LFR EURO DEVELOPPEMENT DURABLE ISR

Annual report as of December 29, 2023

Company: La Financière Responsable

Registered Office : 52 rue de Ponthieu 75008 Paris

Depositary: BNP PARIBAS SA

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ORIENTATION

IDENTIFICATION

INVESTMENT OBJECTIVE

The investment objective is to outperform the Euro Stoxx 50 index (net dividends reinvested), net of fees, over the recommended minimum investment period of 5 years, by investing at least 90% in securities (of which at least 75% from European Union countries), selected on the basis of extra-financial (ESG) criteria and using a proprietary SRI methodology called “Integral Value Approach IVA®”. This approach combines the implementation of a "Socially Responsible Investment" strategy with financial profitability.

BENCHMARK

The Euro Stoxx 50 index (net dividends reinvested) - Bloomberg code SX5T - is a comparative equity index given for information purposes only to reflect the standardized performance of the investment universe. It does not integrate ESG criteria. Due to its management objective and discretionary strategy, no relevant benchmark can be indicated for this Fund. The Euro Stoxx 50 index is made up of fifty major listed companies in the Eurozone. It is calculated by Stoxx Ltd. Information on this index is available at www.stoxx.com. The administrator of the Euro Stoxx 50 (Net Dividend Reinvested) benchmark index, Stoxx Ltd., is listed in the register of administrators and benchmark indices maintained by ESMA (European Securities and Markets Authority). The asset management company has a procedure specifying the measures to be implemented in the event of substantial changes to or cessation of the supply of the reference indicator.

INVESTMENT STRATEGY

1. Description of strategies used:

The purpose of the LFR Euro Développement Durable ISR fund is to invest at least 90% of its net assets in shares of companies whose registered office is located in a European Union country (min. 75% of net assets) and/or in other OECD member countries (max. 25% of net assets) and which meet so-called "socially responsible" criteria.

Socially responsible investment (SRI) covers all approaches that integrate social, environmental and governance criteria, or more broadly, criteria of responsibility towards society, into investment decisions and the management of the portfolio, in addition to financial criteria.

These approaches take different forms:

- Sustainable development: The criteria are based on the integration of the three dimensions of performance (economic, social and environmental), as well as other extra-financial dimensions (governance, social responsibility, etc.), when valuing companies.
- Exclusions: Companies engaged in certain practices that are deemed to be contrary in themselves to the convictions of the management team are excluded from the portfolios: companies that lay off employees without providing them with additional support, that violate human rights, that have a direct link with activities related to cluster bombs and anti-personnel mines and that are involved in the exploitation or use of coal according to the terms of the coal policy formalised by the LFR teams.
  Also excluded are companies that do not disclose the financial and/or non-financial information necessary for shareholder decision-making.
- Shareholder engagement: The requirement for social responsibility is applied not only in the stock selection process, but also in the relationship with companies making up the portfolio (use of voting rights at general meetings, pressure expressed in the relationship with management).

The fund has been awarded the French Label ISR.

- **Investment process:**

Stock picking is based on a combination of strategic analysis, extra-financial analysis (ESG) and financial analysis.

The investment strategy of LFR Euro Développement Durable ISR is based on an active and discretionary selection of companies in the fund's investment universe (head office in a European Union country and/or other OECD member countries), using a "best-in-universe" approach consisting of giving preference to the best-rated companies from an extra-financial point of view, independently of their sector of activity, by assuming sectoral biases, since sectors that are generally considered to be more virtuous will be more represented. This approach will be applied without any claim to application in the strict sense of the word.

Stock picking is a two-stage process based on extra-financial criteria and SRI methodology:
- initially on a selection filter, based on sustainable development criteria.
A filter is applied to the universe of stocks to select those that best meet sustainable development criteria. Company actions are assessed on their socially responsible behaviour in 6 areas: human resources, respect for the environment and human rights, relations with shareholders, with civil society and relations with their customers or suppliers.
secondly, the stock picking process implemented by the asset management company incorporates an investment process based on the following steps in particular:

- Macroeconomic analysis: identifying promising macroeconomic trends as a basis for investment;
- ESG exclusions: check that the companies under review are not concerned by the ESG exclusion criteria adopted by La Financière Responsable (direct or indirect link with activities related to cluster bombs and anti-personnel mines, proven controversies in the field of human rights, unaccompanied redundancy practices over the last three years, refusal to communicate the extra-financial and/or financial information essential to the analysis, involvement in the exploitation or use of coal in accordance with the terms of the coal policy formalised by the LFR teams);
- IVA®: seeking consistency between the strategic, extra-financial and financial analyses of companies.

Integral Value Approach IVA® is applied mainly to equity universe, to select equities that best meet sustainable development criteria. The investment strategy implemented as part of the fund's management is based on a bottom-up approach to selecting equities on the basis of their fundamental qualities (strategic fundamental analysis taking into account the consistency of standard financial ratios) with extra-financial indicators and the company's growth model. The asset manager looks at the company in terms of both its non-financial aspects and its financial results, in order to arrive at an assessment that takes account of all these parameters and their interactions in its overall environment.

The company's growth and development are examined from various angles: social relations, relations with customers, suppliers and subcontractors, links with civil society and the environment, as well as its mode of governance and the management of its executives. Consistency between strategy, stakeholder engagement and financial performance is a key factor in the fund's stock selection process.

La Financière Responsable has developed a proprietary extra-financial database containing more than 135 indicators on nearly 200 European companies. Updated annually since 2006, it is used by the management team as part of IVA®. By way of example, the following ESG indicators can be taken into account as part of the extra-financial analysis of companies: the proportion of waste recycled, the proportion of energy consumed from renewable sources, water consumption, the proportion of fixed-term contracts, the absenteeism rate, the severity rate of workplace accidents, the number of hours of employee training, the percentage of employee share ownership, the separation of the functions of chairman and chief executive, the proportion of independent directors, the proportion of women on executive committees.

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The extra-financial analysis carried out on the basis of the ESG indicators selected enables the asset manager to assess the companies analysed and classify them according to the typology shown in the table below:

Investissable	Chef de file	Communication complète et exemplaire Résultats extra-financiers de qualité Programme de progression solide
	Bon élève	Communication quasi complète Résultats extra-financiers satisfaisants Dialogue intéressé et constructif
	Prometteur	Communication naissante mais en progression Résultats parcellaires mais satisfaisants Dialogue actif pour définir les voies d'amélioration
Non investissable	Dilettante	Pratiques jugées insuffisantes Engagement au minimum requis Absence d'amélioration notable
	Communicante	Priorité à la communication pour des pratiques extra-financières limitées Risque extra-financier important
	Non concernée	Absence ou manque d'intérêt aux enjeux extra-financiers Peu d'indicateurs fournis

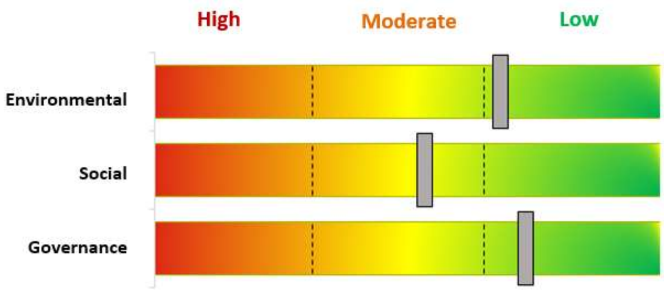
Companies classified by the asset manager as "Dillettante", "Communicator" or "Not involved" are not eligible for investment in the fund portfolio. The investment strategy seeks to generate performance by applying the discretionary stock selection process described above. It is based on an in-depth analysis of stocks and business sectors: this process should enable to identify stocks with potential added value.

In addition, following the entry into force of the SFDR regulation, La Financière Responsable has developed and implemented a sustainability risk assessment methodology designed to reduce exposure to these risks. They are addressed in the following ways:

- Environment: issues relating to physical risks and transition in the field of climate/climate change (air pollution, carbon intensity, greenhouse gas emissions, etc.), natural resource and waste management within companies, impact on housing, resources (water, natural disasters, etc.) or issues relating to local and international environmental regulations.
- Social: issues relating to the rights, well-being, health and safety of employees and customers, parity, discrimination and relations with suppliers.
- Governance: issues relating to corporate strategy, reputation, creation of shareholder value, corporate culture, balance of power, risk of shareholder disengagement, risk of lack of dialogue, policies to prevent the risk of money laundering and terrorist financing, and policies to prevent corruption.

These themes, assessed as part of the extra-financial analysis integrated into the Integral Value Approach (IVA) process, are used to establish a sustainability risk assessment gauge based on the following model:

- whether the potential impact on the share is low, medium or high;
- whether the probability of occurrence is low, medium or high;
- and whether the identification and control of the risk is low, medium or high.



Legend for sustainability risk assessment

- Risk well identified and well controlled by the company; low to medium impact
- Low to medium risk; low to acceptable control; medium impact; monitoring required and, if necessary, via the commitment activity
- Significant risk with little or no control by the company; potential impact on value deemed medium or significant put the company under surveillance if it is in the portfolio, or even do not to invest

The level of extra-financial analysis will exceed 90% of the fund's net assets.

This selective SRI approach allows a reduction of at least 20% in the investment universe.

The main methodological limitation of the extra-financial strategy is that the asset management company relies mainly on information provided by companies to determine the internal rating.

The investment process aims to reduce sustainability risk, as defined in the "Risk profile" section (see dedicated section). A periodic report on non-financial characteristics is made available to investors. For further information, please refer to the La Financière Responsable website (www.la-financiere-responsable.fr), in particular in the section "SRI/ESG regulatory documentation.

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SFDR classification (EU Regulation 2019/2088) of the Fund:

The SFDR Regulation defines three categories of financial products:

- financial products that do not promote specific environmental, social or governance characteristics, or do not have a sustainable investment objective (so-called "article 6" products);
- financial products that promote sustainable characteristics taking ESG criteria into account within the framework of the investment process but without pursuing a sustainable investment objective; ("article 8" products);
- financial products, which have a sustainable investment objective ("article 9" products).

The fund thus meets the definition laid down in Article 9 of Regulation (EU) 2019/2088 SFDR on the integration of non-financial aspects in investment decisions: in accordance with this definition, the fund is a financial product that has sustainable investment as its objective and thus seeks to make a positive contribution to sustainability, whether environmental or social, always with a view to generating a financial return.

It seeks, as far as possible, to reduce any adverse environmental and social impacts while incorporating respect for human rights and anti-corruption matters into its investment decisions.

A sustainable investment within the meaning of SFDR consists of:

- An investment in economic activities qualified as sustainable within the meaning of the Taxonomy Regulation via a contribution to one or more of the six objectives defined by said Regulation and cited below;
- An investment in economic activities that do not qualify as environmentally sustainable under the Taxonomy Regulation, the interpretation of which is left to the asset manager's discretion. These activities are not necessarily harmful to the environment or unsustainable, and may make a positive contribution to the environment;
- An investment in an economic activity that contributes to a social objective, in particular an investment that contributes to efforts to tackle inequality, that promotes social cohesion, social integration and relations in the workplace, or an investment in human capital or in economically or socially disadvantaged communities.

However, these investments must cause no significant harm to any of the six objectives defined by the Taxonomy Regulation and the companies in which investments are made must apply good governance practices, particularly as regards sound management structures, employee relations, remuneration of skilled staff and tax compliance.

La Financière Responsable's approach to non-financial issues factors sustainable investment risks into its investment decisions. The asset management company is committed to an objective of making at least 100% environmentally and socially sustainable investments as defined in the annex to the prospectus dedicated to the non-financial aspects of the investment process and as stipulated by the SFDR. **More information about the fund's environmental and social characteristics is available in the appendix stipulated by the SFDR and provided in this document.**

La Financière Responsable also considers principal adverse impacts (PAI) on sustainability factors when managing the fund via its IVA® - Integral Value Approach to sustainable investment.

Non-financial aspects are analysed primarily to identify the sustainability risks faced by issuers in our investment universe but also to mitigate the risks that these issuers pose to their environment (principle of double materiality) by taking Principal Adverse Impacts (PAI) into consideration. Moreover, La Financière Responsable pledges to comply with the transparency requirements laid down in the SFDR and Taxonomy Regulation within the timeframes established by the regulatory authorities.

Regulations relating to the European Taxonomy (EU Regulation 2020/852) of the fund:

The aim of the European Union's Taxonomy Regulation is to identify economic activities considered to be environmentally sustainable ("Sustainable Activities").
The Taxonomy Regulation identifies these activities according to their contribution to six major environmental objectives:

1) climate change mitigation,
2) adaptation to climate change,
3) Sustainable use and protection of aquatic and marine resources,
4) Transition to a circular economy,
5) Pollution prevention and control,
6) Protection and restoration of biodiversity and ecosystems.

To be considered sustainable, an economic activity must demonstrate that it makes a substantial contribution to one or more of the six objectives, that it does not cause significant harm to any of these objectives (the so-called "DNSH" principle) and that it is carried out in compliance with the minimum guarantees set out in Article 18 of the Taxonomy Regulation.

The principle of "do no significant harm" applies only 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.
At the date of the last update of the prospectus, the strategy implemented in the Fund does not take into account the European Union's criteria for environmentally sustainable economic activities. The target percentage for alignment with the Taxonomy Regulation is 0%.

For more information, please refer to La Financière Responsable’s website (www.la- financiere-responsable.fr), in particular the section on “Documentation réglementaire ISR/ESG” and the prospectus appendix presenting the social and environmental characteristics promoted by the fund.

- **Investment universe**:

Because it is eligible for the PEA, at least 75% of the Fund is permanently invested in shares of companies that have their registered office in the European Union. The remaining 25% of the net assets may be invested outside the European Union in shares of companies whose registered office is in another OECD member country. Investments in shares of small and mid-cap listed companies (less than €3.5bn) are limited to 40% of the fund's net assets.

Its exposure to one or more equity markets is always within a range of between 90% and 100% of the net assets.

The remainder of the assets may also be invested directly or indirectly in fixed income and/or cash products via French or foreign UCIs (up to a maximum of 10% of the net assets) in order to reduce the portfolio's exposure to the equity markets, where appropriate, through diversification. The targeted debt securities and money market instruments will be denominated in euros, will be investment grade (rated BBB- or above by Standard & Poor's or deemed equivalent by the asset manager) and will be issued by both the public and private sectors, depending on market opportunities.

Up to 35% of the Fund's net assets may be exposed to currency risk on currencies of European Union countries outside the eurozone and/or currencies of OECD countries outside the European Union.

2. Assets (excluding embedded derivatives):

Equities:

At least 90% of the Fund's net assets will be invested in equities (of all market capitalisations and in all sectors), including:

- a minimum of 75% in shares of companies with their registered office in a European Union country, making the fund eligible for PEA personal equity savings plans;
- 25% maximum in companies with their registered office in another OECD member country.

Investments in shares of small and mid-cap listed companies (less than €3.5bn) are limited to 40% of the fund's net assets.

Debt securities and money market instruments

The Fund may also invest (up to a maximum of 10% of net assets), directly or indirectly via UCIs, in euro-denominated bonds, debt securities or money market instruments.

The targeted debt securities and money market instruments will be denominated in euros, will "be investment grade" (rated BBB- or above by Standard & Poor's or deemed equivalent by the asset manager) and will be issued by both the public and private sectors, depending on market opportunities. The list of bonds and debt securities that may be held in the portfolio is as follows: Treasury bills, commercial paper, certificates of deposit, fixed-rate or floating-rate bonds.

Units or shares in UCITS, AIFs and other foreign law investment funds

The Fund may also invest up to 10% of its net assets in UCITS governed by French or European law, in AIFs governed by French law or established in other EU Member States and in investment funds governed by foreign law which meet the conditions set out in 1° to 4° of Article R214-13 of the French Monetary and Financial Code. In accordance with article 321-52 of the AMF General Regulations, it is stated that these UCIs may be managed by the asset manager or an affiliated company. They can be used to manage cash-flow.

3. Derivatives used to achieve the investment objective:

Derivative instruments: N/A

Securities with embedded derivatives

The Fund may hold equity warrants on an ancillary basis, in particular as part of securities transactions, used to hedge the portfolio against equity market risks.

Deposits: N/A

Cash borrowing: The fund is not intended to be a cash borrower. However, it may carry out temporary cash borrowing transactions up to a limit of 10% of its net assets.

Temporary purchases and sales of securities: N/A

OVERALL RISK

The method chosen by the management company to measure the overall risk of the UCI it manages is the commitment calculation method.

