

Product name:
Great European Models SRI

Legal entity identifier:
9695000RL5NXZAVE9G42

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.

Sustainable investment objective

Does this financial product have a sustainable investment objective?	
☒ ☒ ☒ Yes	☒ ☐ ☐ No
☒ It will make a minimum of sustainable investments with an environmental objective: 0% ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☒ It will make a minimum of sustainable investments with a social objective: 0%	☐ It promotes E/S characteristics, but will not make any sustainable investments



What is the sustainable investment objective of this financial product?

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

The Fund integrates sustainability factors into its investment process, as set out in more detail below and in the “Investment Strategy” section of the Prospectus.

In taking account of ESG criteria in the SICAV the objective is to combine financial performance with the wish to exert positive influence, insofar as possible, on issuers in terms of ESG performances, by encouraging companies to move ahead with the integration of ESG criteria in their activities, thus attributing value to good practices.

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

The extra-financial approach implemented by the fund is based on the integration of extra-financial criteria as from the definition of the investment universe. This forms part of the ESG policy implemented by the management company, which is available on its website.

The approach to taking account of non-financial criteria is a “selectivity” approach based on the proprietary four-stage SRI analytical method developed by Montpensier Arbevel, and is aimed at mitigating the sustainability risks, which it cannot however guarantee to have entirely neutralised:

1. Exclusion of companies involved in controversial activities (for more details, see the Fund’s Transparency Code, available on the Management Company’s website):
 - Companies involved directly (in the manufacture, sale of components, services, etc.) or indirectly (via a subsidiary or parent company) in activities involving the following controversial or non-conventional weapons: blinding laser weapons, incendiary weapons and non-locatable shrapnel weapons, biological and chemical weapons and depleted uranium, are excluded from the investment universe;
 - Companies involved in the manufacture of nuclear weapons, components or systems;
 - Companies involved in coal Coal extraction, and more specifically the extraction and sale of thermal coal (lignite, bitumen, anthracite, etc.), which does not include metallurgical coal (also known as coking coal or steelmaking coal), and companies developing new coal-related projects, identified in Urgewald’s GCEL list;
 - Companies where more than 10% of turnover is related to activities listed below are also excluded from the fund’s investment universe:
 - ✓ The manufacture of conventional weapons, their components or associated systems,
 - ✓ Agri-food GMOs
 - ✓ Adult entertainment, and
 - ✓ Gambling activities,
 - Or more than 5% of turnover is related to activities listed below:
 - ✓ Unconventional oil and gas extraction (oil sands, shale oil and gas, coal seam gas),
 - ✓ Tobacco, and
 - ✓ Palm oil.
2. Exclusion of companies rated ‘CCC’ or having a red ESG controversy flag from MSCI ESG Research. These ‘Red’ controversies notably include companies that do not comply with the United Nations Global Compact (Human Rights, Labour Rights, Environment and Corruption);
3. Analysis of the governance practices of the businesses in accordance with the proprietary Montpensier Governance Flag (MGF) method, the purpose of which is to evaluate the alignment of interests among management, shareholders and more generally all stakeholders. It is based on a list of sub-criteria grouped around 4 areas of analysis: Board (degree of independence of the board of directors, presence of women on the board of directors), Compensation (transparency of remuneration criteria), Shareholder structure (presence of a majority shareholder, etc.) and Accounting practices (opinion of the auditors on the financial statements, etc.) which allow us to determine three MGF statuses: ‘Pass’, ‘Watchlist’ or ‘Fail’. All businesses identified as ‘Fail’ are excluded;
4. Analysis of companies’ impact on the environment and on society in accordance with the proprietary Montpensier Impact Assessment (MIA) method based on the 17 SDGs of the UN, grouped into 2 transitions: Ecological Transition and Solidarity Transition, then according to 4 impact themes : Environment and Resources for Ecological Transition, Inclusion and Essential Needs for Solidarity Transition. This is based on a list of sub-criteria (carbon footprint, waste management, employee satisfaction,

number of patients treated, etc.) supplemented by other indicators (fossil fuel activities, proportion of non-renewable energy in consumption and production, compliance with the principles of the United Nations Global Compact, etc.). This method allows us to determine three levels of MIA impact MIA: positive, neutral and negative. All businesses with a negative MIA impact are excluded.

By way of reminder, the 17 Sustainable Development Goals (SDGs) defined by the UN are a universal call to action to eliminate poverty, protect the planet and improve the daily life of everyone worldwide while at the same time opening up future prospects. The 17 Sustainable Development Goals were adopted in 2015 by all the United Nations Member States.

