GAY-LUSSAC GESTION

Gay-Lussac Green Impact

December 2021

PRI Principles for Responsible Investment — Signatory of the UN-PRI since 2020

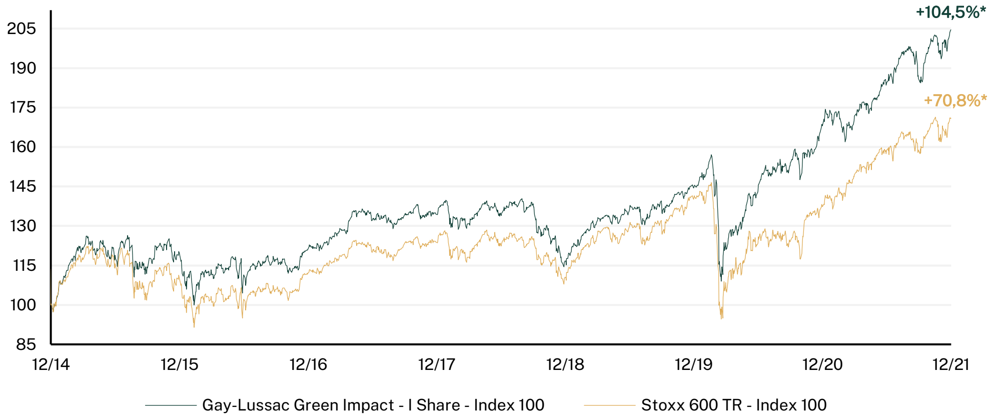
TCFD Task Force on Climate-Related Financial Disclosures — Supporter of TCFD since 2021

GENERAL INFORMATION

Custodian	Société Générale
Cut off	Subscriptions/redemptions
ISIN code (A share)	FR0010178665
ISIN code (I share)	FR0010182352
ISIN code (R share)	FR0014000EI9
Valuation	Daily
Management fees A share	2,32% of Net assets
Management fees I share	0,96% of Net assets
Management fees R share	1.40%of Net assets
Performance fees (High Water Mark)	20% including tax of the annual perf over the index
Entry fees	2% maximum
Exit fees (UCITS acquired)	None
NAV (A share)	**454,63€**
NAV (I share)	**229 405,95€**
NAV (R share)	**186,24€**
Inception date (A share)	3 jun 05
Inception date (I share)	11-apr-07
Inception date (R share)	18 dec.20
Net assets	**93,20 M€**

3 years values (Bloomberg data)	Gay-Lussac Green Impact
Volatility	17,86%
Max Drawdown	-30,66%
Beta	0,86
Sharpe Ratio	1,79
Tracking Error	7,31%

Performances and statistics on the 31 of december 2021



	1M	2021	2020	2019	2018	2017	2016	2015	2014	Inception
A Share	4,6%	**20,7%**	**14,8%**	22,0%	-14,3%	9,6%	-0,2%	17,7%	-4,5%	**203,09%****
Stoxx 600	5,4%	**22,2%**	**-4,0%**	23,2%	-13,2%	7,7%	-1,2%	6,8%	4,3%	**80,50%**
Stoxx 600 TR	5,4%	**24,9%**	**-2,0%**	26,8%	-10,8%	10,6%	1,7%	9,6%	7,2%	**183,98%**
I Share	4,5%	**21,8%**	**16,3%**	23,7%	-13,1%	11,1%	1,1%	19,4%	-3,2%	**129,05%*****
Stoxx 600	5,4%	**22,2%**	**-4,0%**	23,2%	-13,2%	7,7%	-1,2%	6,8%	4,3%	**27,63%**
Stoxx 600 TR	5,4%	**24,9%**	**-2,0%**	26,8%	-10,8%	10,6%	1,7%	9,6%	7,2%	**93,03%**

*Performance since 31/12/2014 **Performance since the launch of the A share on 3 June 2005
***Performance since the launch of the I share on 11/04/2007

KEY RATIOS

Investment rate (direct lines)	96,76%
Number of lines	43
Monthly Performances A Share	4,59%
Monthly Performances I Share	4,68%
Monthly Performances R Share	4,46%
Median PER 2021	29,83

BREAKDOWN BY MARKET CAPS

Name	% net asset
More than 5 Mds €	48,46%
From 1 to 5 Mds €	36,28%
Less than 1 Mds €	15,26%
Average Capitalisation (Mds €)	43,07
Median Capitalisation (Mds €)	5,49

TOP FIVE POSITIONS

Name	% net asset
NOVO NORDISK A/S-B	8,80%
SHURGARD SELF STORAGE SA	5,24%
KONINKLIJKE DSM NV	5,10%
AIR LIQUIDE SA	4,03%
KONINKLIJKE AHOLD DELHAIZE N	3,88%

Macroeconomic review

Despite the rapid spread of the Omicron variant and faster than expected monetary policy tightening, global indices performed very well in December, with European indices outperforming: CAC 40 TR 6.46%, S&P500 TR 4.45%, STOXX 600 TR 5.42%.