RISK PROFILE

Your money will mainly be invested in financial instruments selected by the asset manager. These instruments will be subject to changes and uncertainties on the markets.

The Fund is exposed to a number of risk factors:

(I) Risk of capital loss: investors are warned that the performance of the Fund may not be in line with their objectives and that their invested capital (less subscription fees) may not be returned in full.

(II) Equity risk: Fluctuations in the equity markets may lead to significant fluctuations in assets, which may result in a fall in the net asset value of the mutual fund. The Fund's exposure to equity risk will be between 90% and 100% of the Fund's net assets.

(III) Sustainability risk: a sustainability risk is an environmental, social or governance event or situation which, if it occurred, could have a significant actual or potential negative impact on the value of an investment.

Sustainability factors include environmental, social and employee-related issues, employees, respect for human rights and the fight against corruption and bribery. The Fund is exposed to a wide range of sustainability risks.

Details of La Financière Responsable's sustainability risk integration policy for the Fund, including, but not limited to, a description of how sustainability factors and risks are identified and, subsequently, how they are integrated into the investment decision-making processes, are available at: www.la-financiere-responsable.fr

(IV) Small and mid-cap risk: the Fund may invest up to 40% of its assets in small and mid-cap companies. Investors' attention is therefore also drawn, where necessary, to the fact that the regulated market in France or other equivalent markets abroad are markets designed to host small and mid-cap companies which, due to their specific characteristics, may present risks for investors. On these markets, the volume of shares listed on the stock exchange is small, so market movements are more pronounced on the downside and faster than on large caps. The fund's net asset value may therefore fall quickly and sharply.

(V) Discretionary asset management risk: the discretionary management style is based on anticipating trends on the various equity markets in the investment universe. The fund's performance depends on the companies selected by the manager. There is therefore a risk that the manager may not select the best-performing securities.

(VI) Currency risk: This is the risk that the investment currencies will fall against the portfolio's reference currency, the euro. If a currency falls against the euro, the net asset value may fall.

Ancillary risks (up to 10% of net assets):

(I) Interest rate risk: The interest rate risk corresponds to the risk linked to a rise in bond market rates, which causes a fall in bond prices and consequently a fall in the net asset value of the Fund.
(II) Credit risk: this is the risk that the credit quality of a private issuer will decline or that the issuer will default. The value of the debt securities in which the Fund invests may fall, causing the net asset value to fall.

- **Capital guarantee or protection:**

The Fund offers no guarantee or protection.

RECOMMENDED HOLDING PERIOD

Over 5 years

LFR EURO DEVELOPPEMENT DURABLE ISR

RAPPORT DE GESTION

COMMISSAIRE AUX COMPTES

Deloitte & Associés

INVESTMENT POLICY

Overview of administrative changes made to the fund
Overview of 2023 performances
Portfolio management during financial year 2023
Outlook for 2024

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*

Appendices 1 and 2: LFR EDD portfolio **entries** and **exits** during financial year 2023.

EDD entries in 2023	EDD exits in 2023
Alten SA	A.P. Moller - Maersk A/S Class B
BE Semiconductor Industries N.V.	Adevinta ASA
Carel Industries SpA	ASM International N.V.
Interparfums	DiaSorin S.p.A.
Publicis Groupe SA	Givaudan SA
RELX PLC	Intertek Group plc
Technip Energies NV	Lonza Group AG
	Roche Holding Ltd Dividend Right Cert.
	Sartorius AG Pref
	Worldline SA

Appendix 3: Share of assets invested in securities or rights eligible for the PEA (French equity savings plan).

Appendix 4: Method for calculating the UCI's[1] overall risk.

Appendix 5: Share of income eligible for the 40% tax allowance under Article 158 of the French General Tax Code.

Appendix 6: Information about the investment policy's consideration for criteria relating to compliance with social, environmental and governance quality objectives (referred to as "ESG" criteria) and stocks placed under watch.

Appendix 7: Link to the website for details about the policy for selecting and evaluating service providers (selection of intermediaries).

Appendix 8: Compensation policy.

Appendix 9: Information about the SFTR.

Appendix 10: Information about efficient portfolio management techniques.

1 Undertaking for Collective Investment

LFR EURO DEVELOPPEMENT DURABLE ISR

1. Overview of administrative changes made to the fund

On the decision of La Financière Responsable's Chairman, backed by its Chief Executive Officer who is also its Chief Investment Officer, and in accordance with European Regulation (EU) 2019/2088 referred to as the Sustainable Finance Disclosure Regulation – SFDR of 10 March 2021, La Financière Responsable having noted that the **fund now meets the definition laid down in Article 9** of said regulation therefore **modified its classification** in 2023.

The fund thus meets the definition laid down in Article 9 of Regulation (EU) 2019/2088 SFDR on the integration of **non-financial aspects** in investment decision processes: in accordance with this definition, **the fund is a financial product that has sustainable investment as its objective** and **thus seeks to make a positive contribution to sustainability**, whether **environmental or social**, always with a view to generating a financial return.

It seeks, as far as possible, to reduce any adverse environmental and social impacts while incorporating respect for **human rights and anti-corruption matters** into its investment decisions.

- **La Financière Responsable's approach to non-financial issues** factors **sustainable investment risks** into its investment decisions. The asset management company is committed to an **objective of making at least 100%** environmentally and socially **sustainable investments** as defined in the appendix to the prospectus dedicated to the non-financial aspects of the investment process and as stipulated by the SFDR.

- La Financière Responsable also considers **principal adverse impacts** (PAI) on **sustainability factors** when managing the fund via its **IVA® - Integral Value Approach to sustainable investment**.

- **Non-financial aspects are analysed** primarily to identify the sustainability risks faced by issuers in our investment universe but also to mitigate the risks that these issuers pose to their environment (**principle of double materiality**) by taking Principal Adverse Impacts (PAI) into consideration.

- Moreover, **La Financière Responsable pledges to comply with the transparency requirements laid down in the SFDR and Taxonomy Regulation** within the timeframes established by the regulatory authorities.

LFR Euro Développement Durable ISR is a fund composed of a selection of listed European companies (minimum 90% of net assets) and whose objective is to contribute to the development of responsible companies. It will thus make a minimum of sustainable investments with an **environmental objective:** 100% in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy. It will also make a minimum of sustainable investments with a **social objective:** 100%.

The latest regulatory documentation is available on La Financière Responsable's website on the page dedicated to LFR Euro Développement Durable ISR, including **Appendix III** providing information about the financial products referred to in **Article 9:**
https://www.la-financiere-responsable.fr/lfr-euro-developpement-durable-isr/

2. Overview of 2023 performances

The LFR **Euro Développement Durable ISR** fund delivered the following performances in 2023, by unit:

LFR EDD fund unit	**2023 performance**	**Benchmark index: Euro Stoxx 50 TR**	**Unit's performance gap vs. index (in basis points)**
E - FR0013143203	22.54%	22.23%	31.0
GP - FR0010585307	22.41%		19.0
I - FR0010526079	21.81%		-42.0
L - FR0011802685	22.78%		55.0
M - FR0010649350	23.06%		83.0
P - FR0010585281	21.08%		-115.0

At 29/12/2023, the fund's **assets under management** amounted to 101.73 million euros (€).

Since **31 December 2009**, the date on which we introduced our current portfolio management methodology, the LFR Euro Développement Durable ISR fund has delivered the following performances by unit:

*LFR EDD fund unit ***	**Performance since 31/12/2009 ***	**Benchmark index: Euro Stoxx 50 TR**	**Unit's performance gap vs. index (in basis points)**
GP - FR0010585307	107.94%	123.52%	-1,557.0
I - FR0010526079	100.71%		-2,280.0
M - FR0010649350	155.76%		3,224.0
P - FR0010585281	87.56%		-3,596.0

*Date on which we introduced our current portfolio management methodology, i.e. 31/12/2009.

** The E unit (FR0013143203) and L unit (FR0011802685) were launched ***after 2010*** and therefore do not appear in this table.

Comments on 2023 performances:

- As 2022 drew to an end, the markets were apprehensive and faced steep inflation. Given the series of interest rate hikes made by central banks, the consensus expected a brutal recession.

  However, inflation fell more sharply than expected ***in the first half of 2023***, sparking hopes of less monetary tightening.

  A surge of optimism swept through the markets as macroeconomic fundamentals improved: economic growth in China picked up after the zero-Covid policy was terminated and inflation fell significantly in the USA and Europe alike. Europe's economic growth figures at end-2022 came out better than expected and well above those in the USA which were resilient nonetheless. It looked like a recession would probably be avoided in 2023 after all, in both Europe and the USA. Slowing inflation in developed markets during the months that followed also raised hopes that the scale of future interest rate hikes would diminish. Cyclical stocks outperformed during the first half-year, especially technology stocks.

In these circumstances, the **LFR Euro Développement Durable ISR** fund's I unit recorded a +17.09% gain versus +18.38% for the Euro Stoxx 50 TR index, i.e., an underperformance of 130 basis points during the first half-year. Our absence from the banking sector cost us 184bp during this period.

- ***During the summer, the "soft landing" scenario*** sought by central banks did indeed materialise, but they kept up the pressure nonetheless and pointed out that further interest rate hikes by the end of the year were not to be ruled out due to the persistence of factors underlying inflation.

  The US economy maintained its positive momentum while Europe's struggled to stabilise, for a number of reasons:

  - the impact of monetary tightening;
  - the fading effects of the post-pandemic rebound;
  - weaker consumer spending.

- The concern continued ***from the post-summer period up to the month of October 2023***, with central banks talking of high inflation and interest rates remaining high for as long as necessary, as well as high oil prices; all of this fuelled risk aversion and pessimism among investors.

  This market environment was particularly detrimental to growth stocks and cyclical stocks. Stocks in the semiconductor, health care and luxury sectors in particular trended downwards during this period. European stocks stalled and fell steeply during this period.

  From July to October, the **LFR Euro Développement Durable ISR** fund's I unit recorded a 9.76% decline versus -8.20% for the Euro Stoxx 50 TR index, i.e. an underperformance of 156 basis points.

- **The stockmarket delivered its second-strongest monthly rally of the year** in November, thus bringing an end to a period of three constitutive months of losses.

  This optimism was driven by three key factors:

  - A widespread downturn in inflation;
  - The prospect of no further interest rate hikes by central banks;
  - The greater likelihood of a soft-landing scenario.

  Inflation continued to trend downwards. Central banks adopted a more confident line on current interest rates and hinted that they may have peaked. The financial markets continued to make gains in December.

  The fund outperformed its benchmark index by a wide margin thanks to its selection of stocks in **three sectors: technology, health care, and construction and materials.**

  In November and December, the **LFR Euro Développement Durable ISR** fund's I unit recorded a +15.27% gain versus +12.46% for the Euro Stoxx 50 TR index, i.e., an outperformance of 281 basis points.

  Over full-year 2023, the unit thus gained +21.81% versus +22.23% for the index (i.e., a 42bp underperformance for the fund).

An analysis of the year's performance made it possible to identify the impact of our investment choices as well as the "active" and "passive" contributions made by each of the different stocks.

- **Contributions by SECTOR to the market's performance in 2023**

With respect to the relative contributions made by the **19** sectors of the **Eurostoxx 50** index to the market's 2023 performance:

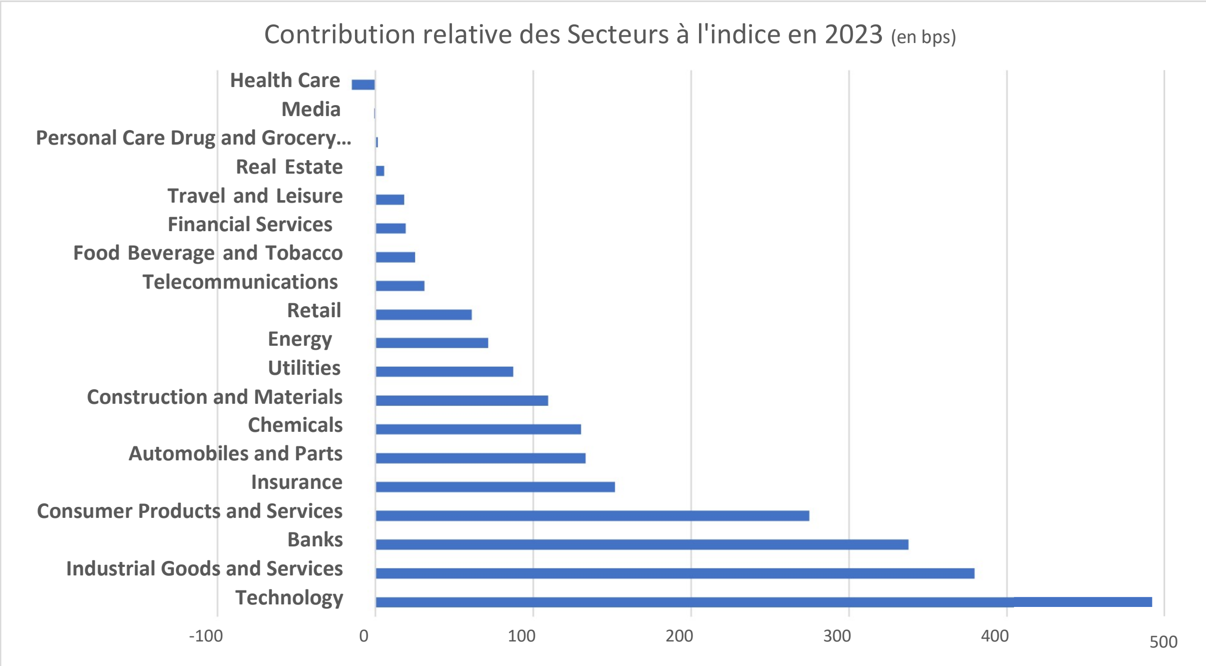
The sectors making up the index turned in an average performance of +1.20% over the full year; almost all the sectors made **positive contributions** except for two:

- **Media** (-1bp) and
- **Health Care** (-15bp)

LFR EURO DEVELOPPEMENT DURABLE ISR

The **top contributors** (in basis points – bp) to the index's 2023 performance included the following sectors:

- **Technology** (especially SAP SE and ASML Hdg.) with 493bp
- **Industrial Goods & Services** with +379bp
- **Banks** (driven by Banco Santander and BBVA) with 338bp

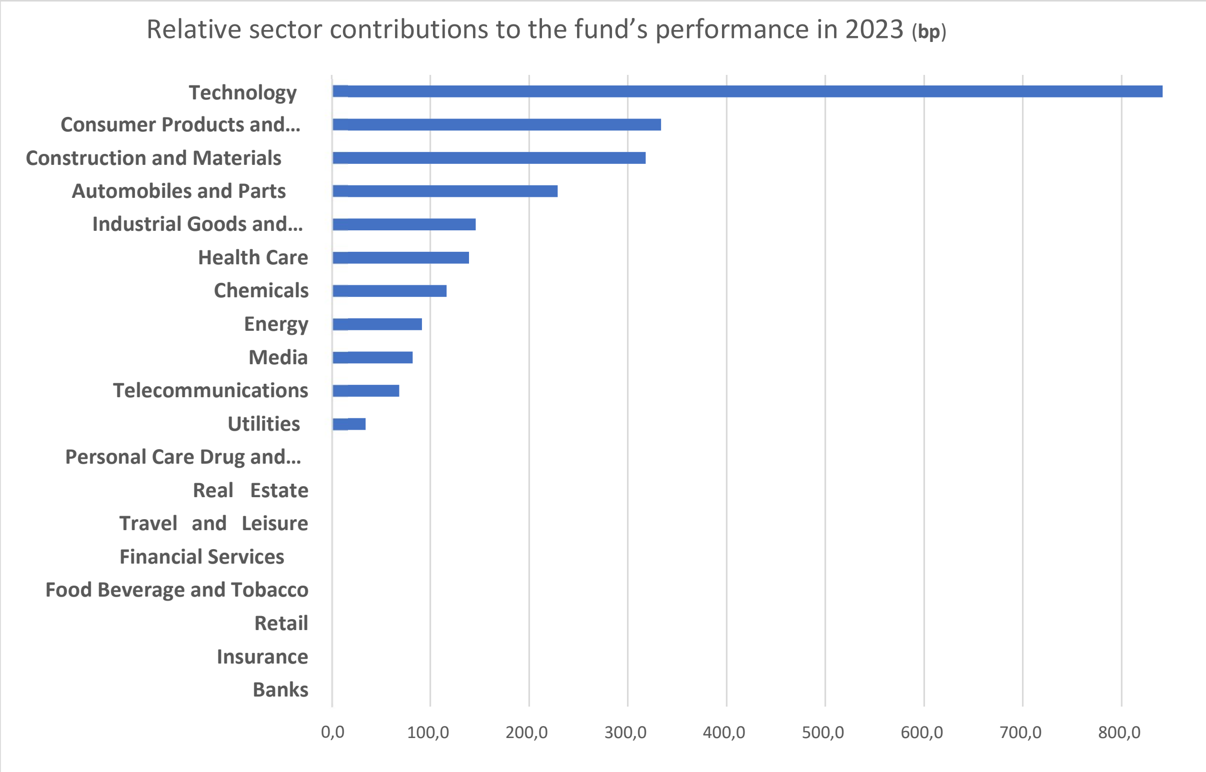


Source: FactSet - 01/2024

In these circumstances, it is worth noting that **all of the LFR Euro Développement Durable ISR fund's investee sectors** contributed positively to the fund in 2023.

