GAY-LUSSAC GESTION

Gay-Lussac Green Impact

January 2022

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

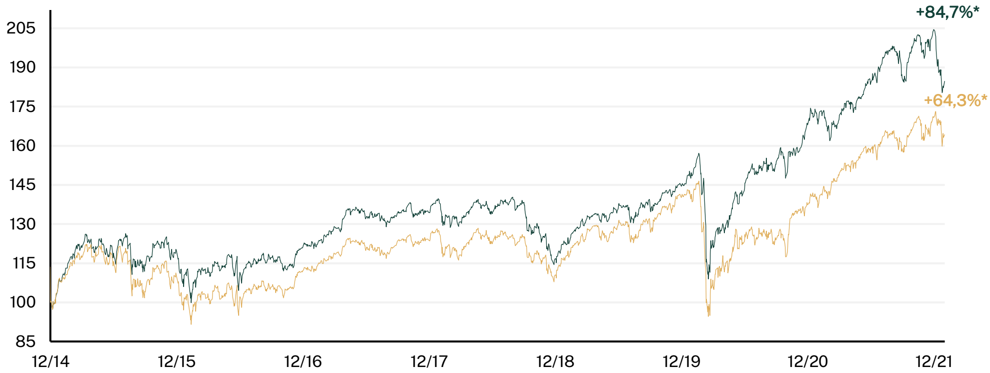
TCFD Task Force on Climate-Related Financial Disclosures — Supporter of TCFD since 2021

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)	**410,17€**
NAV (I share)	**207 208,36€**
NAV (R share)	**168,16€**
Inception date (A share)	3 jun 05
Inception date (I share)	11-apr-07
Inception date (R share)	18 dec.20
Net assets	**81,81 M€**

3 years values (Bloomberg data)	Gay-Lussac Green Impact
Volatility	18,02%
Max Drawdown	-30,66%
Beta	0,87
Sharpe Ratio	1,79
Tracking Error	8,57%

Performances and statistics on the 31 of january 2022



Gay-Lussac Green Impact - I Share - Index 100 — Stoxx 600 TR - Index 100

	1M	2021	2020	2019	2018	2017	2016	2015	2014	Inception
A Share	-9,8%	**20,7%**	**14,8%**	22,0%	-14,3%	9,6%	-0,2%	17,7%	-4,5%	**173,45%****
Stoxx 600	-3,9%	**22,2%**	**-4,0%**	23,2%	-13,2%	7,7%	-1,2%	6,8%	4,3%	**73,50%**
Stoxx 600 TR	-3,8%	**24,9%**	**-2,0%**	26,8%	-10,8%	10,6%	1,7%	9,6%	7,2%	**173,11%**
I Share	-9,7%	**21,8%**	**16,3%**	23,7%	-13,1%	11,1%	1,1%	19,4%	-3,2%	**107,21%*****
Stoxx 600	-3,9%	**22,2%**	**-4,0%**	23,2%	-13,2%	7,7%	-1,2%	6,8%	4,3%	**22,68%**
Stoxx 600 TR	-3,8%	**24,9%**	**-2,0%**	26,8%	-10,8%	10,6%	1,7%	9,6%	7,2%	**85,64%**

*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)	92,16%
Number of lines	38
Monthly Performances A Share	-9,78%
Monthly Performances I Share	-9,68%
Monthly Performances R Share	-9,70%
Median PER 2021	24,75

BREAKDOWN BY MARKET CAPS

Name	% net asset
More than 5 Mds €	52,50%
From 1 to 5 Mds €	27,42%
Less than 1 Mds €	20,08%
Average Capitalisation (Mds €)	44,96
Median Capitalisation (Mds €)	9,62

TOP FIVE POSITIONS

Name	% net asset
NOVO NORDISK A/S-B	9,97%
SHURGARD SELF STORAGE SA	5,00%
KONINKLIJKE AHOLD DELHAIZE N	4,92%
KONINKLIJKE DSM NV	4,87%
AIR LIQUIDE SA	4,07%

Macroeconomic review

January was marked by the return of risk aversion on the markets, particularly towards "growth" stocks after the FED's paradigm shift. Main indices were down for the month: S&P 500 -5.17%, CAC 40 -2.04%, STOXX 600 -3.81%.