Investors have a decisive part to play in attaining these Goals. While some SDGs do not directly concern investment activities, others are particularly pertinent. Notable among these is SDG 12: "Responsible consumption and production". This objective brings together themes dear to responsible businesses, such as energy efficiency, sustainable procurement and more generally the circular economy. Other contributions by investors may concern for example SDG 9, "Industry, Innovation and Infrastructure", SDG 13, "Climate Action", or SDG 11, "Sustainable Cities and Communities", which includes for example the renovation of buildings to make them energy-efficient, and sustainable.

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

The analysis at level of the fund of the "do no significant harm" (DNSH) criterion is based on exclusions, Main Negative Impacts (PAI) and the assessment of controversies. In addition, securities whose impact on MIA on ecology or solidarity impact or on the E and S pillars is negative are also assessed as not respecting the DNSH criterion.

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

The management company of the fund takes into account the main indicators of negative impacts in the policy of sectoral and normative exclusions, analysis of good governance practices (using the proprietary Montpensier Governance Flag - MGF), the proprietary qualitative analysis of the contribution of companies to environmental and solidarity transitions (Montpensier Impact Assessment – MIA, Montpensier Industry Contributor – MIC), and/or in the analysis of eco- activities that determines the contribution to one or more UN Sustainable Development Goals (SDGs).

The relevance and coverage of these indicators in analysis vary depending on the sector, industry and region in which each company operates. Below is a non-exhaustive list of the main negative impacts that can be taken into account in our extra-financial analysis:

CLIMATE INDICATORS AND OTHER ENVIRONMENTAL INDICATORS

Greenhouse gas emissions	1. GHG emissions 2. Carbon footprint 3. GHG intensity of investee companies 4. Exposure to companies active in the fossil fuel sector 5. Share of consumption and production of non-renewable energy 6. Intensity of energy consumption by sector with high climate impact
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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.

Biodiversity	7. Activities negatively impacting biodiversity-sensitive areas
Water	8. releases to water
Waste	9. Ratio of hazardous waste and radioactive waste

INDICATORS RELATED TO SOCIAL ISSUES, STAFF, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND ACTS OF CORRUPTION

Social and personnel issues	10. Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises 11. Lack of compliance processes and mechanisms to monitor compliance with the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises 12. Uncorrected gender pay gap 13. Board gender diversity 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons or biological weapons)
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— How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The UN Guiding Principles on Business and Human Rights are integrated into the fund management company's ESG methodology. Montpensier Arbevel excludes from the investment universe companies that are not aligned with certain international standards and conventions, in particular the principles of the United Nations Global Compact (UNGC), the conventions of the International Labor Organization (ILO) and the United Nations Guiding Principles on Business and Human Rights (UNGPBHR).

Controversies are tracked weekly via the MSCI ESG Controversies search. Securities subject to a "Red" controversy are excluded from the investment universe. Among these "Red" controversies, Montpensier Arbevel finds in particular companies that are not in line with the United Nations Global Compact (Human Rights, Labor Rights, Environment and Corruption).



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

☒ Yes, the management company of the fund considers all the mandatory Principal Adverse Impacts applicable to the fund's strategy and relies on a combination of exclusion policies (normative and sectoral), integration of ESG analysis in the process investment, engagement and voting approaches

☐ No



What investment strategy does this financial product follow?

The management objective of the SICAV, through active and discretionary management, is to seek medium- and long-term performance above the Stoxx Europe 600 (SXXR) index (calculated with dividends reinvested), through a portfolio exposed to at least 60% in equities from European Union countries, integrating ESG criteria into the selection and analysis process for securities in the portfolio.

The UCITS integrates sustainability factors into its investment process. The non-financial approach implemented is presented in the UCITS Transparency Code available on the management company's website.

The portfolio management method consists of selecting stocks according to their potential in relation to their field of activity and their intrinsic value (stock picking). This is not a quantitative type of management.

At least 75% of the UCITS that is PEA-eligible is permanently invested in PEA-eligible securities. It is exposed:

- to a minimum of 60% in equities from European Union countries and up to 100% through the use of forward financial instruments. Exposure is achieved through equities of all sizes, all sectors, without geographical allocation within Europe. Exposure to small-cap securities may not, however, exceed 20% of the net assets of the UCITS, and exposure to equities from European countries which are not members of the European Economic Area will be limited to 30% of the net assets of the UCITS. The UCITS may also be exposed to emerging markets and markets outside Europe on, respectively, up to 10% of its net assets.