The biggest sectoral contributions to the LFR EDD ISR fund's **2023 performance** came from our **stock picks** within the following sectors:

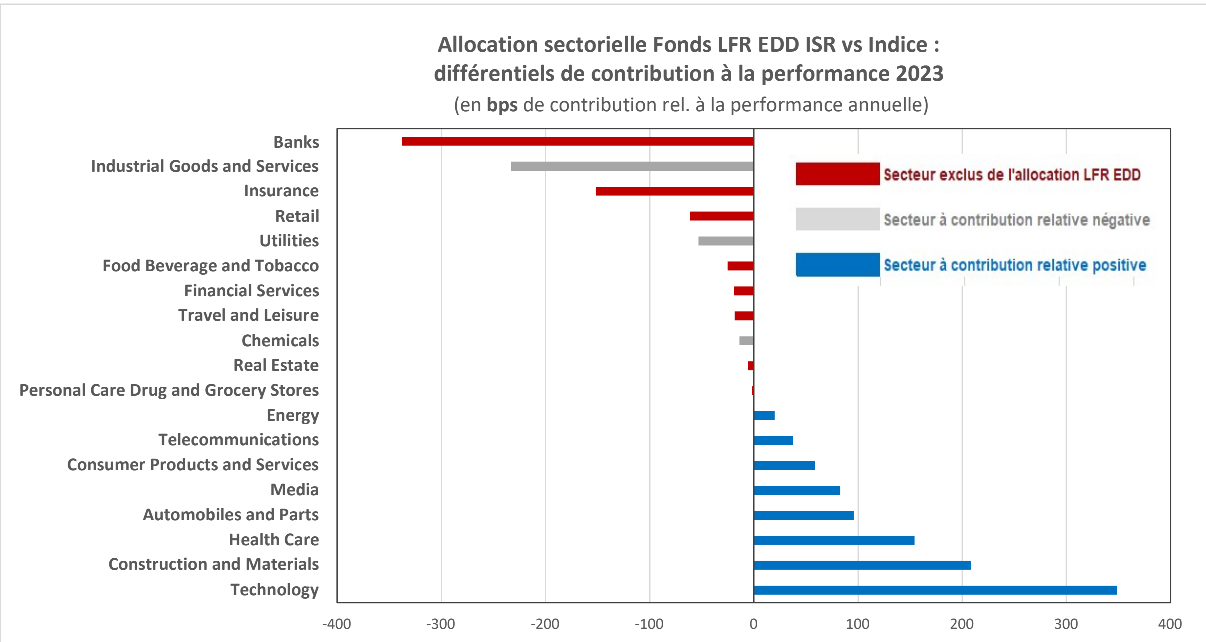
- **Technology** (with **ASML Hdg**. and the addition of **STMicroelectronics** and **BE Semiconductor** to our portfolio), i.e., a +841bp contribution
- **Consumer Goods & Services** (with **Hermès** and **LVMH**), corresponding to +334bp
- **Construction & Materials** (with **Cie de St-Gobain** and the addition of **Kingspan** to our portfolio), corresponding to +318bp
- **Automobiles & Parts** (with **Ferrari** and the addition of **Michelin** to our portfolio), corresponding to +229bp



Source: FactSet, 01/2024

Meanwhile, the fund's full-year performance was penalised by our choice to **disregard or exclude** certain **sectors** (all of which delivered positive performances) from our asset allocation based on our investment constraints, for example:

- The **Insurance** sector (buoyed up by Allianz) – its positive contribution to the index cost the fund around 152bp in relative contribution terms
- Our choice to exclude **Food, Beverage and Tobacco** stocks - they made a relative contribution to the index of +25bp
- Our absence from the **Banks** sector cost us 338bp in relative contribution terms



Source: FactSet, 01/2024

- **Analysis of the fund's STOCK PICKING in 2023**

As far as stock picking is concerned, the **top contributions** to the fund's performance in full-year 2023 were made by:

- **Ferrari** (luxury automobiles) which gained 53.5% in 2023
- **Novo Nordisk** (a Danish pharmaceutical firm) which gained +50.3% over the year
- **Kingspan** (building materials) with +56.2% in 2023

Their respective contributions to the fund's relative performance came to +141bp, 135bp and 127bp.

At the other end of the spectrum, some of our stock picks **penalised** the fund's performance: this was the case of **Worldline** (-27% in 2023), **Lonza** (-24.6% YTD) and **Sartorius** (-26.7%), costing the fund respectively 63bp, 46bp and 45bp in relative contribution terms.
NB. All these positions were **sold out before the end of the year** following their disappointing stock performances.

Meanwhile, the **index** stocks that performed well but **were not selected** for our portfolio represent a potential opportunity cost to the fund's relative performance; for example, SAP (-172bp), Siemens AG (-116bp), Allianz and Stellantis (-74bp each).

The fund's relative underperformance was partly offset, to the tune of 98bp, by the portfolio's **absence** from certain stocks that performed poorly in 2023 and were well represented in the index, such as Adyen (-11bp), Kering (-13bp), Nokia (-21bp), Pernod Ricard (-12bp) and Bayer (-41bp).

- **Analysis of the portfolio's turnover rate in 2023**

The LFR EDD fund's **turnover rate** in 2023 was **69%.**

This rate was calculated using the formula established by the AMF: $\frac{\text{(purchases + sales) - (subscriptions + redemptions)}}{\text{average net assets}}$.

LFR calculates the number of subscriptions-redemptions excluding client buy-sell transactions.

In 2023**, our portfolio showed resilience against the challenges of monetary tightening and inflationary pressure**. Our investment choices consisted in opting for **positions on cyclical stocks,** i.e., companies with pricing power, high margins, visibility and solid backlogs.

This strategy enabled us to **navigate our way through a difficult and changing market environment** while remaining well placed to take advantage of any opportunities created by an improving macroeconomic environment. A more likely soft-landing scenario for the economy along with lower inflation and key interest rates at their peak all combined to renew investors' interest in cyclical stocks, enabling the **Technology, Construction and Luxury** sectors to **outperform.**

Our portfolio turnover rate reached 69% because we **carefully and gradually repositioned** our selection of stocks throughout the course of the year, in keeping with our macroeconomic scenario.

We thus added 7 new stock convictions to and removed 10 stocks from the **LFR Euro Développement Durable ISR fund's** portfolio in 2023.
You can find more information about our entries / exits in Appendices 1 & 2.

For the record, the portfolio turnover rate in 2022 was 56% vs. 39% in 2021 and 49% in 2020.

Past performance is not indicative of the Fund's future results.

3. Portfolio management during financial year 2023

The macroeconomic climate at the start of 2023 saw a **high degree of uncertainty**, including an unquestionable transition towards slower economic growth and high-risk events becoming widespread and capable of creating **hard landing scenarios** for developed and emerging economies alike.

On the price front, **inflation figures** proved unexpectedly and stubbornly high and, to some extent, incompatible with the relatively passive positions adopted by the central banks. However, although concerns in the financial sector resurfaced as a result, such pessimism dissipated at the start of the new year and gave way to **moderate optimism**, albeit with cautious tones given the persistent financial instability.

In the quarters that followed, the sense of optimism gained ground as economic activity proved more resilient than initially expected and inflationary pressures eased off somewhat, largely thanks to **normalising energy prices and falling commodity prices.** All this occurred despite a scenario that still included **risk triggers** such as banking crises, downgrades to the USA's credit rating, tension in the Middle East and the ongoing war in Ukraine, among others.

In short, 2023 was a **particularly challenging year for forecasting**, with all sorts of risks appearing (macro-financial, geopolitical, technological, etc.) and a **sense of uncertainty that was forever being readjusted** (shocks emerging and then fading, conflicts materialising and tensions arising).

In these circumstances, **La Financière Responsable** pursued its SRI objective in 2023 with a solid and coherent investment process and a focus on taking a **cautious and opportunistic approach**, always in the best interests of our clients. Regulatory changes brought in since 2021 (especially the SFDR) have improved transparency and introduced norm-based standards allowing for more advanced and assertive SRI models and methods.

With respect to the investment team's **investment policy**, we can sum up 2023 as follows based on the investment decisions we took over the course of the year:

- **January**

We made a number of tactical portfolio switches by taking our profits on stocks that had performed well in recent weeks and reinvesting them in long-term stock convictions that had performed less well at the start of the year. We thus took our profits on health care stocks such as Sartorius and Straumann, which had a hard time in 2022 but recovered rapidly at the start of 2023. ASML and STMicroelectronics released good figures and we decided to reduce our positions on these two stocks towards the end of the month. We also took our profits in the luxury sector, on LVMH and Ferrari. They had contributed positively to the fund's performance the previous year and continued to trade on record high multiples. We also reduced our position on Deutsche Telekom, a defensive stock, and switched to more cyclical stocks.

On the other hand, we increased our positions on certain stocks whose valuation multiples looked very attractive. We thus added to our positions on GTT and Intertek at the start of the month, on the basis that they seemed undervalued. Following the rebound in cyclical stocks, we opted at the same time to increase our exposure to the health care sector, which had benefited little from the momentum at the start of the year, by investing in Astrazeneca, Lonza, Diasorin and Roche. We added to our position on Capgemini ahead of its earnings release and took advantage of Givaudan's good results to increase our position.

- **February**

We decided to increase our position on certain health care stocks such as Siemens Healthineers, Novo Nordisk, DiaSorin, Lonza and AstraZeneca which continued to trade on attractive multiples. We also increased our exposure to the energy sector with Air Liquide and GTT, both of which published good results and whose growth prospects remain intact, and to the telecommunications sector with Deutsche Telekom.

In addition, we opted to take our profits in the luxury sector which had benefited from the rally at the start of the year, with companies like Hermès and Ferrari. For these same reasons, we reduced our positions on Kingspan and Vinci which had performed well after releasing good results.

- **March**

We took our profits on various stocks over the month thanks to a number of sector rallies following good quarterly earnings reports. This was the case of ASM International, Infineon and STMicroelectronics in the technology sector, Novo Nordisk in health care and Saint Gobain in construction. We also decided to reduce our position on Deutsche Telekom which had performed well since being added to our portfolio thanks to its defensive profile.

Some of the cash proceeds generated were used to add to our positions on stocks that appeared to be trading on attractive valuation multiples. This was the case of Adevinta, which seemed undervalued. After reviewing its investment case and growth prospects, we increased our position. We took advantage of the drop in JC Decaux's share price following its quarterly earnings release to add to our position on the stock. We also decided to increase our position on Michelin which has a more cyclical profile.

- **April**

Based on the quarterly earnings season, we decided to increase the cyclical portion of our portfolios and bought Infineon in the semiconductors segment, which had raised its 2023 guidance, and Dassault Systèmes in the IT sector, which had reassured the market with a surge in its number of subscribers and an upturn in its software sales in China. We also took the opportunity to increase our exposure to companies such as Technip Energies which we had added to our portfolios the previous month. And we initiated a position on Carel Industries, an Italian cyclical firm and leading manufacturer of control solutions for refrigeration systems in the HVAC segment (heating, ventilation, air-conditioning) and refrigeration segment (supermarkets/restaurants).

Defensive sectors had performed well since the start of the year, so we made the most of their high valuations to take our profits on Lonza Group, NovoNordisk and AstraZenecca and finance other purchases. The cash holding remained low (0.68%) as the aim was to remain as fully invested as possible in high-quality stocks.

- **May**

There was little movement in the portfolio during the month of May: we decided to take our profits on Essilor Luxottica and ASML which had recently performed well. We also increased our exposure to European industrial firms operating in niche sectors and offering solid organic growth, such as Carel Industries (a manufacturer of electronic control solutions for the refrigeration segment) and Mersen (specialising in refractory materials and electrical equipment).

- **June**

We decided to take our profits on Dassault Systèmes and ASML which had recently performed well. On the other hand, we increased our exposure to European industrial firms that were enjoying solid positive momentum: Michelin (+0.24%), Schneider Electric (+0.74%), Mersen (+0.97%, specialising in the manufacture of advanced materials and electric specialties) and Carel (+1.06%, a manufacturer of electronic control solutions for the refrigeration segment). Industrials were expected to benefit from disinflation and lower input costs in the second half of the year, which is why we increased the fund's exposure to cyclical stocks. We also took advantage of the recent correction on luxury stocks to add to our positions on LVMH (+0.73%) and Hermès (+0.89%).

The fund's cash holding remained small (0.97%) as our baseline scenario encouraged us to remain fully invested in the market at the time.

- **July**

Following good earnings releases, we decided to take our profits on the construction sector by reducing our positions on Kingspan (-0.3%) and Saint-Gobain (-1%). We also chose to reduce our position on Ferrari (-0.3%) as the stock had performed extremely well since the start of the year (+41.6%).

With the cash proceeds generated, we added to our position in Astrazeneca (+0.3%). Early in the month, the company had published the results of a Phase 3 clinical trial on a lung cancer treatment. The results failed to convince investors, which traded the stock down on the day the information was published. The drop in share price gave us an opportunity to add to our position at an attractive price ahead of the firm's financial results, which were good; the fund gained as a result. We also increased our position on Safran, driven by solid trends, ahead of its quarterly earnings release.

- **August**

Following good interim results, we decided to take our profits on a number of stocks to finance various buy opportunities.

We reduced our position on GTT after the stock had performed very well in July and August (+24%) thanks to a 32% jump in the group's net profit. We also took our profits in the health care sector by reducing our positions on Straumann and Astrazeneca, which had contributed positively to the fund's performance since the start of the year. We switched to Lonza, which had been penalised by continued destocking in the sector. The company still boasts favourable long-term trends and we took advantage of the rough patch - which we consider to be a temporary blip in its growth story - to add to our position.

With the cash proceeds generated, we added to our positions on Relx and Infineon. Relx seems very well placed to benefit from the surge in artificial intelligence, with its pre-release of the world's most comprehensive legal generative AI platform for legal professionals. And the drop in Infineon's share price gave us an opportunity to add to our position at an attractive price following the group's earnings release.

- **September**

We made the most of the market downturn to increase our positions on companies offering high visibility as well as attractive valuations, such as Deutsche Telekom (+0.3%), Vinci (+0.7%), Essilor Luxottica (+0.9%), Astrazeneca (+0.5%) and STMicroelectronics (+0.2%).
Following Sartorius's bond issue, we decided to significantly downsize our position and remain only slightly exposed (0.5%). We took our profits on Infineon (-0.5%), GazTransport et Technigaz (-0.3%), Kingspan (-0.3%) and Carel Industries (-0.5%).

We also decided to remove Worldline from our portfolios amid major concerns about its strategic execution and the knock-on effects of the setbacks experienced by its rival Adyen; we were thus able to avoid the steep drop in its share price in October (-67%) following its earnings release.

- **October**

At the end of this period, we made the most of the market downturn to increase our positions on companies offering high visibility as well as attractive valuations, such as Saint-Gobain (+0.5%), Mersen (+0.5%), STMicroelectronics (+0.5%) and L'Oréal (+0.5%).

Conversely, we took our profits on Novo Nordisk (-2%) and on Lonza (-0.5%) ahead of its Investor Day, which triggered a 25% drop in its share price; and we exited from Sartorius (-0.5%) at €265, after having sold off most of our position at €340, thus avoiding the slump in the share price to €220 following its quarterly profit warning.

- **November**

We took advantage of the rally on cyclical stocks to take our profits on certain holdings such as BE Semiconductor (-0.6%), Ferrari (-0.4%), JCDecaux (-1%) and L'Oreal (-0.4%). Given GTT's performance since the start of the year, we decided to take our profits on the stock (-0.3%) and reduce our target exposure in order to increase our positions on other stocks that were trading on less demanding valuations.

