



**Sextant Grand Large:  
Sustainability information**  
*Under Article 10 of European Regulation (EU) 2019/2088  
Sustainable Finance Disclosure (SFDR)*

**Executive Summary**

**Sextant Grand Large is a flexible global multi-asset fund** following an original, contrarian allocation approach based on the Shiller P/E<sup>1</sup>. Its equity exposure can vary from 0 to 100% depending on the long-term valuation of the equity markets. Shares are then selected individually around the world outside reference to an index. The remaining assets are invested in similarly selected bonds and cash<sup>2</sup>.

**This sub fund promotes Environmental, Social/societal and Governance (ESG) characteristics and is classified Article 8 under the SFDR.** Although its strategy is not focused on a sustainable investment objective within the meaning of European SFDR, the sub fund undertakes to have **a minimum of 10% of assets in sustainable investment<sup>3</sup>**, as defined by Amiral Gestion.

In addition to these sustainable investments, **the sub fund applies ESG investment rules<sup>4</sup>, in order to ensure alignment of at least 60% of the portfolio with the non-financial characteristics that it promotes:** exclusion filters (normative/controversies and sectors), the inclusion of ESG criteria in internal fundamental analysis and the selection of equity investments<sup>5</sup>, monitoring of average ESG score and average carbon intensity of the sub fund, as well as a shareholder engagement reflected in systematic exercise of voting rights and dialogue with certain issuers in the portfolio<sup>6</sup>.

To enforce these ESG guidelines, **which are subject to three level of control<sup>7</sup>, in-house teams rely on their own research and interaction with companies as well as seven data suppliers<sup>8</sup>** including six specialist agencies (primarily MSCI ESG Research for this fund) and a fossil fuel database. To address the methodological limits inherent to the use of ESG data, including the availability and reliability of information, Amiral Gestion implements several measures, including shareholder commitment to improving transparency pending the development and standardisation of company CSR reports that will result from ongoing regulatory changes.

<sup>1</sup> Find out more about Shiller P/E: <https://vimeo.com/513769094>

<sup>2</sup> For more information, please refer to the 'Investment Strategy' section of this document

<sup>3</sup> For more information, please refer to the 'No Sustainable Investment Objective' section of this document

<sup>4</sup> For more information, please refer to the section 'Monitoring environmental or social characteristics' of this document

<sup>5</sup> For more information, refer to the 'Methods of Environmental or Social Characteristics' section of this document.

<sup>6</sup> For more information, please refer to the 'Engagement Policy' section of this document

<sup>7</sup> For more information, please refer to the 'Due Diligence' section of this document and section 6 'Integrating ESG risks into ERM of Amiral Gestion's 2023 Sustainability Report' available on its website under Responsible Investment

<sup>8</sup> For more information, please refer to 'Sources and data processing' section of this document

## No sustainable investment objective

The Sextant Grand Large sub fund promotes environmental and social characteristics while monitoring governance practices<sup>9</sup>, but is not intended to be a sustainable fund. Although it does not have an investment strategy focused on a sustainable investment objectives within the meaning of the SFDR, the sub fund undertakes to have a minimum of 10% of assets in sustainable investments, based on Amiral Gestion's proprietary approach to qualify sustainable investment, as detailed on its website, under the heading 'Sustainable Investment,' in the document entitled "Methodological Note - Sustainable Investment Fund SFDR 8 and 9": <https://www.amiralgestion.com/fr/investissement-responsable>. This full document details the eligibility criteria for sustainable investments and how Amiral Gestion monitors compliance with the DNSH<sup>10</sup> policy.

## Environmental and/or social characteristics of the financial product

The Sextant Grand Large sub fund promotes environmental and social issues while encouraging good corporate governance practices, via its non-financial criteria applied to the sub fund. This includes integrating ESG considerations into Amiral Gestion's proprietary fundamental research and using third-party ESG performance monitoring<sup>11</sup>.

The sub fund is also subject to sectoral<sup>12</sup> and normative exclusions (coal, tobacco, pornography, unconventional fossil fuels except North American shale oil and gas, civilian firearms, controversial weapons, UN Global Compact/OECD Guidelines, extremely severe controversies (Level 5), etc.).