European economic growth has returned to its pre-crisis level (+5.2%), driven by positive dynamics in France (+7%) and Spain. In Germany, the situation is a bit more complex, with deceleration of inflation remaining on a weaker pace (+4.9%) than expected (+4.4%). On the political front, the results of the Italian and Portuguese elections gave us some stability. In Italy, President Sergio Mattarella was re-elected President, allowing Mario Draghi to remain at the head of the government despite disagreements within the coalition. The next major political event will be the French presidential election in April. It is at the monetary level that the discussions were animated in January. The ECB's central scenario remains the same as at the end of 2021: no rate hike before 2023, provided that inflation stabilizes at the 2% target in the medium term. However, this is not the opinion of investors. Indeed, according to swap contracts, the market is expecting a 25 basis point rate hike by the end of 2022, which is a slightly more aggressive scenario than the ECB's message. The market seems to be wondering about the difference in reactions between the ECB and the FED. However, it is important to understand that the difference in monetary policies between the ECB and the FED is primarily due to the disproportionality of gas prices in European inflation, while US inflation is more structural. Tightening monetary policy in response to the energy shock would be reminiscent of the bitter experience of the ECB in 2011. Faced with this exogenous shock, the ECB has no control and discussions remain open between Moscow and Washington. For us, the geopolitical issue will remain a factor of uncertainty until we can be convinced that the conflict will not degenerate.

In the United States, the publication of GDP growth for the fourth quarter of 2021 clearly demonstrated the vigorous rebound of American growth (+6.9%). U.S. growth continues to rest on solid foundations, as evidenced by a notable increase in household consumption and business investment. The labor market remains well oriented, a point that is helping to encourage the FED to accelerate the increase in its key rates. Nevertheless, recent indicators point to less vigorous activity at the beginning of 2022, marked by the return of COVID cases, persistent inflation and a smaller fiscal stimulus. On this point, the statistics to be released on the labor market and inflation in the coming weeks should provide more clarity regarding the pace of the Fed's exit. FOMC members continued to tighten their stance, to which the market reacted, now expecting 5 rate hikes of 25bps in 2022 compared to 3 at the beginning of the month. Nevertheless, the risk aversion at the end of the month came from the speech of some FOMC members who envisaged a reduction of the FED's balance sheet rather quickly, potentially as early as this summer. While waiting for more clarity, the members of the FED continue their balancing act in order to "test" the markets' reaction to the various tools at the disposal of the central bank. Against this backdrop, the US 10-year yield rose sharply by c.18% in January, ending the month at 1.78%.

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


Hugo VOILLAUME, CFA


Guillaume BUHOURS


Daphné PARANT


Paul EDON


Thibaut MAISSIN


Arthur BERNASCONI

RISK EXPOSURE

Low risk
Performance
Potentially lower

1 2 3 4 **5** 6 7

High risk
Performance
Potentially higher

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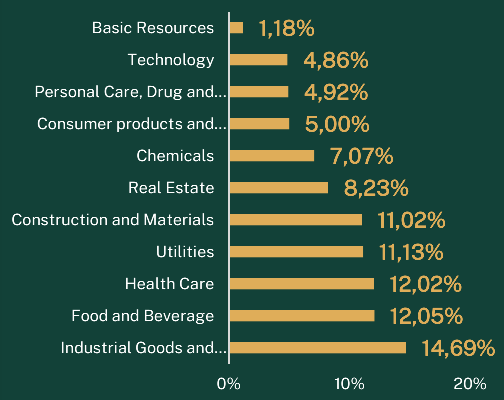
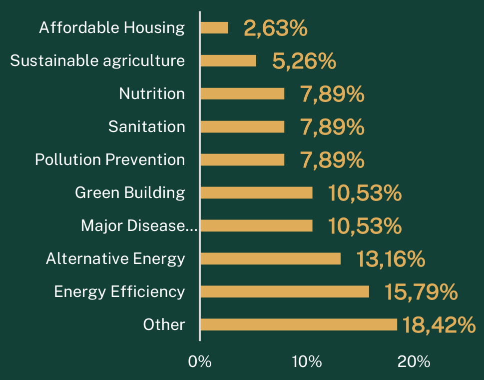
Management review