We continued to downsize our position on Lonza (-0.4%) pending improvements in macroeconomic visibility and in the group's governance. On the other hand, we chose to increase our exposure to Straumann (+0.4%) and initiate a position on Interparfums (+2%).

- **December**

We made the most of the market rally to take our profits on certain stocks that had performed well, such as BE Semiconductor (-0.5%), EssilorLuxottica (-0.5%), STMicro (-0.4%) and Vinci (-0.4%). We decided to unwind our position on Lonza (-0.9%).

These sales enabled us to continue building up our position on Interparfums and initiate two new positions: Publicis and Alten. The LFR EDD fund's cash holding at year-end stood at around 1.2%.

Past performance is not indicative of the Fund's future results.

Changes made during the year

None.

3. What is the outlook for 2024?

Continuing on from the local and regional crises that arose towards the end of 2023, and with a complex global context that is difficult to interpret, we expect the **geopolitical challenges and other major risks** of the past to persist this year; meanwhile, **monetary policy is expected to embark upon a phase of moderation** pending confirmation that the measures taken thus far have been effective.

Tax policy is likely to cease providing the additional support it has in the past. The geopolitical uncertainty appears to have been contained so far. However, **the complexity of and interconnection between supply chains** and the emergence of tail risks that did not materialise in 2023 might just bring such uncertainty back to the fore and test the **resilience of global trade** following the global economic realignments that have taken place (e.g., nearshoring).

As far as **economic activity** is concerned, global economic growth is expected to lose momentum with **growth gradually slowing down** and potentially bottoming out in late 2024 / early 2025.

Inflation, meanwhile, still needs to be watched closely, as does the risk of it rising again in the short term due to geopolitical problems and less favourable base effects.

In short, the global economy is heading towards **an adjustment in the short term** as it seeks to find a balance between supply and less active demand, with new pricing levels yet to be defined. This scenario points to a **mid-cycle adjustment** with progress on the supply front continuing in a gradual and positive manner whereas demand remains weaker or stagnant.

Central banks around the world are waiting for this process to kick off as they seek to establish a new equilibrium rate or **neutral interest rate** that is suited to today's price levels.

The decisions taken by central banks will therefore play a crucial role in determining whether the adjustment has been precise enough to prolong the current expansionary cycle or, conversely, whether the cumulative effects of monetary policy point to a classic end-of-cycle break in the trend.

In these circumstances, and in accordance with the investment process and investment philosophy applied to the **LFR Euro Développement Durable ISR fund**, our investment teams will opt for a **stock-picking process which focuses on firms that are agile** in their ability to deliver organic growth while protecting their margins in the search for sound operating cash flow generation and low to limited debt levels.

Written on 26 January 2024.

Appendix 1

Portfolio entries and exits during financial year 2023

Article 33 of AMF instruction 2011-19

7 entries in 2023:

Alten SA
BE Semiconductor Industries
Carel Industries
Interparfums
Publicis Groupe SA
RELX PLC
Technip Energies NV

March 2023

- We **initiated a 2% position on Technip Energies**, a leading engineering and technology firm working towards the energy transition with more than 60 years of experience in project execution.

  The company has proved its worth in the engineering and construction of LNG plants and offers an ever-growing range of solutions for energy transition markets, such as hydrogen and carbon capture technologies. Its latest quarterly results showed that the group is managing to win enough tenders to offset its withdrawal from Russia. Management has extensive knowledge of its environment, enabling it to meet the guidance targets it issues.

  We now have evidence of the robustness of its business model, which is geared towards the long term. On the non-financial front, the company provides enough information for us to perform a non-financial analysis and we have placed it in our "Promising" category. It will have to make an effort on the social pillar, particularly in the area of staff training, and we will be launching an engagement initiative on this aspect. It has a convincing environmental profile, with energy and water consumption and waste generation on the decline, in keeping with the group's medium-term reduction targets. Lastly, management boasts a great deal of expertise and a long track record in executing turnkey projects.

- We also **initiated a 2% position on RELX**, the world's leading publisher of academic articles.

  The group has gradually branched out into data analysis by developing information-based and decision-making tools. The group boasts clear competitive advantages and is reinforcing its dominant position on all its end markets. By diversifying its activities and improving its marketing mix, the group has expanded its commercial profile and increased its financial results with more stable and predictable revenues, a higher growth profile and improved yields. RELX has a solid non-financial profile. Its social indicators are managed well and reflect the differentiation strategy identified during the strategic analysis that was carried out. RELX operates in an industry that emits few emissions and uses little energy, but the group endeavours to disclose a large number of indicators with respect to its environmental objectives. Our analysis offers a positive assessment of the management team, which has acquired many years of experience.

April 2023

- **Carel** is a key provider of advanced and low-energy control solutions for the heating, ventilation, air-conditioning and refrigeration markets. **We initiated a 1% position.**

  Over time, the company has built up a solid reputation for growth while gradually expanding its product portfolio and geographic coverage. Its positioning as a specialist enables it to gain market share, with a further boost from regulations. Carel is positioned in niche sectors: it produces rather few controllers of high added value. On the non-financial front, we have placed the group in our "Good Student" category. The company is almost exemplary, backed by a quality family-based management team which is a strong and positive indication of its coherence. Carel is thus a credible provider of energy efficiency services and even calculates its taxonomy-eligible turnover. It boasts a sound financial structure that will enable it to seize any acquisition opportunities that may arise.

September 2023

- We added **BE Semiconductor** to our portfolio, a specialist manufacturer of assembly machines for semiconductor manufacturers.

  Its die-attach technology is the fruit of many years of R&D and remains a core product on the market; the backlog is expanding at an ever-faster pace thanks to the development of artificial intelligence.

  This rapid growth is testament to the firm's excellent management team, which remains focused on the higher value-added part of the market while keeping a step ahead on emerging technologies such as hybrid bonding, an interconnection technology for chips using 3D architecture and allowing for better performance. The company also has a solid financial profile and performs well on the non-financial front.

November 2023

- **We added Interparfums to our portfolio**: a project management specialist for the perfume industry, it is dedicated to the development and marketing of prestigious perfume lines for directly-owned or licensed brands.

  It manages a perfume's entire lifecycle, from preparing the initial specifications right up to the advertising campaign, with an emphasis on coordination and supervision rather than production. Our view is that Interparfums is positioned in a buoyant market and has successfully capitalised on this, gradually expanding its brand portfolio and outpacing the market's growth by a wide margin in recent years (11% per annum versus 4% per annum). The stock is currently undervalued and offers a great deal of upside potential.

December 2023

- **We added Publicis to our portfolio.** Publicis is a group of agencies specialising in communications and advertising and operating various different business lines: creation (its core business: Publicis, Saatchi & Saatchi, Leo Burnett, etc.), media (PMX, Zenith, Starcom, etc.), data (Epsilon) and digital (Sapient and others) - it is the world's biggest communications agency by market capitalisation and the second biggest by revenue. Having made the transformational acquisition of Epsilon and gradually shifted towards digital technology, Publicis is now equipped to continue growing in a declining market.

Our analysis shows that Publicis boasts a high-quality non-financial profile. All three pillars are well developed with many indicators pointing to solid performances. Any scope for improvement has been clearly flagged, precise quantitative targets have been set accordingly and they are followed up with carefully prepared action plans. The group does not merely follow regulations but is a forerunner and goes beyond regulatory recommendations, for instance when it comes to tackling global warming. Publicis successfully stands out from the competition thanks to a management team that is competent, transparent and well appreciated by the market. The group is becoming less and less cyclical and benefiting from buoyant trends, so it seems to be a shrewd addition to our portfolio.

- **Last addition to our portfolio in 2023**: **Alten**, a quality company with a differentiating strategy in a booming R&D outsourcing industry. Today's market is fragmented and the group is making a large number of acquisitions with the aim of doubling its growth. Alten is positioned in the aerospace and automotive segments, where outsourcing needs are on the increase. Its Workpackages solution and decentralised model set it apart from the rest of the market. It is in rude financial health, enabling it to pursue a fast-paced external growth strategy without any major difficulty. However, wage inflation and a high staff turnover rate are holding its operating margin back. Its strong position on the market nevertheless enables it to pass higher prices on to its clients and therefore protect its margin to some extent.

  Alten produces quality non-financial reporting and is very transparent when disclosing all its indicators. As regards the social pillar, Alten has a high staff turnover rate owing to the sector in which it operates and its strategy of hiring young junior engineers; it has fully factored this in and has adopted a rather ambitious global talent attraction and retention policy. Alten is not much concerned by the environmental issues inherent within its sector but is very transparent on all environmental categories. It also has a good governance profile. The management team has been stable ever since the company was first created. However, one point worth watching is the imminent succession of Mr Azoulay, the founding Chairman & CEO, about which we have only little information.

  Alten is a company that was already a staple in our portfolios up until 2021, when we exited as the stock's valuation was too high and seemed to offer little upside potential. In the meantime, the group has been penalised by macroeconomic conditions as it is highly exposed to cyclical sectors. Inflation added to the payroll. Based on our macroeconomic scenario, we think Alten will benefit from the cyclical and industrial upturn in 2024.

Past performance is not indicative of the Fund's future results.

Written on 27 January 2024

Appendix 2

Portfolio exits during financial year 2023

Article 33 of AMF instruction 2011-19

10 portfolio exits in 2023:

A.P. Moller - Maersk
Adevinta ASA
ASM International N.V.
DiaSorin S.p.A.
Givaudan SA
Intertek Group plc
Lonza Group AG
Roche Holding Ltd
Sartorius AG
Worldline SA

February 2023:

We opted to **remove AP Moller Maersk** and **Roche** from the portfolio as they no longer seemed to offer attractive long-term prospects.

- **Roche** does not have a promising portfolio of new treatments / drugs undergoing research, and it has also recently failed on several occasions to move some of its drugs, including Lampalizumab, to Phase III.
- **AP Moller Maersk** is still being penalised by lower freight rates, is going to terminate its 2M alliance with MSC and is no longer being driven by the strong momentum it enjoyed post-pandemic.

March 2023:

- We decided to **sell off our entire position in Diasorin**. A large number of events looked likely to affect its operations worldwide, suggesting that Diasorin might struggle in 2023 and that the stock's upside potential would be limited. The firm's growth outlook was also held back by a lack of visibility on its operations, the loss of certain distribution contracts and delays on launching its new diagnostics platforms.
- We also opted to **remove Intertek from the portfolio**. Intertek is a quality company but its investment case has been eroded by a large number of headwinds. The company's organic growth slowed down in 2022 and its 2023 prospects did not appear any better. The start of the year looked particularly challenging for the stock. We therefore preferred to pull out.

June 2023:

- **We sold off our entire position on Givaudan** - the group has failed to convince the market and is a drag on our portfolio as it has failed to perform against the backdrop of weak growth.
- **Exit of Adevinta** - its governance issues and lacklustre guidance undermined our confidence in the stock's ability to outperform in the short-medium term. By pulling out of these stocks, we were able to add to our positions on stronger convictions and increase the fund's exposure to cyclicals.
- We decided to **sell our entire position in ASM International** following the stock's rally since the start of the year (+62%). The stock had been buoyed up especially by the market's recent enthusiasm for AI. But its current share price seemed difficult to justify given the management's guidance, which included low order intake and a downturn in revenue in the second half of the year.

September 2023:

- We decided to **sell our entire position in Worldline**. Difficulties with its strategic execution and the knock-on effects of the setbacks faced by its rival Adyen suggested that the stock would not be able to recover in the short-medium term.

  This decision did indeed spare us the steep 67% drop in its share price in October when it released its results.

October 2023:

- **We pulled out of Sartorius AG,** a manufacturer of laboratory instruments, industrial equipment and consumables used for developing and producing biopharmaceutical drugs and vaccines.

  Sartorius made the largest acquisition in its history in 2023 by acquiring Polyplus from investment funds for €2.4bn. The products made by Polyplus complement those in Sartorius's portfolio, and the takeover formed part of the latter's plans to expand its product range.

  However, the acquisition required a fully debt-financed capital increase, which added significantly to the group's debt burden to a worrying extent. Sartorius's business sector is also being penalised by a post-pandemic slowdown and it seemed **wise to remove the stock from our portfolio on 16 October**.

  This proved to be a shrewd decision as the share price plummeted by 19% when the firm announced its quarterly results on 19 October.

December 2023:

- Having sold off more than half of our position on **Lonza** in November, **we then decided to pull out completely** due to poor visibility on the sector and the group's governance issues.

  The health care sector had been a cause for concern among investors for several months (post-Covid slowdown, tougher financial terms and conditions, etc.) and Lonza, already hit in September by the surprise departure of its CEO, failed to reassure the market during its Investors Day held in October.

Written on 27 January 2023

Appendix 3

Share of assets invested in securities or rights eligible for the PEA (French equity savings plan)

Bulletin Officiel des Impôts 5 I-8-06

In accordance with its prospectus, at 29/12/2023 the fund had 89.62% of its net assets (i.e. 92% of the equity compartment) invested in PEA-eligible securities.

Written on 30 January 2024

Appendix 4

Method for calculating the overall risk of the Fund

Article 16 of AMF instruction 2011-15

- Considering that at least 90% of the fund is invested in securities (including at least 75% from European Union countries), selected on the basis of extra-financial criteria and according to an SRI methodology, combining the implementation of a "Socially Responsible" strategy and financial profitability, and that investors are warned that their capital is not guaranteed and may not be returned,
- Whereas investors are also advised that the Fund may be exposed to the risk of a fall in the equities or equity UCIs held in the portfolio,
- Considering that fluctuations in the equity markets may generate significant variations in the net assets, which could lead to a substantial fall in the net asset value of the fund.

As a result, the asset manager has decided not to use any specific calculation method to control the risk taken, such as VaR or setting a volatility limit, either simple or relative to an index (tracking error).

The overall exposure is calculated using the commitment method.

Written on 27 January 2024

Appendix 5

Proportion of income eligible for the 40% allowance under Article 158 of the General Tax Code.

Appendix 3 of the General Tax Code - Article 41 (xvi) H

All units (E, GP, I, L, M and P) of the LFR Euro Développement Durable ISR fund are accumulation units and therefore do not distribute any income. They are therefore not covered by the provisions of this schedule.

Written on 27 January 2024

Appendix 6

Inclusion in the investment policy of criteria relating to compliance with social, environmental and governance quality objectives (so-called "ESG" criteria) and the monitoring of securities.

Articles L533-22-1 and D533-16-1 of the French Monetary and Financial Code

During the year, all (i.e., 100%) of the listed securities making up LFR Euro Développement Durable ISR were analysed on the basis of criteria relating to compliance with social, environmental and governance quality (ESG) objectives.
These analyses were carried out using the IVA® method developed by La Financière Responsable. Based on an understanding of the growth strategy pursued by the company's management team, this concept involves assessing the degree of consistency and the results achieved by the company across all its policies and practices, both extra-financial and financial.
In order to determine a company's responsible behaviour, La Financière Responsable has developed a specific internal evaluation method based on six major areas that define the integral development of each company and enable us to assess its commitment to CSR and sustainable development issues:

1. attention to human resources and social practices;
2. consideration of environmental issues, policies and practices;
3. integration of customers, suppliers and partners;
4. relations with civil society and attention to social issues;
5. internal and external corporate governance;
6. assessing the quality of management;

These analyses are carried out upstream of the financial analysis and result in an in-house assessment by La Financière Responsable's teams.
Finally, the following companies were excluded from any investment:

- (E) Having direct and indirect impacts on the environment that are not compatible with sustainable development issues;
- (E) Using thermal coal (extraction, energy source, etc.) in accordance with the levels and thresholds defined in the "Coal Policy" available on its website;
- (S) Subject to controversy and proven social or human rights violations;
- (S) Having made unaccompanied redundancies in the last three years;
- (G) Directly or indirectly related to cluster bombs and anti-personnel mines;
- (G) Refusing to provide or providing inadequate non-financial and/or financial information.

<u>Regulations relating to the European Taxonomy (EU Regulation 2020/852) of the fund:</u>

The aim of the European Union's Taxonomy Regulation is to identify economic activities considered to be environmentally sustainable ("Sustainable Activities").
The Taxonomy Regulation identifies these activities according to their contribution to six major environmental objectives:

7) climate change mitigation,
8) adaptation to climate change,
9) Sustainable use and protection of aquatic and marine resources,
10) Transition to a circular economy,
11) Pollution prevention and control,
12) Protection and restoration of biodiversity and ecosystems.