*These ESG elements of the investment process are more fully described in the 'Environmental or social characteristics monitoring' section of this document.*

## Investment Strategy

The Sextant Grand Large Fund's investment policy at the managers' sole discretion. Asset allocation is entirely dependent on investment opportunities, particularly in equities, that are presented to the managers on a case-by-case basis and not on macroeconomic considerations. The management objective of Sextant GRAND LARGE is based<sup>13</sup>, for equity markets (and partly for convertible bonds), on a rigorous selection of securities, obtained after a fundamental analysis internal to the management company.

To the extent possible, the investment team meets directly with the companies in which the sub fund invests or is likely to invest. The sub fund may have up to 15% exposure to contingent convertible securities, in order to diversify the portfolio and generate returns while managing exposure.

Investment decisions then depend primarily on the existence of a 'margin of safety' consisting of the difference between the value of the company as assessed by the managers and its market value (market cap). In this sense, it is possible to talk about value investing. The proportion of assets not been invested in equities due to a lack of opportunities with a sufficient margin of safety is invested in fixed income, money market or bond products.

## Proportion of investments promoting environmental or social characteristics

<sup>9</sup> Details of methods for assessing corporate governance are provided in the pre contract SFDR of Sextant Grand Large, section 'Policy used to evaluate the good governance practices of the companies benefiting from the investments,' contained in the prospectus available on the page of the website dedicated to the sub fund: <https://www.amiralgestion.com/fr/sextant-grand-large>

<sup>10</sup> 'Do No Significant Harm' means the principle that no material damage shall be caused to any of the other sustainable investment objectives. This includes respect for sectoral policy and normative policy (respect for the principles of the UN Global Compact and the OECD Director Principles), the exclusion of controversies of extreme severity (level 5), the commitment to monitor 16 'PAI - Principal Adverse Impact' indicators, and the evaluation of good governance practices

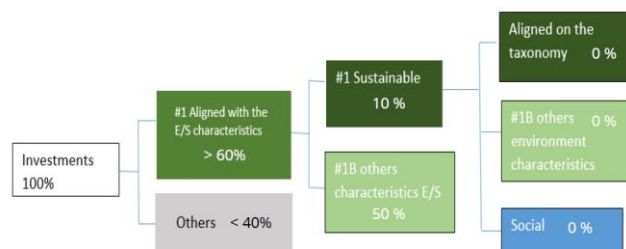
<sup>11</sup> For more information, refer to the section 'Methods of Environmental or Social Characteristics' of this document

<sup>12</sup> For more information on criteria and thresholds, please refer to the Amiral Gestion Sector Exclusion Policy available on the website under Responsible Investment at <https://www.amiralgestion.com/fr/investissement-responsable>.

<sup>13</sup> Whose main criteria are specified in the pre contract SFDR of Sextant Grand Large, section 'Investment strategy,' in the prospectus on the page of the website dedicated to the sub fund: <https://www.amiralgestion.com/fr/sextant-grand-large>

**The share of investments aligned with the ESG characteristics promoted by the sub fund is at least 60%. Sustainable investing represents at least 10% of the portfolio.**

For more information on ESG analysis or ratings and the composition of the portfolio shown below, please refer to the pre contract SFDR of Sextant Grand Large, 'Asset Allocation' section, contained in the prospectus and available on the page of the website dedicated to the sub fund: <https://www.amiralgestion.com/fr/sextant-grand-large>



Category #1 Aligned with E/S characteristics includes investments by the Sub-fund to achieve the environmental and social characteristics that it promotes.

Category #2 Others is the Sub-fund's remaining investments that are neither aligned with environmental and social characteristics, nor qualified as sustainable investments.

Category #1 Aligned with E/S characteristics covers:

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

## Monitoring of environmental and/or social characteristics

To ensure compliance of the sub fund with the environmental and social characteristics it promotes, while encouraging good governance practices, the following indicators<sup>14</sup> are monitored:

- Advanced ESG integration into fundamental analysis and equity investment selection: The investment team applies proprietary fundamental analysis synthesised into a proprietary global Quality Note
- Average external ESG score for the sub fund
- Carbon intensity of the sub fund
- Compliance with exclusion policy: exclusion of companies that have breached any of the UN Global Compact Principles and/or OECD Guidelines for Multinational Enterprises, Sustainalytics *Watchlist* status, confirmed by a controversy monitoring committee after internal review<sup>4</sup>
- Exclusion/non investment in companies exposed to extremely severe controversies, i.e. Level 5 depending on severity scale and Sustainalytics research confirmed after internal review by the controversy monitoring committee. Supervision may be associated with an active dialogue for issuers exposed to controversies of high severity (Level 4)<sup>15</sup>. Special attention is also paid to controversies related to one of the key themes for Amiral Gestion (human rights, tax liability, environmental risks especially if they concern climate change or biodiversity)
- Compliance with Sector Exclusions Policy: Thermal Coal, Tobacco, Controversial Weapons, Pornography, Civil Firearms, Non Conventional Fossil Energy Excluding North American Shale Oil & Gas
- The sub fund is committed to voting<sup>16</sup> at shareholders meetings , applying the principles of the Management Company's proprietary voting policy to promote good governance, social responsibility and environmental responsibility