In Europe, COVID-related issues returned to the forefront in December. Although the Omicron variant is spreading, it seems to be much less dangerous than its Delta counterpart. Nevertheless, the surge in infections observed in December is pushing companies into more troublesome situations, which could sustain the imbalance between supply and demand and thus, a slowdown in economic growth. On the other hand, the ECB must deal with sustainable inflationary pressures. A reduction in monetary support now seems inevitable. Nevertheless, the caution that has characterized the ECB this year is still in order and fiscal stimulus measures at the European level should limit short-term tensions. The surge in energy prices continues to be a concern, in a scenario of reduced state aid. Only a restoration of supply would allow for a lasting stabilization of a situation that remains strongly linked to political discussions between the United States and Russia on the Ukrainian front. On the monetary policy side, the ECB has confirmed the end of the PEPP in March 2022, but also an increase in the traditional APP from €20 million to €40 million initially, followed by a gradual reduction from the third quarter of 2022. The objective remains the same for the ECB: reducing the asset purchase programs before a first increase in key rates, which, in accordance with Christine Lagarde's speech in November, should not take place in 2022.
In the United States, the first published economic indicators suggest that the Omicron variant has not had as much of an impact on the US economy as anticipated. The University of Michigan's consumer confidence survey has been revised significantly upwards from the initial estimates of early December. Nevertheless, the U.S. economy will remain in a vulnerable position until the vaccine campaigns accelerate and the new stimulus package is voted. Indeed, the vote on the "Build Back Better" package, to which the bipartisan infrastructure bill is attached, is now blocked by one man, Senator Joe Manchin. The bill can only pass the Senate if all 50 Democratic senators vote in favor for it, knowing that no Republican will. Despite Joe Biden's reassuring speeches, the political and administrative delays could very well slow down economic growth and the rise in long-term interest rates in the United States. Caught between higher than initially expected inflation and a reassuring labor market, the FED seems to have prioritized the fight against inflation, deciding to accelerate its reduction of asset purchases by $30 billion per month, compared to $15 billion per month previously. The FED also announced three rate hikes per year in 2022 and 2023, a much more aggressive schedule than anticipated by the September dot-plots. This announcement did not create risk aversion in December. Despite a rise in rates over the last two days of the month, US sovereign rates remained broadly stable (10-year rate at 1.5%).

INVESTMENT PROCESS

- Two defensive criteria, **Low Volatility** and **Low Beta** and one performance criterion, **Momentum** to quantitatively filter the investment universe.
- Selection of 3 to 4 major structural and/or cyclical themes by a quarterly Macroeconomic Committee bringing together economists, strategists, fund managers and financial analysts.
- Definition of the investable universe through the selection of stocks in line with the themes selected and validated by the fundamental analysis and extra-financial (ESG criteria and environmental indicators) of the companies.
- Construction and follow-up of the portfolio in risk budget.

INVESTMENT OBJECTIVE

- Outperform its benchmark, the STOXX Europe 600 NR Index, on a 5 year investment horizon while applying a sustainable investment strategy.
- The fund in mainly invested in large cap stocks in Europe.

MANAGEMENT TEAM


Louis de FELS


Daphné PARANT


Hugo VOILLAUME, CFA


Paul EDON


Guillaume BUHOURS


Thibaut MAISSIN

RISK EXPOSURE

Low risk
Performance
Potentially lower

1 2 3 4 **5** 6 7

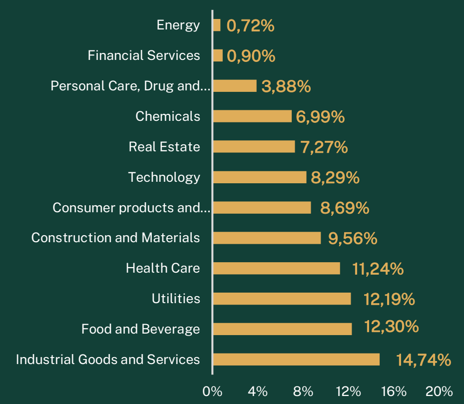
High risk
Performance
Potentially higher