To be considered sustainable, an economic activity must demonstrate that it makes a substantial contribution to one or more of the six objectives, that it does not cause significant harm to any of these objectives (the so-called "DNSH" principle) and that it is carried out in compliance with the minimum guarantees set out in Article 18 of the Taxonomy Regulation.

The principle of "do no significant harm" applies only 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.

At the date of the last update of the prospectus, the strategy implemented in the Fund does not take into account the European Union's criteria for environmentally sustainable economic activities. The target percentage for alignment with the Taxonomy Regulation is 0%.
At 31 December 2022, 7.00% of the portfolio was aligned with the Taxonomy. This calculation is carried out under a contract with the specialist company Sequantis.

SFDR classification (EU Regulation 2019/2088) of the fund:

The Fund meets the definition of Article 8 of Regulation (EU) 2019/2088 SFDR (Sustainable Finance Disclosure Regulation) on the inclusion of extra-financial aspects in investments. According to its definition, this is a financial product whose objective is not sustainable investment but the promotion of environmental and/or social characteristics, or a combination of these characteristics, provided that the companies in which the investments are made apply good governance practices. The analysis of extra-financial aspects aims in particular to identify the sustainability risks of issuers in the investment universe.

To enhance transparency, La Financière Responsable maintains a page dedicated to its Socially Responsible Investment policy on its website: https://www.la-financiere-responsable.fr/documentation-reglementaire-isr-esg/

Written on 27 January 2024

Appendix 7

Refer to the website for details of the policy for selecting and assessing entities that provide services (selection of intermediaries).
Article 321-115 of the AMF General Regulation

The website of La Financière Responsable, www.la-financiere-responsable.fr, provides all the legal information concerning the policy for selecting and assessing the entities that provide services. These details are set out in the "Legal information" section - "MiFID regulations" – "Best execution" and "Analyst selection policy".

Written on 27 January 2024

Appendix 8

Remuneration policy
Ucits V Directive

The broad outlines of the remuneration policy are described below. La Financière Responsable's Remuneration Committee and Governance Board have validated these rules and approve the policy implemented every year.
Availability of these rules is indicated on the website.

EMPLOYEES

The fixed and variable remuneration of employees is approved annually by the Remuneration Committee on the recommendation of senior management. Fixed employee remuneration: employee remuneration is set when the employee is hired, based on market conditions, and increases either automatically in accordance with the collective agreement, or through an annual appraisal based on the employee's skills development.
Variable employee remuneration: variable remuneration may be granted without any guarantee whatsoever. Variable remuneration can only be paid if the company achieves results that are sufficiently positive. The terms and conditions of the award and the maximum limit in relation to fixed remuneration are set out in the Remuneration Policy document.

EXECUTIVES

Fixed remuneration of executives: the fixed remuneration of senior executives is set by the company's Governance Council, on the recommendation of the Remuneration Committee, which is chaired by a member of the Governance Council who does not play an operational role in the company.
Variable remuneration for executives: executives are eligible for variable remuneration on the same terms and conditions as employees. This remuneration is also subject to approval by the Remuneration Committee, which reports to the company's Governance Council.

SUSTAINABILITY RISKS TAKEN INTO CONSIDERATION

Pursuant to Article 5 of Regulation (EU) 2019/2088, known as the Sustainable Finance Disclosure Regulation (SFDR), individual assessments and targets include qualitative and quantitative elements relating to the environmental or social characteristics of investments and the sustainability risk of managed portfolios.
The qualitative and quantitative criteria used differ according to the function of the staff identified. The appraisals and remuneration of the staff concerned will be determined on the basis of the achievement of these qualitative and quantitative targets.

Total compensation in respect of financial year 2023 paid by the asset management company to its employees:

	Amount (€)	Number of beneficiaries
Fixed compensation	701,321	12
Variable compensation	0	0
Carried interest	-	-

Aggregate amount of compensation, broken down between the asset management company's senior managers and staff members whose activities have a significant influence on the UCITS's risk profile:

	Amount (€)
Senior managers	231,966
Other staff members	226,165

For more information on our remuneration policy, please refer to our website: https://www.la-financiere- responsable.fr/wp-content/uploads/Politique-de-rémunération-version-site-Internet.pdf

Written on 30 January 2024

Appendix 9

Information on the SFTR regulation

During the financial year, the Fund did not carry out any securities financing transactions covered by SFTR regulations.

Written on 27 January 2023

Appendix 10

Information on efficient portfolio management techniques

During the year, the Fund did not use efficient portfolio management techniques.

Template periodic 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

Product name: **LFR Euro Développement Durable ISR**
Legal entity identifier: 969500NU1CAYDHMA7E10

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?

☒ **Yes**	☐ **No**
☒ It made **sustainable investments with an environmental objective:** 100%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion 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
☒ 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 made **sustainable investments with a social objective:** 100%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

Sustainability indicators measure how the sustainable objectives of the financial product are attained.

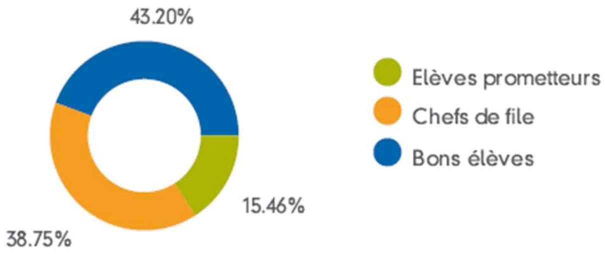
For the record, **LFR Euro Développement Durable ISR** is a fund made up of a selection of listed European companies (at least 90% of net assets) and that seeks to contribute to the development of responsible companies.

The fund has **a dual environmental and social objective** within the meaning of the SFDR thanks to the portfolio management methodology it applies to all the listed stocks selected before the fund invests in them - the **IVA® Integral Value Approach**. This methodology requires a systematic analysis allowing for no exceptions of the 3 E, S and G pillars applied to **all the listed stocks selected**, prior to any financial and stock market analysis. A full analysis of all these criteria allowing for no exceptions and, accordingly, the existence of a shareholder engagement policy are essential features of a **responsible and sustainable** approach to investment.

Therefore, before the fund invests in them, **100% of the listed stocks** selected for the fund:

- will have been subject to a systematic analysis based on their Environmental, Social and Governance (ESG) and financial and stock market credentials.
- will have been placed in the one of the following **SRI categories - "leader"**, "**good student**" or "**promising**" - based on their ESG profiles and validated as such by the Investment Committee which meets monthly.

SRI categorisation of the portfolio's assets at 31/12/2023 (% of net assets)



- ***How did the sustainability indicators perform?***

For the record, La Financière Responsable not only performs ESG analysis using its proprietary stock-picking methodology (**IVA® - Integral Value Approach**), which involves examining and analysing a variety of E, S and G indicators based on its proprietary database (Empreinte Ecosociale®); it has also selected **2 key indicators** to measure the extent to which **LFR Euro Développement Durable ISR** attains its sustainable investment objective in accordance with the SFDR:

- **An environmental indicator: annual energy consumption of selected companies, expressed in MWh/€m of turnover;**
- **A social indicator: growth in employed staff year-on-year.**

Sustainability indicators (Portfolio at 31/12/2023)	**LFR Euro Développement Durable ISR**	**Coverage rate***
Annual energy consumption, expressed in MWh/€m of turnover	361.27 MWh/€m	100%
Growth in employed staff year-on-year	7.11%	100%

*Of the listed equity compartment.

Averages weighted by portfolio holding weight, data sourced from Empreinte Ecosociale® 2022.

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.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

All the listed stocks selected by the **LFR Euro Développement Durable ISR** fund, **without exception**, have been systematically analysed based on their Environmental, Social and Governance (ESG) and financial and stock market credentials. This is the very essence of La Financière Responsable's investment management process: IVA® - Integral Value Approach.

For the record, this analysis makes use of **Empreinte Ecosociale®,** a proprietary ESG database compiling more than **170 ESG indicators** for over **240 European firms**. Its input consists of responses to a specific questionnaire prepared inhouse and sent to companies as part of an annual update campaign. The questionnaire factors in the SFDR's mandatory and voluntary **Principal Adverse Impact indicators** for all the non-financial pillars defined in the Regulation. They are assessed for each company taking into consideration its sector, its strategy and also any improvements in its practices over time.

Our detailed analyses allow us to identify any sustainability risks that the company might face depending on issues specific to its sector and/or line of business.

Last of all, we engage with the company's management if we have identified any scope for improvement in its ESG and financial aspects, and it is up to the management team to take appropriate decisions in response to our requests and suggestions.

The latest **engagement report** is available on La Financière Responsable's website (in French): https://www.la-financiere-responsable.fr/wp-content/uploads/Compte-rendu-de-la-politique-dengagement-actionnarial.pdf

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

Principal adverse impacts are factored into **various stages** of the IVA – Integral Value Approach® for the listed companies held in the fund's portfolio, as follows:

- Application of **exclusion** criteria;
- Assessment framework consisting of the different **sustainability risks** for each ESG pillar applied to each of the companies selected;
- **Controversy** management;
- Integration of all Principal Adverse Impact (**PAI**) indicators into the **Empreinte Ecosociale®** ESG questionnaire. These indicators will also be reported on periodically;
- **Direct engagement** with companies if they fail to respond in particular to any of the mandatory PAI criteria; said response is a prerequisite to the analysis that must be performed before the Investment Committee takes a decision at its monthly meeting, which may result in the stock being excluded if it is deemed appropriate to do so.

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

Yes, the team of fund manager-analysts systematically excludes companies that are known to be involved in controversies and breaches in the social or human rights arenas.
Meanwhile, a **non-financial** objective has been set for the fund in accordance with the French

government's "**Label ISR**" (SRI label): **at least half** of investee companies must be signatories of the United Nations Global Compact.

In addition, the IVA® process also includes an examination of indicators relating to a company's **tax practices** and an assessment of **controversies** along the company's entire value chain (see LFR's controversy monitoring and management policy here, in French).

How did this financial product consider principal adverse impacts on sustainability factors?

The Principal Adverse Impacts (PAI) on sustainability factors are taken into consideration using various mechanisms that have been put in place:

- **Empreinte Ecosociale®: a proprietary database tracking 174 indicators (68 social, 67 environmental and 39 relating to governance practices) and updated annually since 2009 by means of a questionnaire prepared by LFR's teams and sent to more than 240 issuers each year;**
- **The database factors in the SFDR's mandatory and voluntary PAI indicators for all the non-financial pillars defined in the Regulation;**
  These indicators are also included in the Empreinte Ecosociale® ESG questionnaire. They are assessed for each company taking into consideration its sector, its strategy and also any improvement in its practices;
- **The investment process, particularly through SRI categorisation (see below);**
- **The exclusion policy;**
- **The controversy management policy - the quality of a company's governance practices during the course of its business can be determined by identifying and monitoring controversies. La Financière Responsable has an official controversy management policy (in French): https://www.la-financiere-responsable.fr/wp-content/uploads/Gestion-des-controverses-dans-la-gestion-de-LFR.pdf;**
- **The voting and engagement policy.**

What were the top investments of this financial product?

Portfolio inventory at 31/12/2023:

Largest investments	**Sector***	**% Assets****	**Country*****
ASML	Technology	6.70%	Netherlands
LVMH	Consumer discretionary	6.27%	France
Schneider Electric	Industrials	3.66%	France
L'Oréal	Consumer discretionary	3.50%	France
EssilorLuxottica	Health Care	3.41%	France
Capgemini	Technology	3.34%	France
STMicroelectronics	Technology	3.11%	France
Michelin	Consumer discretionary	3.06%	France
Dassault Systèmes	Technology	3.04%	France
Deutsche Telekom	Telecommunications	2.97%	Germany
Hermès	Consumer discretionary	2.92%	France
Safran	Industrials	2.92%	France
Air Liquide	Basic materials	2.88%	France
Mersen	Industrials	2.85%	France
RELX	Consumer discretionary	2.82%	United Kingdom

Saint-Gobain	Industrials	2.79%	France
Iberdrola	Utilities	2.74%	Spain
Infineon	Technology	2.71%	Germany
Technip Energies	Energy	2.70%	France
Siemens Healthineers	Health Care	2.59%	Germany
Ferrari	Consumer discretionary	2.58%	Italy
Novo Nordisk	Health Care	2.58%	Denmark
Astrazeneca	Health Care	2.53%	United
Kingspan	Industrials	2.47%	Ireland
Straumann	Health Care	2.44%	Switzerland
Interparfums	Consumer discretionary	2.43%	France
Vinci	Industrials	2.41%	France
Gaztransport et Technigaz	Energy	2.27%	France
Alten	Technology	2.25%	France
Publicis	Consumer discretionary	2.23%	France
CAREL Industries	Industrials	2.22%	Italy
BE Semiconductor Industries	Technology	2.01%	Netherlands
JCDecaux	Consumer discretionary	1.99%	France
LFR Inclusion Responsable ISR	UCITS	1.38%	N.A.

*The notion of sector refers to the international ICB – Industry Classification Benchmark. Here we use ICB 1, the level 1 classification, which divides companies into 11 broad industries: Oil and Gas, Basic Materials, Industrials, Consumer Discretionary, Real Estate, Health Care, Consumer Services, Telecommunications, Utilities, Financials, Technology.

**Excluding cash and equivalents ***Companies are distributed by country according to the location of the company's registered office.

What was the proportion of sustainability-related investments?

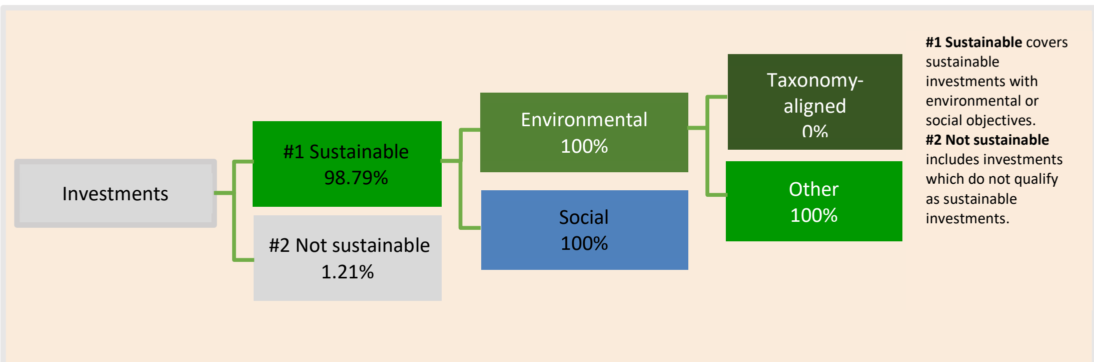
100% of listed securities held in the portfolio have undergone an ESG analysis and qualify as **sustainable** under the SFDR's definition, according to the criteria established by La Financière Responsable.

What was the asset allocation?

At 31/12/23, the asset allocation was as follows:

Asset allocation describes the share of investments in specific assets.

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: XX



The share of assets qualified as not sustainable corresponded to cash and equivalents (1.21%)

In which economic sectors were the investments made?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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

At 31/12/2023, LFR Euro Développement Durable ISR was invested in the following sectors:

Sector*	Portfolio weighting
Consumer discretionary	27.80%
Technology	23.17%
Industrials	19.32%
Health Care	13.53%
Energy	4.98%
Telecommunications	2.97%
Basic materials	2.88%
Utilities	2.74%
UCITS	1.38%

*The notion of sector refers to the international ICB – Industry Classification Benchmark. Here we use ICB 1, the level 1 classification, which divides companies into 11 broad industries: Oil and Gas, Basic Materials, Industrials, Consumer Discretionary, Real Estate, Health Care, Consumer Services, Telecommunications, Utilities, Financials, Technology.

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

LFR Euro Développement Durable ISR has not determined a threshold for alignment with the EU Taxonomy. The fund did not take into account the criterion of environmental objectives under the EU Taxonomy during the reference period. The fund has not taken into account the criterion of "do no significant harm" under the EU Taxonomy.

