

What are the constraints defined in the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

For investments in equities or corporate bonds:

The criteria which the companies must meet in order to be included in the investment universe are determined through independent external research and/or internal research at the Manager.

These selection criteria are as follows:

- Global Standards compliance filter: Companies must comply with the founding principles of the Global Compact (human rights, labour law, protection of the environment, fight against corruption and environmental protection) and the UN Guiding Principles, ILO instruments, the OECD Guidelines for Multinational Enterprises and the underlying conventions and treaties. The Manager uses specific ESG research from non-financial rating agencies to determine whether or not a company is in compliance with these standards.

- Exclusion filter for companies involved in controversial activities: The policy of excluding controversial activities defined by the Manager (available at <http://www.dpamfunds.com/> (Controversial Activities Policy)) covers several sectors and economic activities that are subject to debate as to whether or not they are ethical and sustainable. For each of these sectors and economic activities, the exclusion policy for controversial activities defines the exclusion criteria and thresholds. Companies involved in these controversial sectors and activities and meeting the exclusion criteria set out in the policy are excluded from the investment portfolio.

- Exclusion filter for companies involved in extremely serious ESG controversies: Companies should not be involved in extremely serious ESG controversies, such as incidents or allegations related to environmental, social or governance issues. In order to achieve the partial sustainability objective of the Sub-fund, additional criteria are applied which companies must meet:

- Quantitative ESG approach (“best-in-class”): The Manager filters the universe prior to the application of the ESG and sustainable investment selection methodology according to a screening based on the quality of the ESG profile of companies, assessed by non-financial rating agencies. **The bottom quintile (20%) of the economic sector ranking is not eligible for investment.**

For investments in sovereign bonds:

The criteria which States must meet in order to be included in the investment universe are determined through internal research at the Manager.

These selection criteria are as follows:

- exclusion filter for countries that do not meet minimum democratic requirements

Analysis and rating of the country's sustainability profile using the proprietary model defined by the Manager through its country sustainability advisory board:

The sustainability review is characterized by the use of objective, measurable and comparable criteria that governments can use to influence policy.

The model is based on several indicators such as indicators on transparency and democratic values, environment, education and innovation and population, health care and wealth distribution, etc.

Based on the country sustainability model, countries are assessed against each other, resulting in a ranking for the universe of OECD member countries. **The bottom quintile (20 %) of the country ranking is not eligible for investment.**

Compliance and exclusion filters for securities based on the binding criteria of the investment strategy apply both at the time of purchase of a position and during the holding of the position in the portfolio.

Each time a data series is collected, the Manager draws up exclusion lists which are updated at least quarterly and on an ad hoc basis in the event of a deterioration in the position. There is an exclusion list for each binding element and strategy group, and the Manager applies a similar exclusion/limit 6 threshold for investment. The Manager's risk management department is responsible for applying the necessary prevention (ex-ante risk) and control (ex-post risk) mechanisms to effectively enforce the exclusion lists in the investment portfolios of the Manager's strategies.

The Manager uses ESG research of non-financial rating agencies to assess the seriousness of the controversies to which companies are exposed and excludes companies involved in the most severe ESG controversies. The Manager also produces internal analyses of the ESG controversies to which companies are exposed. The Manager reserves the right to also exclude companies that it considers to be involved in sufficiently serious controversies.

The best-in-class screening is carried out every six months. The calculation of the net positive contribution to the sustainable investment objectives is done on a regular basis.

In the event that a company's ESG profile deteriorates, and it is downgraded to Global Standards non-Compliant status or an extremely serious controversy regarding the company emerges, the Manager will sell the relevant investment in the interest of the Sub-fund's shareholders within three months.

The quantitative screening based on the proprietary country sustainability model is updated every 6 months with the assistance of the advisory board. A new classification is then approved.