During the month of January, stocks with a high P/E (price earning ratio) suffered greatly from sector rotation, and as part of our risk management approach, we considerably reduced this type of stock within the UCIT Gay-Lussac Green Impact from the first half of January. In this way, we sold our positions in **Mips**, **Carel Industries** and even **Thule Group**, while strengthening our positions in undervalued issuers with very good quality fundamentals and offering growth at a reasonable price such as **Green Landscaping Group**.
In addition, the beginning of the year was marked by the implementation of our new thematic investment strategy, in which we favor more undervalued quality stocks, uncorrelated stocks or even special situations such as **UPM-Kymmene**. European leader in the graphic paper market and exposed to the forestry market, the **UPM-Kymmene** group has very good fundamentals, good cash generation and is carrying out an innovative repositioning on bioenergies which should offer the group a positive mix effect. We have also positioned ourselves in the German company specializing in the recycling of aluminum and steel dust, **Befesa**, and in the European infrastructure champion, **Vinci**. As a strategic actor playing a key role in the energy transition, **Vinci** has solid growth levers, particularly linked to the decarbonisation needs of transport in Europe.
Following this reallocation in line with our investment process, the fund's valuation fell from a P/E of 33.75 to 24.75 and we note for comparison that the fund is more resilient than the best in class ESG baskets such as Goldman Sachs' ESG Favorites basket (GSXEESGF Index) displaying a -11.76% year to date.

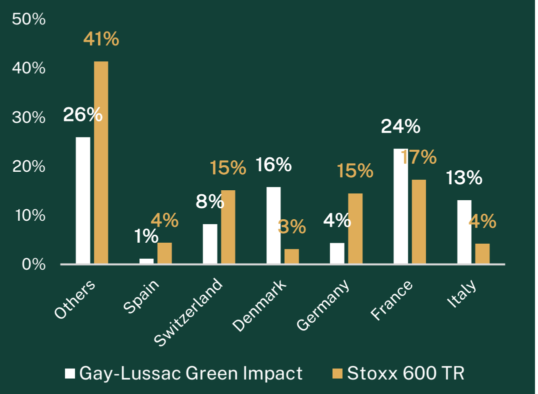
SECTORS BREAKDOWN



ESG INVESTMENT THEMES



COUNTRY BREAKDOWN



Extra-financial ratings (ESG)

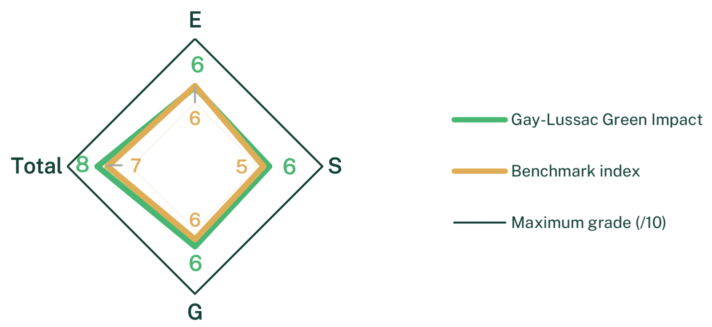
EXTRA FINANCIAL PORTFOLIO ANALYSIS

	Gay-Lussac Green Impact (/10)	Benchmark Index (/10)
Grade average E*	6,38	6,60
Grade average S*	5,66	5,41
Grade average G*	6,23	5,98
Portfolio grade overall ESG**	7,62	7,36

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

Total coverage rate: 100%. (73% MSCI + 27% internal coverage)

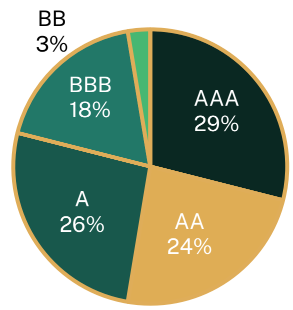
ESG RATING VS BECHMARK INDEX

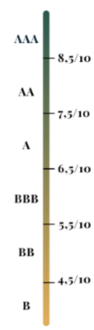


TOP 5 BEST ESG RATINGS

Values	Country	ESG Grade	Rating	% of net asset
ORSTED A/S	Denmark	10	AAA	1,26%
EDP-ENERGIAS DE PORTUGAL SA	Portugal	10	AAA	1,43%
KONINKLIJKE DSM NV	Netherlands	9,6	AAA	4,87%
UPM-KYMMENE OYJ	Finland	9,4	AAA	1,18%
VERBUND AG	Austria	9,3	AAA	1,15%