Nonetheless, 100% of listed securities held in the portfolio have undergone an ESG analysis and qualify as sustainable under the SFDR's definition, according to the criteria established by La Financière Responsable.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

☐ Yes:

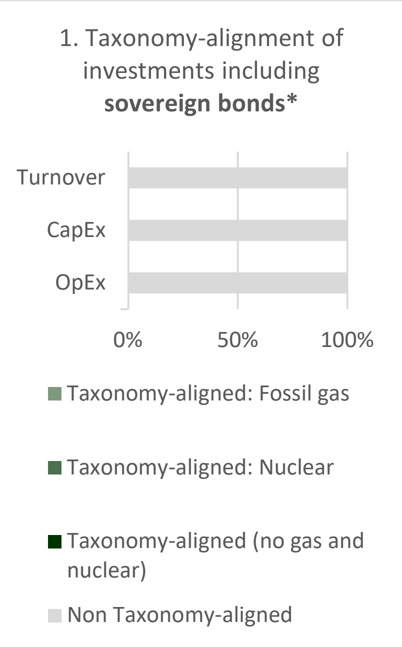
☐ In fossil gas ☐ In nuclear energy

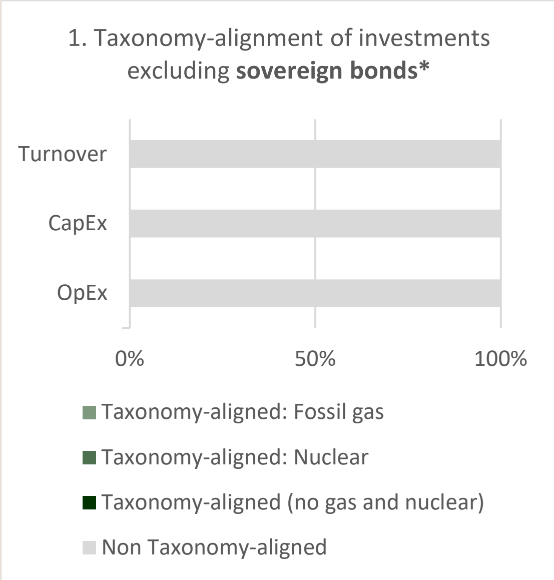
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objectives - see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The graphs below show in green the percentage of investments that were 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.

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.





This graph represents x% of the total investments.

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

What was the share of investments made in transitional and enabling activities?

LFR Euro Développement Durable ISR made 0% investments in transitional and enabling activities, in accordance with its objectives.

This 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.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The LFR Euro Développement Durable ISR fund has not set an objective for alignment with the EU Taxonomy. So, 100% of sustainable investments with an environmental objective made by the fund **were not aligned** with the EU Taxonomy.

What was the share of socially sustainable investments?

100% of listed securities held in the portfolio have undergone an ESG analysis and qualify as sustainable under the SFDR's definition, according to the criteria established by La Financière Responsable.

During the reference period, 100% of listed securities therefore contributed to the socially sustainable investment objective defined previously.

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

Investments in the #2 Not sustainable category correspond to any cash holding which may fluctuate within the limits defined in the fund's prospectus and within regulatory limits.

What actions have been taken to attain the sustainable investment objective during the reference period?

Various restrictions applied throughout the investment and stock-picking process made it possible to attain the sustainable investment objective:

- <u>Application of exclusion criteria:</u>

  Prior to examining stocks using the IVA® - Integral Value Approach, the investment process followed by La Financière Responsable involves the systematic exclusion of companies based on the following criteria:

  - **Environmental**: exclusion of companies that use coal as a source of energy or heat, according to the thresholds defined in La Financière Responsable's coal policy (French only); exclusion of companies with a direct or indirect impact on the environment that is not consistent with sustainability;
  - **Social**: exclusion of companies known to be involved in controversies and/or breaches in the human rights arena; exclusion of companies having made redundancies without accompanying measures within the last three years;
  - **Governance**: exclusion of companies directly involved in activities relating to cluster munitions and anti-personnel mines; exclusion of companies that refuse to disclose non-financial and/or financial information essential to an IVA® analysis.

  LFR's exclusion criteria are continually monitored by its investment management team. The list of excluded companies is documented and updated periodically.

- <u>Companies classified according to their **SRI profile** to determine whether or not they are eligible:</u>

  For the record, during the investment process and IVA® analysis, each company is **classified according to its SRI profile** as established by LFR's teams. This classification is a means of assessing a company's non-financial practices and of ranking investment candidate companies as follows:

By classifying companies according to their SRI profile, it is possible to determine whether a company subject to analysis is investable or not and to assess the quality of its non-financial practices.

So, only companies with “Leader”, “Good student” or “Promising” status are eligible for investment in the LFR Euro Développement Durable ISR fund’s portfolio.

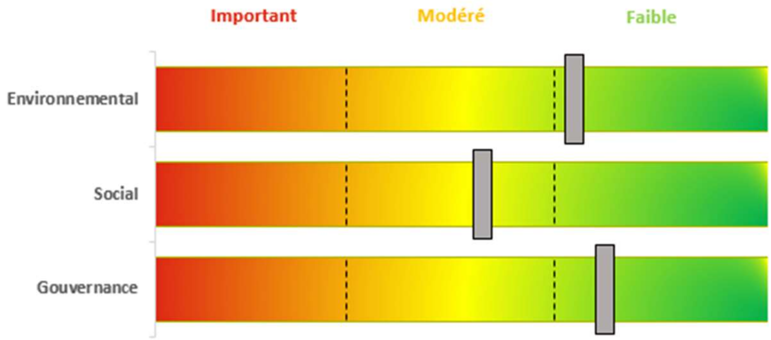
- <u>Sustainability risk assessment:</u>

An assessment procedure has been put in place to reduce investor exposure to the sustainability risks introduced by Europe’s SFDR.

For the record, sustainability risks are handled from the following angles:

- Environmental: issues regarding physical and transition risks in the areas of climate/climate change (air pollution, carbon intensity, greenhouse gas emissions, etc.), natural resource and waste management at companies, impact on habitats, resources (water, natural disasters, etc.) and issues regarding local and international environmental regulations.
- Social: issues regarding rights, well-being, health and safety of employees and clients, parity, discrimination and supplier relations.
- Governance: issues regarding corporate strategy, reputation, value creation for shareholders, corporate culture, balance of power, the risk of shareholder disengagement, the risk of dialogue failure, anti-money laundering and terrorism financing policies and anti-corruption policies.

When performing a non-financial analysis, the fund manager-analyst will use an assessment framework to gauge a company’s various sustainability risks and incorporate the sustainability risk scale shown below into their analysis:



Legend for assessing sustainability risks:

Risque bien identifié et bonne maitrise probable de l’entreprise ; impact faible à moyen

Risque faible à moyen ; maitrise faible à acceptable ; impact moyen ; suivi nécessaire et le cas échéant via l’activité d’engagement

Risque significatif avec maitrise faible à insuffisante de l’entreprise ; impact potentiel sur la valeur jugé moyen ou important mettre sous-surveillance si l’entreprise est en portefeuille voire ne pas investir

When carrying out their non-financial research, the fund manager-analyst must base their analysis on an assessment framework for each E, S and G risk and will determine:

1. whether the potential impact on the stock is low, medium or high;

2. **whether the potential probability of occurrence is low, medium or high;**

3. **and whether risk identification and management are poor, medium or good.**

The assessment submitted by the fund manager-analyst is examined and validated by the Investment Committee at its monthly meeting.

When examining the stock, the Committee will flag the relevant non-financial indicators depending on the company's line of business and/or strategy or even the non-financial issues specific to its business sector. LFR's fund manager-analysts reserve the right to consider the non-financial indicators that are most relevant to the company's business sector based on a case-by-case approach enabling them to build a conviction on the stock.

So, only those stocks whose sustainability risks are deemed low or moderate are eligible for investment in the fund's portfolio.

How did this financial product perform compared to the reference sustainable benchmark?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

The reference benchmark applied to the **LFR Euro Développement Durable ISR** fund is the Eurostoxx 50 TR index. This reference benchmark is not a **sustainable** reference benchmark and cannot be used to determine whether LFR Euro Développement Durable ISR is aligned with the sustainable investment objective it is pursuing.

However, the Empreinte Ecosociale® database is updated annually and can be used by the team of fund manager-analysts to access non-financial data on companies in the reference benchmark that respond to the questionnaire.

- ***How did the reference benchmark differ from a broad market index?***

As specified above, the fund does not compare itself against a sustainable reference benchmark; this question therefore does not apply.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

Not applicable

- ***How did this financial product perform compared with the reference benchmark?***

Not applicable

- ***How did this financial product perform compared with the broad market index?***

Not applicable.

Balance sheet - Assets

	Year-end 29/12/2023	Year-end 30/12/2022
Net fixed assets	**-**	**-**
Deposits	**-**	**-**
Financial instruments	**100,499,304.60**	**87,995,051.45**
Equities and equity equivalents	**99,092,574.60**	**86,833,051.45**
Traded on a regulated or equivalent market	99,092,574.60	86,833,051.45
Not traded on a regulated or equivalent market	-	-
Bonds and bond equivalents	**-**	**-**
Traded on a regulated or equivalent market	-	-
Not traded on a regulated or equivalent market	-	-
Debt securities	**-**	**-**
Traded on a regulated or equivalent market - Negotiable debt securities	-	-
Traded on a regulated or equivalent market - Other debt securities	-	-
Not traded on a regulated or equivalent market	-	-
Securities held by undertakings for collective investment	**1,406,730.00**	**1,162,000.00**
General purpose UCITS and AIFs intended for non-professional and equivalent investors in other European Union Member States	1,406,730.00	1,162,000.00
Other funds intended for non-professional and equivalent investors in other European Union Member States	-	-
Professional general purpose and equivalent funds in other EU Member States and listed securitisation vehicles	-	-
Other professional and equivalent investment funds in other EU Member States and unlisted securitisation vehicles	-	-
Other non-European undertakings	-	-
Temporary securities transactions	**-**	**-**
Receivables representative of securities received under repurchase agreements	-	-
Receivables representative of loaned securities	-	-
Borrowed securities	-	-
Securities delivered under repurchase agreements	-	-
Other temporary transactions	-	-
Financial futures	**-**	**-**
Transactions on a regulated or equivalent market	-	-
Other transactions	-	-
Other assets: Loans	**-**	**-**
Other financial instruments	**-**	**-**
Receivables	**10,031.09**	**12,635.08**
Forward currency transactions	-	-
Other	10,031.09	12,635.08
Financial accounts	**1,343,336.88**	**1,256,419.00**
Cash and cash equivalents	1,343,336.88	1,256,419.00
TOTAL ASSETS	**101,852,672.57**	**89,264,105.53**

Balance sheet - Liabilities

	Year-end 29/12/2023	Year-end 30/12/2022
Shareholders' equity	**-**	**-**
Capital	**101,287,100.99**	**86,263,848.06**
Undistributed previous net capital gains and losses (a)	**-**	**-**
Retained earnings (a)	**-**	**-**
Net capital gains and losses for the period (a,b)	**199,008.03**	**2,963,167.66**
Net income for the period (a,b)	**246,187.21**	**-104,581.03**
Total shareholders' equity (= Amount representative of net assets)	**101,732,296.23**	**89,122,434.69**
Financial instruments	**-**	**-**
Sales of financial instruments	**-**	**-**
Temporary securities transactions	**-**	**-**
Liabilities representative of securities delivered under repurchase agreements	-	-
Liabilities representative of borrowed securities	-	-
Other temporary transactions	-	-
Financial futures	**-**	**-**
Transactions on a regulated or equivalent market	-	-
Other transactions	-	-
Liabilities	**101,796.49**	**124,758.48**
Forward currency transactions	-	-
Other	101,796.49	124,758.48
Financial accounts	**18,579.85**	**16,912.36**
Current bank financing	18,579.85	16,912.36
Borrowings	-	-
TOTAL LIABILITIES	**101,852,672.57**	**89,264,105.53**

(a) Including adjustment accounts.
(b) Less interim dividends paid in respect of the period.

Off-balance sheet items

	Year-end 29/12/2023	Year-end 30/12/2022
Hedging transactions		
Commitments on regulated or equivalent markets		
OTC commitments		
Other commitments		
Other transactions		
Commitments on regulated or equivalent markets		
OTC commitments		
Other commitments		

Income statement

	Year-end 29/12/2023	Year-end 30/12/2022
Income from financial transactions	-	-
Income from equities and equivalent securities	1,352,788.62	1,388,260.29
Income from bonds and equivalent securities	-	4,481.00
Income from debt securities	-	-
Income from temporary transfers of securities	-	-
Income from financial futures	-	-
Income from deposits and financial accounts	26,413.02	2,590.14
Income from loans	-	-
Other financial income	-	-
TOTAL I	**1,379,201.64**	**1,395,331.43**
Expenses on financial transactions	-	-
Expenses on temporary transfers of securities	-	-
Expenses on financial futures	-	-
Expenses on financial liabilities	-2,574.69	-19,714.25
Other financial expenses	-	-
TOTAL II	**-2,574.69**	**-19,714.25**
Income from financial transactions (I + II)	**1,376,626.95**	**1,375,617.18**
Other income (III)	-	-
Management fees and depreciation and amortisation allowances (IV)	**-1,220,059.45**	**-1,602,196.31**
Net income for the period (I + II + III + IV)	**156,567.50**	**-226,579.13**
Income equalisation for the period (V)	**89,619.71**	**121,998.10**
Interim dividends from income paid in respect of the period (VI)	-	-
Net income (I + II + III + IV + V + VI)	**246,187.21**	**-104,581.03**

Accounting Rules and Methods

The annual accounts are presented in the form provided by ANC regulation no. 2014-01 of January 14, 2014, as

amended.

The accounting currency is the Euro.

All securities in the portfolio are carried at historical cost, excluding expenses.

Securities and financial instruments with firm and conditional futures held in the portfolio in foreign currencies are converted into the accounting currency on the basis of the exchange rates recorded in Paris on the day of valuation.

The portfolio is valued at each net asset value and when the accounts are closed using the following methods:

Securities:

Listed securities: at market value - accrued coupons included (closing day price).
However, securities whose price was not recorded on the day of the evaluation, or quoted by contributors and for which the price was corrected, as well as securities which are not traded on a regulated market, are valued under the responsibility of the management company (or the board of directors for a Sicav), at their probable trading value. Prices are corrected by the management company based on its knowledge of issuers and/or markets.

UCIs: at the last known net asset value, failing which at the last estimated value. The net asset values of securities of foreign collective investment valuing on a monthly basis are confirmed by the fund administrators. Valuations are updated weekly on the basis of estimates communicated by the administrators of these UCIs and validated by the manager.

Negotiable debt and similar securities which are not the subject of significant transactions are valued by applying an actuarial method, the rate being used is the one applicable to issues of equivalent securities affected, where applicable, by a difference representative of the intrinsic characteristics of the issuer. In the absence of sensitivity, securities with a residual duration equal to three months are valued at the last rate until maturity and those acquired at less than three months, the interests are linearized.

Financial management fees and administrative costs external to the management company

- 1.60% including tax maximum for I unit
- 0.80% including tax maximum for L unit
- 1.00% including tax maximum for E unit
- 0.60% including tax maximum for M unit
- 1.10% including tax maximum for GP unit
- 2.20% maximum including tax for P unit

The endowment is calculated on the basis of net assets. These costs, not including transaction costs, will be charged directly to the Fund's income statement.

These fees cover all fees charged to the OPC, with the exception of transaction fees. Transaction costs include intermediary fees (brokerage, stock market taxes, etc.) and the movement commission, where applicable, which may be collected in particular by the depositary and the management company.

Research fees

N/A

Performance fees

- 25% (incl. tax) of the outperformance of the benchmark index (subject to a positive performance condition) for I, P, GP, M and L units based on assets net of fixed costs, before variable costs.
- 15 % (incl. tax) of the outperformance of the benchmark (subject to a positive performance condition) for E units based on assets net of fixed costs, before variable costs.

The performance fee is based on a comparison between the performance of the LFR Euro Développement Durable ISR mutual fund and the benchmark index defined below, over the financial year. In all that follows, it will be assumed that, for 2022, the financial year begins on 1 January 2022 and ends on 31 December 2022.

The performance fee is calculated on the basis of a comparison between the fund's assets after operating and management costs and a benchmark asset that has performed identically to the benchmark over the calculation period, with the same variations due to subscriptions and redemptions of the fund.

Each time the net asset value is established, the performance fee, defined as 25% (incl. tax) (I, P, GP, M and L units) or 15% (inclusive of tax) (E units) of the performance in excess of the Euro Stoxx 50 net dividend reinvested benchmark index (Bloomberg ticker: SX5T Index), is covered by a provision, or a reversal of provision limited to the existing allocation.

If, over the financial year in question (i), over the last five years (ii), or since the last crystallisation date (iii), the performance of the mutual fund is less than that of the benchmark asset, the performance fee will be nil and any underperformance in relation to the benchmark index will have to be made up before the performance fees become payable again.

