information online?

More product-specific information can be found online on the website www.anaxis-am.com.