VALUES RATING BREAKDOWN





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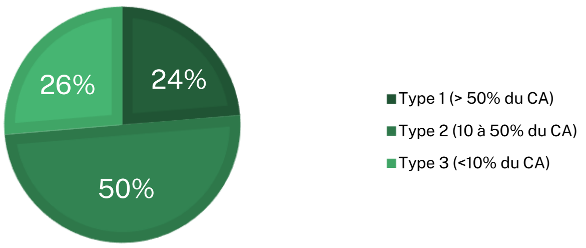
Sustainable investment indicators

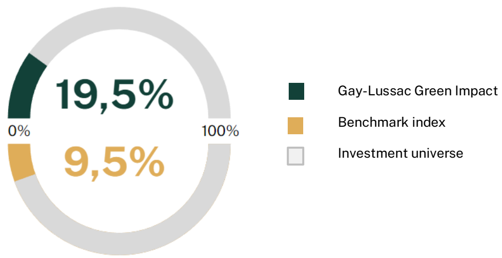
GREEN INTENSITY



- Type 1 issuers have more than 50% of their revenues from sustainable activities;
- Type 2 issuers have between 10% and 50% of their revenues from sustainable activities;
- Type 3 issuers have less than 10% of their revenues from sustainable activities.

Coverage rate: 100%. Source: MSCI.

ALIGNMENT TO EUROPEAN TAXONOMY

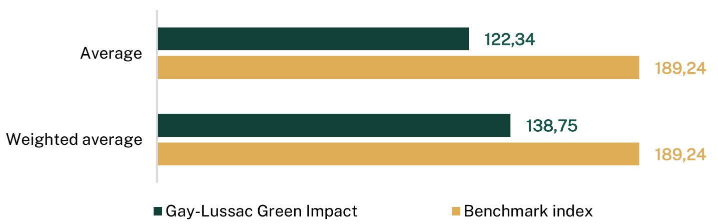


Fund coverage rate: 85,7%. Source: MSCI ESG

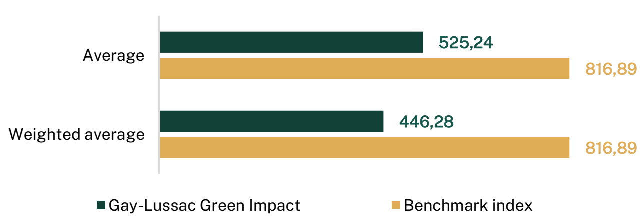
Environmental impact indicators

CARBON INTENSITY (tCO2/M€ invested)

Scopes 1+2



Scopes 3

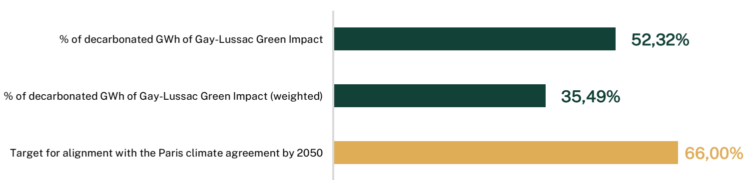


Scope 1: Greenhouse gas emissions generated by the combustion of fossil fuels and production processes owned or controlled by the company.
Scope 2: Indirect gas emissions related to the company's energy consumption
Fund coverage rate: 81%; index coverage rate: 99%.

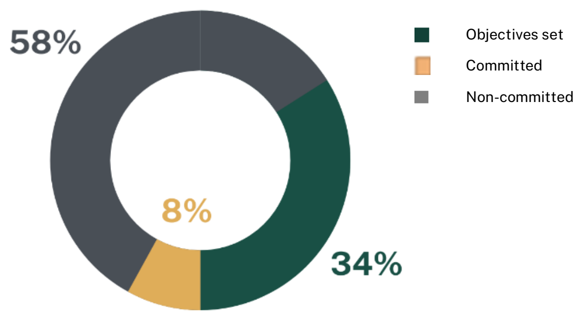
Scope 3: Other indirect emissions produced by the organization's activities, upstream and downstream of production, linked to the entire value chain, such as the extraction of materials purchased by the company to make the product, or emissions related to the transportation of employees and customers 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



Commitment rate of portfolio companies



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: 63%;

% 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