It is understood that in the case of I, P, GP, L and E units, all reference periods are reset to zero on 1 January 2022. For each unit class concerned, the reference value for the different periods corresponds to the net asset value at 31/12/2021.

In the specific case of M units, for which the annual closing date for performance fees is currently 31 March each year, these units will be subject to deferred crystallisation on 31/12/2022.

If, during the year, the fund outperforms the benchmark asset over the three reference periods, a provision for an performance fee will be made when calculating the net asset value.

The three reference periods used are:

(i) The financial year in question, i.e., a 12-month period running from 1 January to 31 December each year;

(ii) The period begins on the closing date of the 5th financial year preceding the net asset value calculation date;

(iii) The period commencing on the last accounting closing date for which the provision for the performance fee has been crystallised, provided that this period does not exceed 5 years;

The performance fee will be provisioned when the three conditions listed above are met: (i) an outperformance over the current year AND (ii) since the end of the 5th financial year preceding the current financial year AND (iii) since the last accounting closing date giving rise to the crystallisation of the performance fee provision, provided that this does not exceed 5 years.

If another year of underperformance occurs within this first 5-year period and has not been made up by the end of this first period, a new period of up to 5 years begins from this new year of underperformance.

In the event of underperformance relative to the benchmark asset, the observation period will be extended by one year, so that any past underperformance can be made up before new performance fees become payable. Past underperformance that has not yet been offset is erased from the history after a period of five years.

It is specifically stated that the performance fee is conditional on the fund achieving a positive performance over the financial year. Any negative performance by the fund during the financial year in question will result in the cancellation of the performance fee provision.

For each unit class, the basis for calculating outperformance is the net assets after deduction of fixed management fees and before allocation of provisions for the performance fee. These performance fee provisions are charged directly to the fund's income statement at each net asset value. The provision established is definitively crystallised and acquired by the asset manager at the end of each financial year. The provision, when positive, is therefore reset to zero each year.

If the fund outperforms during a financial year without this outperformance giving rise to a provision for an outperformance fee, the calculation file may be reset to zero at the end of the financial year at the discretion of the management company.
If redemptions are centralised while a provision for the outperformance fee has been made, the portion of the provisioned fee corresponding to the units redeemed is definitively acquired by and paid to the asset manager.

Any underperformance not offset at the end of the 5-year reference period is extinguished.

Retrocession of management fees

None

Method of accounting for interest

Interest received

Allocation of income earned

Unit I : Accumulation
Unit L : Accumulation
Unit E : Accumulation
Unit M : Accumulation
Unit GP : Accumulation
Unit P : Accumulation

Allocation of net realised capital gains

Unit I : Accumulation
Unit L : Accumulation
Unit E : Accumulation
Unit M : Accumulation
Unit GP : Accumulation
Unit P : Accumulation

Changes affecting the fund

N/A

Change in net assets

	Year-end 29/12/2023	Year-end 30/12/2022
Net assets at the start of the period	**89,122,434.69**	**125,347,201.94**
Subscriptions (including subscription fees accrued to the UCI)	**62,771,497.57**	**28,613,170.53**
Redemptions (less redemption fees accrued to the UCI)	**-69,505,896.63**	**-34,239,141.49**
Capital gains realised on deposits and financial instruments	**7,427,978.19**	**6,433,369.74**
Capital losses realised on deposits and financial instruments	**-6,994,137.66**	**-3,075,349.21**
Capital gains realised on financial futures	**-**	**-**
Capital losses realised on financial futures	**-**	**-**
Transaction fees	**-168,342.47**	**-159,858.01**
Foreign exchange differences	**-27,805.59**	**-58,459.42**
Change in the deposit and financial instrument valuation differential:	**18,950,000.63**	**-33,511,920.26**
Valuation differential for N	28,591,615.22	9,641,614.59
Valuation differential for N-1	-9,641,614.59	-43,153,534.85
Change in the financial future valuation differential	**-**	**-**
Valuation differential for N	-	-
Valuation differential for N-1	-	-
Distribution from net capital gains and losses from the previous period	**-**	**-**
Distribution from net income from the previous period	**-**	**-**
Net income for the period before accruals	**156,567.50**	**-226,579.13**
Interim dividends from net capital gains and losses paid during the period	**-**	**-**
Interim dividends from net income paid during the period	**-**	**-**
Other items	**-**	**-**
Net assets at the end of the period	**101,732,296.23**	**89,122,434.69**

Additional information 1

	Year-end 29/12/2023
Commitments received or given	
Commitments received or given (capital guarantees or other commitments) (*)	-
Present value of financial instruments held in the portfolio constituting collateral	
Financial instruments received as collateral and not recognised in the balance sheet	-
Financial instruments granted as collateral and not reclassified	-
Financial instruments held in the portfolio issued by the service provider or entities of the same group	
Deposits	-
Equities	-
Fixed-income securities	-
UCIs	1,406,730.00
Temporary transfers of securities	-
Swaps (nominal value)	-
Present value of financial instruments subject to a temporary acquisition	
Repurchased securities	-
Securities under reverse repurchase agreements	-
Borrowed securities	-

(*) For guaranteed UCIs, this information appears in the accounting rules and policies.

Additional information 2

	Financial year 29/12/2023
Issues and redemptions during the financial year	**Number of securities**
Unit class I (currency: EUR)	
Number of securities issued	981.755
Number of securities redeemed	32,797.795
Unit class P (currency: EUR)	
Number of securities issued	21,580.439
Number of securities redeemed	37,805.839
Unit class GP (currency: EUR)	
Number of securities issued	1,569.886
Number of securities redeemed	929.625
Unit class M (currency: EUR)	
Number of securities issued	-
Number of securities redeemed	-
Unit class L (currency: EUR)	
Number of securities issued	3,410.451
Number of securities redeemed	1,359.221
Unit class E (currency: EUR)	
Number of securities issued	-
Number of securities redeemed	-
Subscription and/or redemption fees	**Amount (EUR)**
Subscription fees accrued to the UCI	-
Redemption fees accrued to the UCI	-
Subscription fees received and reassigned	-
Subscription fees received and reassigned	-

Management fees	**Amount (EUR)**	**% of average net assets**
Unit class I (currency: EUR)		
Management and administration fees (*)	293,686.74	1.60
Performance fees	-	-
Other fees	-	-
Unit class P (currency: EUR)		
Management and administration fees (*)	469,120.46	2.19
Performance fees	-	-
Other fees	-	-

Additional information 2

	Financial year 29/12/2023	
Unit class GP (currency: EUR)		
Management and administration fees (*)	26,351.59	1.10
Performance fees	-	-
Other fees	-	-
Unit class M (currency: EUR)		
Management and administration fees (*)	11.70	0.57
Performance fees	-	-
Other fees	-	-
Unit class L (currency: EUR)		
Management and administration fees (*)	410,560.74	0.80
Performance fees	-	-
Other fees	-	-
Unit class E (currency: EUR)		
Management and administration fees (*)	20,328.22	1.00
Performance fees	-	-
Other fees	-	-
Reassignment of management fees (all units combined)	-	

(*) For UCIs whose financial year is not equal to 12 months, the percentage of average net assets corresponds to the annualised average rate.

Breakdown of receivables and payables by type

	Year-end 29/12/2023
Breakdown of receivables by type	-
Tax assets to be recovered	-
Deposits - euros	-
Deposits - other currencies	-
Cash collateral	-
Valuation of forward currency purchases	-
Countervalue of forward sales	-
Other sundry debtors	10,031.09
Coupons receivable	-
TOTAL RECEIVABLES	**10,031.09**
Breakdown of payables by type	-
Deposits - euros	-
Deposits - other currencies	-
Cash collateral	-
Provision for borrowing costs	-
Valuation of forward currency sales	-
Countervalue of forward purchases	-
Fees and expenses payable	92,825.68
Other sundry creditors	7,929.04
Provision for market liquidity risk	1,041.77
TOTAL PAYABLES	**101,796.49**

Breakdown by legal or economic type of instrument

	Year-end 29/12/2023
Assets	
Bonds and bond equivalents	**-**
Index-linked bonds	-
Convertible bonds	-
Participation notes	-
Other bonds and bond equivalents	-
Debt securities	**-**
Traded on a regulated or equivalent market	-
Treasury bills	-
Other negotiable debt securities	-
Other debt securities	-
Not traded on a regulated or equivalent market	-
Other assets: Loans	**-**
Liabilities	
Sales of financial instruments	**-**
Equities	-
Bonds	-
Other	-
Off-balance sheet items	
Hedging transactions	
Fixed income	-
Equities	-
Other	-
Other transactions	
Fixed income	-
Equities	-
Other	-

Breakdown of assets, liabilities and off-balance sheet items by type of interest rate

	Fixed rate	Floating rate	Adjustable rate	Other
Assets				
Deposits	-	-	-	-
Bonds and bond equivalents	-	-	-	-
Debt securities	-	-	-	-
Temporary securities transactions	-	-	-	-
Other assets: Loans	-	-	-	-
Financial accounts	-	-	-	1,343,336.88
Liabilities				
Temporary securities transactions	-	-	-	-
Financial accounts	-	-	-	18,579.85
Off-balance sheet items				
Hedging transactions	-	-	-	-
Other transactions	-	-	-	-

Breakdown of assets, liabilities and off-balance sheet items by residual maturity

	[0 - 3 months]	]3 months - 1 year]	]1 - 3 years]	]3 - 5 years]	> 5 years
Assets					
Deposits	-	-	-	-	-
Bonds and bond equivalents	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Other assets: Loans	-	-	-	-	-
Financial accounts	1,343,336.88	-	-	-	-
Liabilities					
Temporary securities transactions	-	-	-	-	-
Financial accounts	18,579.85	-	-	-	-
Off-balance sheet items					
Hedging transactions	-	-	-	-	-
Other transactions	-	-	-	-	-

Breakdown of assets, liabilities and off-balance sheet items by listing currency

	GBP	DKK	CHF	NOK
Assets				
Deposits	-	-	-	-
Equities and equity equivalents	5,439,963.07	2,622,130.11	2,479,509.52	-
Bonds and bond equivalents	-	-	-	-
Debt securities	-	-	-	-
UCI securities	-	-	-	-
Temporary securities transactions	-	-	-	-
Other assets: Loans	-	-	-	-
Other financial instruments	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Liabilities				
Sales of financial instruments	-	-	-	-
Temporary securities transactions	-	-	-	-
Payables	-	-	-	-
Financial accounts	14,054.34	10.93	3,385.52	1,129.06
Off-balance sheet items				
Hedging transactions	-	-	-	-
Other transactions	-	-	-	-

Only the five currencies with the most representative value constituting net assets are included in this table.

Income allocation

Unit class I (currency: EUR)

Allocation of amounts payable from income

	Year-end 29/12/2023	Year-end 30/12/2022
Amounts yet to be allocated		
Retained earnings	-	-
Net income/loss	-11,340.51	-95,096.67
Total	**-11,340.51**	**-95,096.67**
Allocation		
Distribution	-	-
Balance carried forward for the period	-	-
Accumulation	-11,340.51	-95,096.67
Total	**-11,340.51**	**-95,096.67**
Information on securities conferring rights to amounts distributed		
Number of securities	-	-
Distribution per unit	-	-
Tax credits and tax assets related to the distribution of net income		
Total amount of tax credits and tax assets:		
for the financial year	-	-
for financial year N-1	-	-
for financial year N-2	-	-
for financial year N-3	-	-
for financial year N-4	-	-

Allocation of amounts payable from net capital gains and losses

	Year-end 29/12/2023	Year-end 30/12/2022
Amounts yet to be allocated		
Undistributed previous net capital gains and losses	-	-
Net capital gains and losses for the period	14,438.60	1,335,573.52
Interim dividends paid from net capital gains and losses for the period	-	-
Total	**14,438.60**	**1,335,573.52**
Allocation		
Distribution	-	-
Undistributed net capital gains and losses	-	-
Accumulation	14,438.60	1,335,573.52
Total	**14,438.60**	**1,335,573.52**
Information on securities conferring rights to amounts distributed		
Number of securities	-	-
Distribution per unit	-	-

Unit class P (currency: EUR)

Allocation of amounts payable from income

	Year-end 29/12/2023	Year-end 30/12/2022
Amounts yet to be allocated		
Retained earnings	-	-
Net income/loss	-156,441.38	-173,501.36
Total	**-156,441.38**	**-173,501.36**
Allocation		
Distribution	-	-
Balance carried forward for the period	-	-
Accumulation	-156,441.38	-173,501.36
Total	**-156,441.38**	**-173,501.36**
Information on securities conferring rights to amounts distributed		
Number of securities	-	-
Distribution per unit	-	-
Tax credits and tax assets related to the distribution of net income		
Total amount of tax credits and tax assets:		
for the financial year	-	-
for financial year N-1	-	-
for financial year N-2	-	-
for financial year N-3	-	-
for financial year N-4	-	-

Allocation of amounts payable from net capital gains and losses

	Year-end 29/12/2023	Year-end 30/12/2022
Amounts yet to be allocated		
Undistributed previous net capital gains and losses	-	-
Net capital gains and losses for the period	43,917.95	666,886.66
Interim dividends paid from net capital gains and losses for the period	-	-
Total	**43,917.95**	**666,886.66**
Allocation		
Distribution	-	-
Undistributed net capital gains and losses	-	-
Accumulation	43,917.95	666,886.66
Total	**43,917.95**	**666,886.66**
Information on securities conferring rights to amounts distributed		
Number of securities	-	-
Distribution per unit	-	-

Unit class GP (currency: EUR)

Allocation of amounts payable from income

	Year-end 29/12/2023	Year-end 30/12/2022
Amounts yet to be allocated		
Retained earnings	-	-
Net income/loss	8,144.98	5,946.28
Total	**8,144.98**	**5,946.28**
Allocation		
Distribution	-	-
Balance carried forward for the period	-	-
Accumulation	8,144.98	5,946.28
Total	**8,144.98**	**5,946.28**
Information on securities conferring rights to amounts distributed		
Number of securities	-	-
Distribution per unit	-	-
Tax credits and tax assets related to the distribution of net income		
Total amount of tax credits and tax assets:		
for the financial year	-	-
for financial year N-1	-	-
for financial year N-2	-	-
for financial year N-3	-	-
for financial year N-4	-	-

Allocation of amounts payable from net capital gains and losses

	Year-end 29/12/2023	Year-end 30/12/2022
Amounts yet to be allocated		
Undistributed previous net capital gains and losses	-	-
Net capital gains and losses for the period	5,150.41	68,688.39
Interim dividends paid from net capital gains and losses for the period	-	-
Total	**5,150.41**	**68,688.39**
Allocation		
Distribution	-	-
Undistributed net capital gains and losses	-	-
Accumulation	5,150.41	68,688.39
Total	**5,150.41**	**68,688.39**
Information on securities conferring rights to amounts distributed		
Number of securities	-	-
Distribution per unit	-	-

Unit class M (currency: EUR)

Allocation of amounts payable from income

	Year-end 29/12/2023	Year-end 30/12/2022
Amounts yet to be allocated		
Retained earnings	-	-
Net income/loss	17.48	41.56
Total	**17.48**	**41.56**
Allocation		
Distribution	-	-
Balance carried forward for the period	-	-
Accumulation	17.48	41.56
Total	**17.48**	**41.56**
Information on securities conferring rights to amounts distributed		
Number of securities	-	-
Distribution per unit	-	-
Tax credits and tax assets related to the distribution of net income		
Total amount of tax credits and tax assets:		
for the financial year	-	-
for financial year N-1	-	-
for financial year N-2	-	-
for financial year N-3	-	-
for financial year N-4	-	-

Allocation of amounts payable from net capital gains and losses

	Year-end 29/12/2023	Year-end 30/12/2022
Amounts yet to be allocated		
Undistributed previous net capital gains and losses	-	-
Net capital gains and losses for the period	4.26	59.11
Interim dividends paid from net capital gains and losses for the period	-	-
Total	**4.26**	**59.11**
Allocation		
Distribution	-	-
Undistributed net capital gains and losses	-	-
Accumulation	4.26	59.11
Total	**4.26**	**59.11**
Information on securities conferring rights to amounts distributed		
Number of securities	-	-
Distribution per unit	-	-

Unit class L (currency: EUR)