Management review

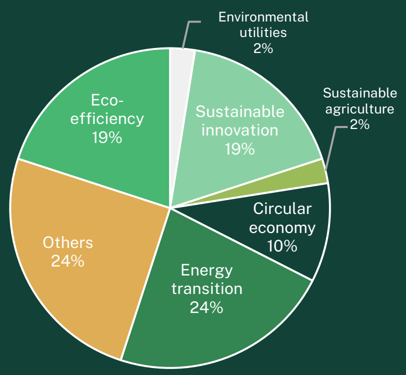
During the month of December, the net asset value of the **Gay-Lussac Green Impact** fund increased by 4.6%. We strengthened our positions in **Green Landscaping Group**, **Salcef**, **LU-VE** and started a position in **Verbund**. In addition, we reduced our exposure to **Corticeira Armorim**. In this way, we initiated a position in **Verbund**, the Austrian leader in hydroelectric power, which is fully in line with the European energy transition plan and has benefited from the rise in energy prices this year. We continue to strengthen our position in **Salcef,** an Italian company positioned in the field of electrification and renewal of railways, as well as in **Green Landscaping Group**, a Swedish company specialized in maintenance and landscaping services. **Green Landscaping Group** continued to secure its margin expansion objective through its strategy of consolidating the Nordic market with several recent acquisitions such as Hakonsen and Viherpojat.

We reduced our exposure to **Corticeira Armorim**, a Portuguese company active in the cork industry, mainly for ESG rating monitoring reasons. Indeed, the company has passed the ESG monitoring alert threshold with a rating of 4.8/10.

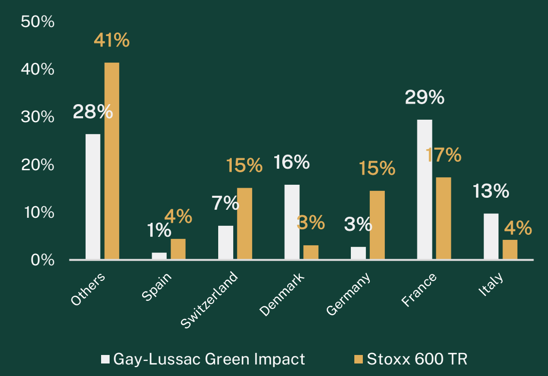
SECTORS BREAKDOWN



ESG INVESTMENT THEMES



COUNTRY BREAKDOWN



Extra-financial ratings (ESG)

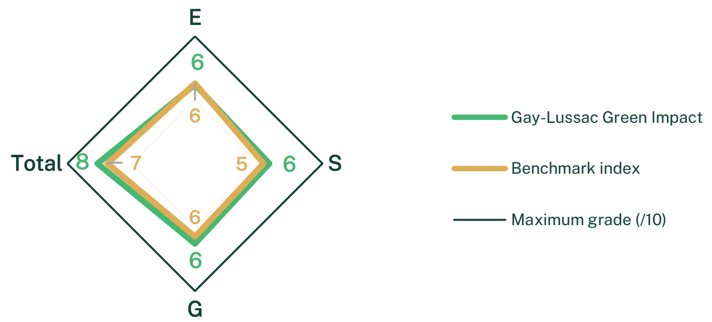
EXTRA FINANCIAL PORTFOLIO ANALYSIS

	Gay-Lussac Green Impact (/10)	Benchmark Index (/10)
Grade average E*	6,24	6,30
Grade average S*	5,77	5,39
Grade average G*	6,27	5,73
Portfolio grade overall ESG**	7,76	6,86

* Proportion of the fund's investments for which non-financial data are available and used to complement fondamental analysis.

** MSCI coverage rate: 76% / Internal coverage rate: 24% / Total coverage rate: 100%.

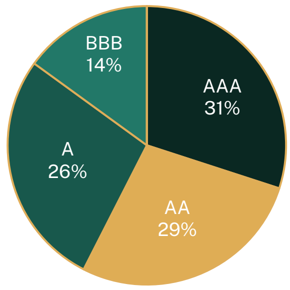
ESG RATING VS BECHMARK INDEX



TOP 5 BEST ESG RATINGS

Values	Country	ESG Grade	Rating	% of net asset
ORSTED A/S	Denmark	10	AAA	1,75%
EDP-ENERGIAS DE PORTUGAL SA	Portugal	10	AAA	1,67%
THULE GROUP AB/THE	Sweden	10	AAA	1,15%
KONINKLIJKE DSM NV	Netherlands	9,6	AAA	5,10%
VESTAS WIND SYSTEMS A/S	Denmark	9,6	AAA	0,72%