<sup>14</sup> For more information, refer to 'Methods applicable to environmental or social characteristics'

<sup>15</sup> For companies in the portfolio that could be exposed during investment to controversies of extreme severity (Level 5) or a change of status to non compliance with the Global Compact and OECD Principles, the case will be presented to the monitoring committee for controversies in order to confirm the level of gravity/status and decide on possible exclusion from the portfolio, or supervision in the event of a downward revaluation of the level of gravity or status after internal analysis

<sup>16</sup> Unless there is a technical constraint which exceptionally prevents voting

- The production of reports on our active ESG engagement dialogue with certain issuers in the portfolio<sup>17</sup>.

*Compliance with ESG investment rules is monitored at three levels, described in the due diligence section of this document.*

## Methods for environmental and/or social characteristics

Sextant Grand Large's exclusion filters (sector and normative/controversy) are mainly based on data provided by our external ESG data providers<sup>18</sup>, enabling our internal teams to apply *screenings* to determine the eligibility of securities according to the criteria<sup>19</sup> established for the sub fund. Carbon intensity monitoring is based on S&P Trucost data. The main metric chosen for the sub fund is the carbon intensity per million euros of revenue generated. It is the portfolio's weighted average carbon footprint (tCO<sub>2</sub>eq) divided by total revenue (tCO<sub>2</sub>/€m of revenue)<sup>20</sup>.

ESG factors are taken into account at two levels:

- ESG integration into our fundamental equity analysis: our managers apply proprietary fundamental analysis summarised in our proprietary overall Quality Note. It is based on the study of different criteria on the economic model, quality of the management team, quality of the financial structure and criteria relating to environmental, social/societal and governance (ESG) issues which are the subject of a specific independent rating called 'ESG Internal Note' integrated in the overall 'Quality Note' whose scale extends from 1 to 10 (10 being the best rating). This ESG rating, based on a qualitative assessment that is not intended to be exhaustive, counts for one-third of the Global Quality rating.  
In fixed income and other debt securities investments, increased attention to certain ESG issues in issuer analysis is resulting in ESG integration into credit research (which is being hedged and tested first).
- The sub fund's average external ESG score follow up is based on the MSCI ESG Ratings methodology.

*The structure and criteria of this internal score and independent external ESG score are described in Amiral Gestion's 2023 Sustainability Report (respectively Appendix II.a. and II.c.), available on the website under Responsible Investment at <https://www.amiralgestion.com/fr/investissement-responsable>*

## Sources and data processing

In this framework, and among the sources used for its ESG screens and analysis, Amiral Gestion provides its teams with data from seven data providers<sup>21</sup> to optimally cover all research needs on ESG, climate, European green taxonomy and Sustainable Development Goals (SDGs). For this sub fund, the main external agency that forms the basis for monitoring external ESG performance is MSCI ESG Research.

*These ESG sources, as well as how they are addressed and shared with investment teams, are more fully described in Amiral Gestion's 2023 Sustainability Report (section 2.3), available on our website at <https://www.amiralgestion.com/fr/investissement-responsable>*

## Methods and data limits

Methodological limits are intrinsically linked to the use of ESG data, the availability of which is heterogeneous and sometimes incomplete, especially for small and mid caps and emerging market stocks. As normalisation of this data is under way, we do not currently enjoy exhaustive coverage of our portfolios and investment universe by the non-financial rating agencies, based on comparable and homogeneous data. These data coverage and reliability limits are therefore offset:

- By requests for ad hoc analysis from the partner rating agencies;
- In-house research on investee companies, which are subject to fundamental analysis including ESG criteria assessed by the investment teams;
- In part, these are estimates made by specialist agencies on specific themes<sup>22</sup> where actual data are not available.