Allocation of amounts payable from income

	Year-end 29/12/2023	Year-end 30/12/2022
Amounts yet to be allocated		
Retained earnings	-	-
Net income/loss	397,017.04	151,031.30
Total	**397,017.04**	**151,031.30**
Allocation		
Distribution	-	-
Balance carried forward for the period	-	-
Accumulation	397,017.04	151,031.30
Total	**397,017.04**	**151,031.30**
Information on securities conferring rights to amounts distributed		
Number of securities	-	-
Distribution per unit	-	-
Tax credits and tax assets related to the distribution of net income		
Total amount of tax credits and tax assets:		
for the financial year	-	-
for financial year N-1	-	-
for financial year N-2	-	-
for financial year N-3	-	-
for financial year N-4	-	-

Allocation of amounts payable from net capital gains and losses

	Year-end 29/12/2023	Year-end 30/12/2022
Amounts yet to be allocated		
Undistributed previous net capital gains and losses	-	-
Net capital gains and losses for the period	131,231.48	832,735.72
Interim dividends paid from net capital gains and losses for the period	-	-
Total	**131,231.48**	**832,735.72**
Allocation		
Distribution	-	-
Undistributed net capital gains and losses	-	-
Accumulation	131,231.48	832,735.72
Total	**131,231.48**	**832,735.72**
Information on securities conferring rights to amounts distributed		
Number of securities	-	-
Distribution per unit	-	-

Unit class E (currency: EUR)

Allocation of amounts payable from income

	Year-end 29/12/2023	Year-end 30/12/2022
Amounts yet to be allocated		
Retained earnings	-	-
Net income/loss	8,789.60	6,997.86
Total	**8,789.60**	**6,997.86**
Allocation		
Distribution	-	-
Balance carried forward for the period	-	-
Accumulation	8,789.60	6,997.86
Total	**8,789.60**	**6,997.86**
Information on securities conferring rights to amounts distributed		
Number of securities	-	-
Distribution per unit	-	-
Tax credits and tax assets related to the distribution of net income		
Total amount of tax credits and tax assets:		
for the financial year	-	-
for financial year N-1	-	-
for financial year N-2	-	-
for financial year N-3	-	-
for financial year N-4	-	-

Allocation of amounts payable from net capital gains and losses

	Year-end 29/12/2023	Year-end 30/12/2022
Amounts yet to be allocated		
Undistributed previous net capital gains and losses	-	-
Net capital gains and losses for the period	4,265.33	59,224.26
Interim dividends paid from net capital gains and losses for the period	-	-
Total	**4,265.33**	**59,224.26**
Allocation		
Distribution	-	-
Undistributed net capital gains and losses	-	-
Accumulation	4,265.33	59,224.26
Total	**4,265.33**	**59,224.26**
Information on securities conferring rights to amounts distributed		
Number of securities	-	-
Distribution per unit	-	-

Income and other characteristic items for the last five financial years

Unit class I (currency: EUR)

	31/12/2019	31/12/2020	31/12/2021	30/12/2022	29/12/2023
Net asset value (EUR)					
C units	1,010.90	1,079.99	1,417.72	1,073.18	**1,307.21**
Net assets (EUR k)	56,031.75	58,264.21	75,876.70	40,138.00	**7,300.57**
Number of securities					
C units	55,427.109	53,948.484	53,520.211	37,400.853	**5,584.813**

Payment date	31/12/2019	31/12/2020	31/12/2021	30/12/2022	29/12/2023
Distribution per unit paid out of net capital gains and losses (including interim dividends) (EUR)	-	-	-	-	-
Distribution per unit paid out of net income (including interim dividends) (EUR)	-	-	-	-	-
Tax credit per unit (*) natural persons (EUR)	-	-	-	-	-
Accumulation per unit in respect of net capital gains and losses (EUR)					
C units	-56.40	2.30	133.34	35.70	**2.58**
Accumulation per unit in respect of net income (EUR)					
C units	3.11	-44.02	-40.43	-2.54	**-2.03**

(*) "The tax credit per unit is determined on the date of payment in application of the tax instruction of 04/03/93 (Ints.4 K-1-93)". Theoretical amounts, calculated according to the rules applicable to natural persons, are presented here for information purposes. "Instruction 4 J-2-99 of 8 November 1999 also states that beneficiaries of tax credits other than natural persons are responsible for calculating the amount of tax credits to which they are entitled."

Unit class P (currency: (EUR)

	31/12/2019	31/12/2020	31/12/2021	30/12/2022	29/12/2023
Net asset value (EUR)					
C units	110.55	119.19	155.36	116.90	**141.55**
Net assets (EUR k)	2,415.29	12,695.54	26,910.95	19,958.66	**21,869.18**
Number of securities					
C units	21,846.928	106,509.695	173,209.322	170,722.125	**154,496.725**

Payment date	31/12/2019	31/12/2020	31/12/2021	30/12/2022	29/12/2023
Distribution per unit paid out of net capital gains and losses (including interim dividends) (EUR)	-	-	-	-	-
Distribution per unit paid out of net income (including interim dividends) (EUR)	-	-	-	-	-
Tax credit per unit (*) natural persons (EUR)	-	-	-	-	-
Accumulation per unit in respect of net capital gains and losses (EUR)					
C units	-6.21	0.25	14.64	3.90	**0.28**
Accumulation per unit in respect of net income (EUR)					
C units	-0.53	-3.64	-5.41	-1.01	**-1.01**

(*) "The tax credit per unit is determined on the date of payment in application of the tax instruction of 04/03/93 (Ints.4 K-1-93)”. Theoretical amounts, calculated according to the rules applicable to natural persons, are presented here for information purposes. "Instruction 4 J-2-99 of 8 November 1999 also states that beneficiaries of tax credits other than natural persons are responsible for calculating the amount of tax credits to which they are entitled.”

Unit class GP (currency: (EUR)

	31/12/2019	31/12/2020	31/12/2021	30/12/2022	29/12/2023
Net asset value (EUR)					
C units	120.15	129.78	170.91	130.03	**159.17**
Net assets (EUR k)	1,639.16	2,981.32	4,409.94	2,071.50	**2,637.73**
Number of securities					
C units	13,641.825	22,971.292	25,801.202	15,930.583	**16,570.844**

Payment date	31/12/2019	31/12/2020	31/12/2021	30/12/2022	29/12/2023
Distribution per unit paid out of net capital gains and losses (including interim dividends) (EUR)	-	-	-	-	-
Distribution per unit paid out of net income (including interim dividends) (EUR)	-	-	-	-	-
Tax credit per unit (*) natural persons (EUR)	-	-	-	-	-
Accumulation per unit in respect of net capital gains and losses (EUR)					
C units	-6.68	0.27	16.05	4.31	**0.31**
Accumulation per unit in respect of net income (EUR)					
C units	0.90	-3.90	-4.38	0.37	**0.49**

(*) "The tax credit per unit is determined on the date of payment in application of the tax instruction of 04/03/93 (Ints.4 K-1-93)”. Theoretical amounts, calculated according to the rules applicable to natural persons, are presented here for information purposes. "Instruction 4 J-2-99 of 8 November 1999 also states that beneficiaries of tax credits other than natural persons are responsible for calculating the amount of tax credits to which they are entitled.”

Unit class M (currency: (EUR)

	31/12/2019	31/12/2020	31/12/2021	30/12/2022	29/12/2023
Net asset value (EUR)					
C units	1,572.41	1,749.96	2,313.99	1,791.57	**2,204.71**
Net assets (EUR k)	1.57	1.75	2.31	1.79	**2.20**
Number of securities					
C units	1.000	1.000	1.000	1.000	**1.000**

Payment date	31/12/2019	31/12/2020	31/12/2021	30/12/2022	29/12/2023
Distribution per unit paid out of net capital gains and losses (including interim dividends) (EUR)	-	-	-	-	-
Distribution per unit paid out of net income (including interim dividends) (EUR)	-	-	-	-	-
Tax credit per unit (*) natural persons (EUR)	-	-	-	-	-
Accumulation per unit in respect of net capital gains and losses (EUR)					
C units	-87.16	4.26	217.10	59.11	**4.26**
Accumulation per unit in respect of net income (EUR)					
C units	19.46	-1.40	-51.03	41.56	**17.48**

(*) "The tax credit per unit is determined on the date of payment in application of the tax instruction of 04/03/93 (Ints.4 K-1-93)”. Theoretical amounts, calculated according to the rules applicable to natural persons, are presented here for information purposes. "Instruction 4 J-2-99 of 8 November 1999 also states that beneficiaries of tax credits other than natural persons are responsible for calculating the amount of tax credits to which they are entitled.”

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Unit class L (currency: (EUR)

	31/12/2019	31/12/2020	31/12/2021	30/12/2022	29/12/2023
Net asset value (EUR)					
C units	13,505.39	14,515.81	19,167.07	14,625.25	**17,957.15**
Net assets (EUR k)	5,456.18	5,864.39	7,743.50	25,165.21	**67,732.54**
Number of securities					
C units	404.000	404.000	404.000	1,720.668	**3,771.898**

Payment date	31/12/2019	31/12/2020	31/12/2021	30/12/2022	29/12/2023
Distribution per unit paid out of net capital gains and losses (including interim dividends) (EUR)	-	-	-	-	-
Distribution per unit paid out of net income (including interim dividends) (EUR)	-	-	-	-	-
Tax credit per unit (*) natural persons (EUR)	-	-	-	-	-
Accumulation per unit in respect of net capital gains and losses (EUR)					
C units	-749.30	30.87	1,799.15	483.96	**34.79**
Accumulation per unit in respect of net income (EUR)					
C units	140.02	-515.88	-447.52	87.77	**105.25**

(*) "The tax credit per unit is determined on the date of payment in application of the tax instruction of 04/03/93 (Ints.4 K-1-93)". Theoretical amounts, calculated according to the rules applicable to natural persons, are presented here for information purposes. "Instruction 4 J-2-99 of 8 November 1999 also states that beneficiaries of tax credits other than natural persons are responsible for calculating the amount of tax credits to which they are entitled."

Unit class E (currency: (EUR)

	31/12/2019	31/12/2020	31/12/2021	30/12/2022	29/12/2023
Net asset value (EUR)					
C units	12,105.90	13,164.43	17,514.80	13,337.88	**16,343.86**
Net assets (EUR k)	35,034.50	7,819.68	10,403.80	1,787.28	**2,190.08**
Number of securities					
C units	2,894.000	594.000	594.000	134.000	**134.000**

Payment date	31/12/2019	31/12/2020	31/12/2021	30/12/2022	29/12/2023
Distribution per unit paid out of net capital gains and losses (including interim dividends) (EUR)	-	-	-	-	-
Distribution per unit paid out of net income (including interim dividends) (EUR)	-	-	-	-	-
Tax credit per unit (*) natural persons (EUR)	-	-	-	-	-
Accumulation per unit in respect of net capital gains and losses (EUR)					
C units	-672.75	28.57	1,639.51	441.97	**31.83**
Accumulation per unit in respect of net income (EUR)					
C units	103.35	-310.00	-280.83	52.22	**65.59**

(*) "The tax credit per unit is determined on the date of payment in application of the tax instruction of 04/03/93 (Ints.4 K-1-93)”. Theoretical amounts, calculated according to the rules applicable to natural persons, are presented here for information purposes. "Instruction 4 J-2-99 of 8 November 1999 also states that beneficiaries of tax credits other than natural persons are responsible for calculating the amount of tax credits to which they are entitled.”

Unit class D (currency: EUR)

	31/12/2019
Net asset value (EUR)	
D units	1,057.92
Net assets (EUR k)	1.06
Number of securities	
D units	1.000

Payment date	31/12/2019
Distribution per unit paid out of net capital gains and losses (including interim dividends) (EUR)	-
Distribution per unit paid out of net income (including interim dividends) (EUR)	-
Tax credit per unit (*) natural persons (EUR)	-
Accumulation per unit in respect of net capital gains and losses (EUR)	
D units	4.74
Accumulation per unit in respect of net income (EUR)	
D units	-7.14

(*) "The tax credit per unit is determined on the date of payment in application of the tax instruction of 04/03/93 (Ints.4 K-1-93)”. Theoretical amounts, calculated according to the rules applicable to natural persons, are presented here for information purposes. "Instruction 4 J-2-99 of 8 November 1999 also states that beneficiaries of tax credits other than natural persons are responsible for calculating the amount of tax credits to which they are entitled.”

Inventory of financial instruments at 29 December 2023

Asset items and denomination of securities	Quantity	Price	Listing currency	Present value	Rounded % of net assets
Equities and equity equivalents				**99,092,574.60**	**97.41**
Traded on a regulated or equivalent market				**99,092,574.60**	**97.41**
AIR LIQUIDE SA-PF	16,650.00	176.12	EUR	2,932,398.00	2.88
ALTEN SA	17,000.00	134.60	EUR	2,288,200.00	2.25
ASML HOLDING NV	10,000.00	681.70	EUR	6,817,000.00	6.70
ASTRAZENECA PLC	21,000.00	106.00	GBP	2,568,807.34	2.53
BE SEMICONDUCTOR INDUSTRIES	15,000.00	136.45	EUR	2,046,750.00	2.01
CAPGEMINI SE	18,000.00	188.75	EUR	3,397,500.00	3.34
CAREL INDUSTRIES SPA	91,125.00	24.80	EUR	2,259,900.00	2.22
COMPAGNIE DE SAINT GOBAIN	42,555.00	66.66	EUR	2,836,716.26	2.79
DASSAULT SYSTEMES SE	70,000.00	44.23	EUR	3,096,450.00	3.04
DEUTSCHE TELEKOM AG-REG	139,000.00	21.75	EUR	3,023,250.00	2.97
ESSILORLUXOTTICA	19,100.00	181.60	EUR	3,468,560.00	3.41
FERRARI NV	8,600.00	305.20	EUR	2,624,720.00	2.58
GAZTRANSPORT ET TECHNIGA SA	19,300.00	119.90	EUR	2,314,070.00	2.27
HERMES INTERNATIONAL	1,550.00	1,918.80	EUR	2,974,140.00	2.92
IBERDROLA SA	234,932.00	11.87	EUR	2,788,642.84	2.74
INFINEON TECHNOLOGIES AG	73,000.00	37.80	EUR	2,759,400.00	2.71
INTERPARFUMS SA	49,000.00	50.40	EUR	2,469,600.00	2.43
JCDECAUX SE	111,000.00	18.20	EUR	2,020,200.00	1.99
KINGSPAN GROUP PLC	32,000.00	78.40	EUR	2,508,800.00	2.47
LOREAL	400.00	450.65	EUR	180,260.00	0.18
LOREAL SA-PF	7,500.00	450.65	EUR	3,379,875.00	3.32
LVMH MOET HENNESSY LOUIS VUI	8,700.00	733.60	EUR	6,382,320.00	6.27
MERSEN	82,300.00	35.20	EUR	2,896,960.00	2.85
MICHELIN (CGDE)	96,000.00	32.46	EUR	3,116,160.00	3.06
NOVO NORDISK A/S-B	28,000.00	698.10	DKK	2,622,130.11	2.58
PUBLICIS GROUPE	27,000.00	84.00	EUR	2,268,000.00	2.23
RELX PLC	80,000.00	31.10	GBP	2,871,155.73	2.82
SAFRAN SA	18,630.00	159.46	EUR	2,970,739.80	2.92
SCHNEIDER ELECTRIC SE	20,500.00	181.78	EUR	3,726,490.00	3.66
SIEMENS HEALTHINEERS AG	50,000.00	52.60	EUR	2,630,000.00	2.59
STMICROELECTRONICS NV	70,000.00	45.24	EUR	3,167,150.00	3.11
STRAUMANN HOLDING AG-REG	17,000.00	135.60	CHF	2,479,509.52	2.44
TECHNIP ENERGIES NV	130,000.00	21.16	EUR	2,750,800.00	2.70

Inventory of financial instruments at 29 December 2023

Asset items and denomination of securities	Quantity	Price	Listing currency	Present value	Rounded % of net assets
VINCI SA	21,600.00	113.70	EUR	2,455,920.00	2.41
UCI securities				**1,406,730.00**	**1.38**
General purpose UCITS and AIFs intended for non-professional and equivalent investors in other European Union Member States				**1,406,730.00**	**1.38**
LFR INCLUSION RESPONSABLE ISR 74C	1,000	1,406.73	EUR	1,406,730.00	1.38
Receivables				**10,031.09**	**0.01**
Payables				**-101,796.49**	**-0.10**
Deposits				**-**	**-**
Other financial accounts				**1,324,757.03**	**1.30**
TOTAL NET ASSETS			**EUR**	**101,732,296.23**	**100.00**