VALUES RATING BREAKDOWN



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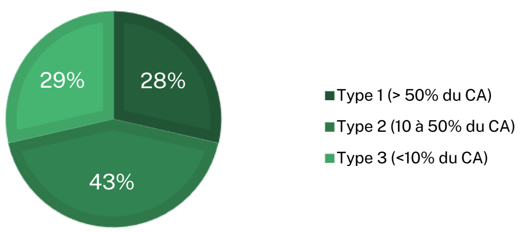
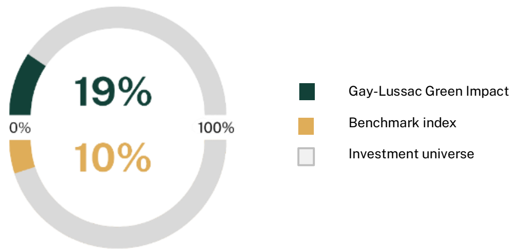
Sustainable investment indicators

GREEN INTENSITY



ALIGNMENT TO EUROPEAN TAXONOMY

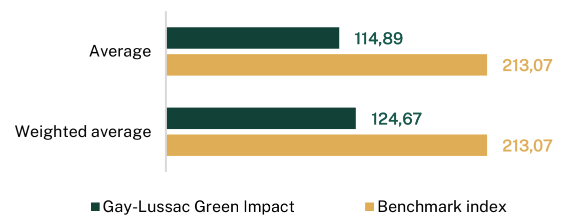


Fund coverage rate: 87.5%. Source: MSCI ESG

Environmental impact indicators

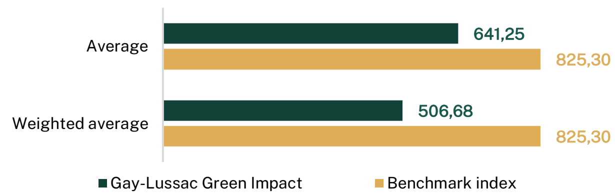
CARBON INTENSITY (tCO2/M€ invested)

Scopes 1+2



Scope 1: Greenhouse gas emissions generated by the combustion of fossil fuels and production processes owned or controlled by the company.
Scope 2: Indirect gas emissions related to the company's energy consumption
Fund coverage rate: 81%; index coverage rate: 99%.

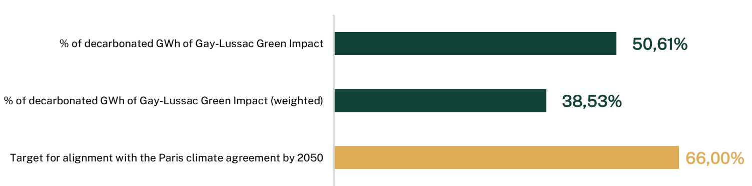
Scopes 3



Scope 3: Other indirect emissions produced by the organization's activities, upstream and downstream of production, linked to the entire value chain, such as the extraction of materials purchased by the company to make the product, or emissions related to the transportation of employees and customers coming to purchase the product.
Fund coverage rate: 81%; index coverage rate: 99%.

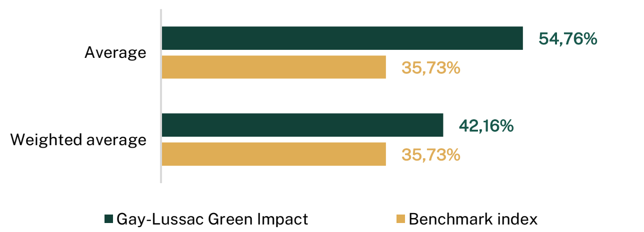
ALIGNMENT WITH THE PARIS AGREEMENTS (Scenario +2°C)

Percentage of decarbonized GWh in the fund



The percentage of decarbonated GWh corresponds to the share of renewable, green or alternative energies from the energy mix of the positions in the portfolio. In order to be in line with the 2°C scenario of the Paris Climate Agreement, companies must reach a decarbonized GWh rate of at least 66%.
Source: Irena International Renewable Energy Agency - Global Energy Transformation: Roadmap to 2050.
Fund coverage rate: 69%;

Commitment rate of portfolio companies. Source: Science Based Target Initiative



% of companies that submitted a scenario respecting the 2°C alignment trajectory of the Paris Climate Agreement
Fund coverage rate: 100%; index coverage rate: 100%.
Source: Science Based Target Initiative