<sup>17</sup> For more information, please refer to the 'Engagement Policy' section of this document

<sup>18</sup> Refer to 'Sources and data processing' section of this document

<sup>19</sup> Refer to the sections 'Environmental or social characteristics of the financial product' and 'Monitoring of environmental or social characteristics' of this document

<sup>20</sup> WACI measure: Weighted average of the carbon intensity ratios per turnover (weight \* intensity ratio for each stock), on the upstream Scope 1, Scope 2 and Scope 3.

<sup>21</sup> Six specialised agencies and fossil energy database

<sup>22</sup> For example, a company's carbon footprint is sometimes estimated by its industry, particularly the Scope 3, for which actual data is often partial or unavailable, via proxy set by S&P Trucost

However, regulatory changes will help to mitigate this issue over time, with standardised CSR reports<sup>23</sup> to be published by companies, which will further support our ESG research. In addition, engagement initiatives are being introduced to encourage companies to share more information on ESG practises and performance where disclosure is considered insufficient.

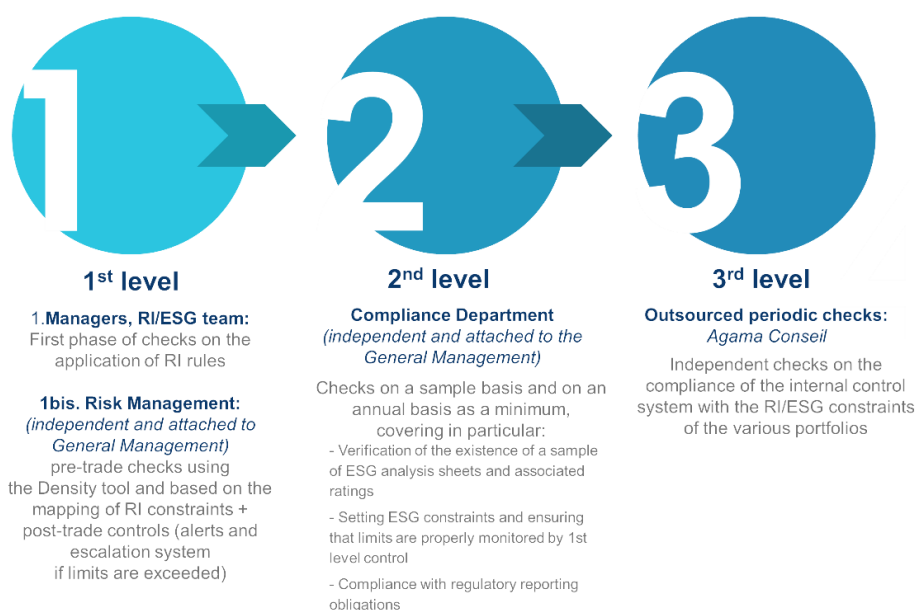
Given the limitations outlined above, methodologies are continually evolving to incorporate a variety of sources of improvement (change of providers to improve data coverage or quality, refined methodological approaches, etc.). These developments, which are beneficial to the ESG investment process may, however, make it difficult to compare historical data over time.

## Due diligence

In addition to the measures implemented to address the methodological limits described above, Amiral Gestion has set up a control system at three levels to ensure that the responsible investment rules are properly applied<sup>24</sup>.

For more information, please refer to section 6 'Integrating ESG risks into Global Risk Management' of Amiral Gestion's 2023 Sustainability Report, available on its website under Responsible Investing<sup>25</sup>.

## Monitoring of IR rules



## Engagement policy

At a sub fund level, issuers in portfolios may be the subject of commitment initiatives that may include:

- Awareness of ESG best practices, regular exchanges on ESG topics through the identification of potential factors that create value and/or risks (particularly with regard to the impact on global warming);
- Disclosure on ESG practices, including climate change practices, for companies with inadequate transparency.

For more information on Amiral Gestion's shareholder engagement practices, please refer to Amiral Gestion's 2023 Sustainability Report (section 4.), available on the website under Responsible Investment at <https://www.amiralgestion.com/fr/investissement-responsable>

## Designated benchmark

The Sextant Grand Large sub fund's non-financial approach is not measured against a specific sustainable benchmark.

<sup>23</sup> For example, the CSRD Directive will ultimately target more than 50,000 companies by 2028 (compared with 11,000 to date submitted to the NFRD)

<sup>24</sup> To find out more about the active ESG rules monitored, refer to the section 'Monitoring environmental or social characteristics'

<sup>25</sup> <https://www.amiralgestion.com/fr/investissement-responsable>