- to a maximum of 40% of the interest rate risk, through investment in bonds, money market products and as a result of the use of futures for hedging purposes. With regard to interest rate products, issuers may be public or private. No criterion relating to rating or duration is imposed on the manager, without however, exceeding 20% in securities considered speculative ("high yield") by the management company.

The Fund may use French or international futures, from countries with regulated markets.

The UCITS may comprise a currency risk within the limit of 30% of the net assets.

The UCITS may hedge all or part of the exchange risk through currency forwards relating to the currencies of OECD member countries (or participants in the European Economic Area).

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

The fund implements a responsible investment approach which aims to exclude from the investment universe companies that are not compatible with the extra-financial criteria defined by the management company.

The extra-financial analysis carried out will make it possible to define a list of excluded stocks representing 20% of the investment universe of the potentially investable UCITS.

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

The exclusion policy is therefore applied to the fund as soon as the investment universe is defined:

1. Exclusion of underlying companies involved in controversial activities, as described above;
2. Exclusion of underlying companies rated strictly below "CCC" or "Vigilance Controversy Red" by MSCI ESG Research. These 'Red' controversies include companies that do not comply with the United Nations Global Compact (Human Rights, Labour Rights, Environment and Corruption).
3. An analysis of corporate governance using the proprietary "MGF - Montpensier Governance Flag" method, which focuses on good corporate governance practices, using a methodical, relative and evolving assessment grid over time, enabling us to exclude stocks for which an MFG "Fail" flag has been determined
4. An analysis of companies' contributions to environmental and social change using the proprietary "MIA - Montpensier Impact Assessment" method, based on the 17 UN Sustainable Development Goals (SDGs) and a Best in Universe approach. This analysis enables us to determine where companies stand on environmental and social issues, taking into account their sector of activity and the progress they are making. Underlying companies with a negative contribution are excluded.

The data used is mainly provided by MSCI ESG Research and may be supplemented, modified or updated by Montpensier Arbevel from other sources.

Investors should note that extra-financial analysis is not performed to the same standards than for other investments on cash, cash equivalents, and derivatives used for hedging purposes, and that it may not be possible to carry out a non-financial analysis on certain collective investment undertakings, according to the same standards as for other investments. Thus, the ESG analysis methodology will not include cash, cash equivalents, and derivatives for hedging purpose.

All the securities in portfolio, with the exception of the instruments mentioned above, are analyzed using a dual ESG and fundamental approach.

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

The management company of the fund implements an analysis of corporate governance practices according to the proprietary Montpensier Governance Flag (MGF) method, the objective of which is to assess the alignment of interests between executives, shareholders and more generally all stakeholders.

It is based on a list of sub-criteria divided around 4 axes of analysis:

- ✓ board (rate of independence of the board of directors, presence of women on the board of directors, etc.),
- ✓ remuneration (transparency of remuneration criteria, etc.),
- ✓ shareholder structure (presence of majority shareholder, etc.), and
- ✓ accounting practices (opinion of financial auditors on company accounts, etc.),

Montpensier Arbevel applies a quantitative identification filter which makes it possible to identify the stocks which present weaknesses with regard to the four pillars analyzed. This identification of values gives rise to an additional qualitative analysis that can lead to their maintenance in the final universe. This analysis also allows us to determine 3 FGM statuses: "Pass", "Watchlist" or "Fail". All companies identified as "Fail" are excluded.

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



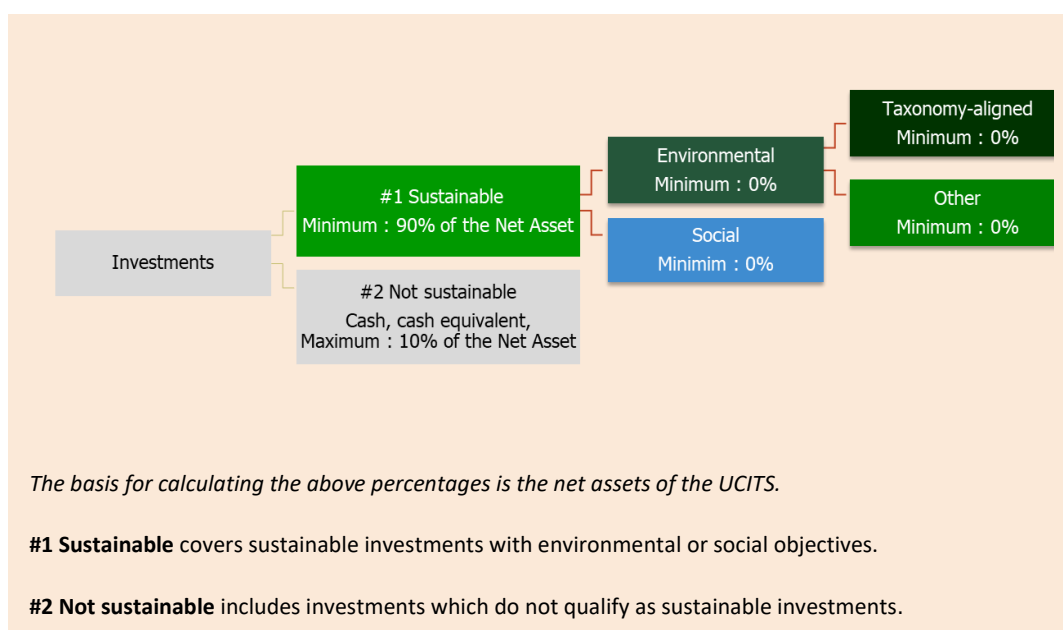
What is the asset allocation and the minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

The fund undertakes to have a minimum of 90% Sustainable Investments as indicated in the table below. The investments of the fund will be used to meet the environmental or social characteristics pursued, in accordance with the binding elements of the investment strategy, when they integrate sustainability factors by excluding any issuer specified in the exclusion list described in the fund's Transparency Code available on www.montpensier-arbevel.com.

Investors should note that it may not be possible to perform ESG analysis to the same standards as for other investments on cash, cash equivalents and derivatives for hedging purpose.

The asset allocation figures shown above reflect the pre-contractual minimums expressed as a percentage of the fund's net assets.



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

Derivative products are not used to achieve the environmental and social characteristics promoted by the UCITS.

In practice, the fund does not use derivatives.



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

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☒ Yes

☒ In fossil gas

☒ In nuclear energy

☐ No

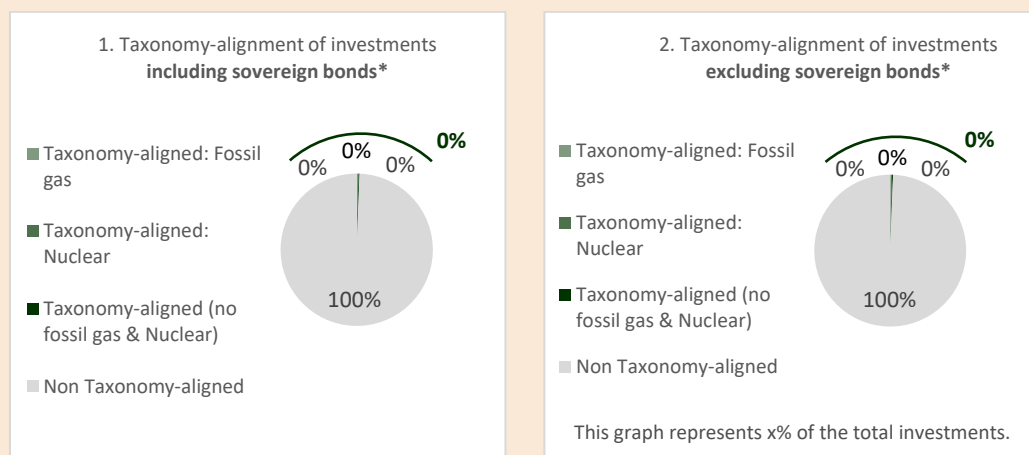
The UCITS may hold taxonomy-aligned investments in fossil gas and/or nuclear energy, but does not take a minimum commitment on these aspects or on the taxonomy in general.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to 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 activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



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

At present, the mutual fund is committed to aligning its portfolio with the minimum European taxonomy of 0%. However, it is likely to hold investments in activities qualified as Sustainable within the meaning of the Taxonomy Regulation.

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 not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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

The Fund has no minimum proportion of investment in transitional or enabling activities.



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

The fund has not defined a minimum share of sustainable investments with an environmental objective that are not aligned with the EU taxonomy.



What is the minimum share of sustainable investments with a social objective?

The fund has not defined a minimum share of socially sustainable investments.



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

Cash, cash equivalents for treasury purpose as well as derivatives used for hedging purpose are included in “#2 Not sustainable”.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

The fund does not use a specific index designated as a reference to determine whether this financial product is aligned with the environmental or social characteristics that it promotes.

● **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**

The fund has not defined a minimum share of socially sustainable investments.

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

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

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

N/A

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

N/A

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

N/A



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.montpensier-arbevel.com