

Article 10 (SFDR)

Publication of information on Article 8 financial products on
the website

COMPASS mandate

Product name: COMPASS (hereinafter the “Mandate”)
 Legal entity identifier: 549300UA2M7UCJX8SE64

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum proportion of sustainable investments with an environmental objective: ___%

in economic activities that are considered environmentally sustainable under the EU taxonomy

in economic activities that are not considered environmentally sustainable under the EU taxonomy

It will make a minimum proportion of sustainable investments with a social objective: ___%

It promotes environmental and social (E/S) characteristics and, although it does not have a sustainable investment objective, it will include a minimum of 10% sustainable investments

having an environmental objective in economic activities that are considered environmentally sustainable under the EU taxonomy

having an environmental objective in economic activities that are not considered environmentally sustainable under the EU taxonomy

having a social objective

It promotes E/S characteristics, but **will not make sustainable investments**



A. Summary

The Mandate is mainly invested in UCIs including exchange-traded funds (ETFs). The Mandate is split into three distinct strategies based on the Mandate’s investment profile:

1. Balanced strategy: Moderate level of risk
2. Growth Strategy: High level of risk
3. Dynamic strategy: Very high level of risk

The Mandate promotes environmental and social characteristics, and, although it does not have a sustainable investment objective, it will include a minimum of 10% sustainable investments with an environmental objective, which may or may not be aligned with the EU Taxonomy, and with a social objective.

The Mandate promotes environmental and social characteristics through a rigorous methodology with the following objectives:

- Not to finance companies in targeted business sectors
- Not to finance companies that do not comply with certain international standards, in particular those relating to fundamental rights (human rights, labour laws, prevention of corruption and protection of the environment)
- Not to finance controversial behaviour that could affect the long-term reputation of the investments
- To promote best environmental, social and governance practices applying a “best-in-class” approach based on an assessment of the social and environmental profile.

The Agent sets rules concerning the minimum proportions of instruments under this Discretionary Management Mandate with best-in-class ESG integration (categorised as “ESG” investments), i.e. categorised as the best performers in their sector based on environmental and/or social characteristics. This minimum proportion is 33.5% of the assets. Conversely, the Mandate is limited to investing a maximum of 10% of assets in companies or issuers with a low level of ESG integration (categorised as “non-ESG” investments in the Global Sustainable Investment Policy).

The objective of the Mandate is to achieve significant capital appreciation over the long term.

The Mandate may also be invested in all other types of financial instruments such as money market UCITSs, structured products and spot or forward currency transactions, structured or otherwise.

The Mandate targets a minimum exposure to sustainable investments of 10%. A company's sustainability will be assessed based on its alignment with the objectives of the taxonomy or its net positive contribution to the United Nations objectives.

In apply the investment strategy, the Mandate will invest a minimum of 80% of the assets in issuers that are aligned with the E/S characteristics promoted (#1 Aligned with the E/S characteristics); among these investments, those considered sustainable investments will represent at least 10% of assets (#1A Sustainable). The rest (<20%) will consist of cash, cash equivalents as well as unscreened investments and will not be aligned with the E/S characteristics promoted (#2 Other).

The achievement of the environmental and social characteristics promoted by the Mandate will be measured by the application of the following indicators:

- Exposure to UCIs that promote, inter alia, environmental or social characteristics within the meaning of Regulation 2019/2088 (the "SFDR") and/or UCIs that have a sustainable investment objective within the meaning of the SFDR and/or UCIs that, following a look-through analysis, meet the Agent's standards in relation to promoting environmental and/or social characteristics.
- The Agent's standards require limited exposure to companies that are considered to breach Global Standards, companies involved in controversial businesses based on the definitions and thresholds set out in the Global Sustainable Investment Policy, or companies that are the subject of ESG controversies of the highest severity.

The Indosuez Wealth Management Group has developed a non-financial investment process that equips its investment teams with a methodology for extra-financial classification.

Under this non-financial classification methodology, issuers are analysed from three different perspectives:

- The eligibility of the financial instrument,
- Analysis of the degree of ESG integration of the financial instrument,
- The sustainability of the instrument.

Data relating to the ESG and sustainability characteristics of the underlying financial instruments is integrated into Indosuez Wealth Management's data systems and made available to the relevant departments. This process is based on objective information and market data that is provided by data providers specialised in ESG/sustainability issues.

The data used may be subject to the following limitations:

- Lack of data (or audited data) disclosed by companies (limitations concerning the existence and, sometimes, the quality of the data);
- The complexity of certain ESG indicators and the difficulty of quantifying them in a uniform manner;
- Different specialised data providers.

The due diligence carried out on the environmental and social characteristics of the Mandate's underlying assets is an inherent aspect of the methodology used to promote these characteristics.

Engagement does not form part of the Mandate's investment strategy.

The mandate has not designated a benchmark to achieve the environmental and social characteristics promoted, within the meaning of Article 8 of the SFDR.



3 No sustainable investment objective

The Mandate promotes environmental or social characteristics but does not have sustainable investment as its main objective. Nevertheless, the Mandate partially invests in sustainable investments that contribute positively to environmental and/or social objectives.

The Agent ensures that the Mandate's sustainable investments do not cause significant harm to a sustainable investment objective from an environmental and/or social point of view by carrying out an analysis of issuers in several stages:

1. Taking account of the principal adverse impacts on the sustainability factors (hereinafter "PAIs") listed in table 1 of Annex 1 of Delegated Regulation (EU) 2022/1288, which reduces the adverse impacts of the investment, including:
 - by combining several components to avoid and/or reduce its exposure to activities or behaviours that could affect another environmental or social objective (such as the Global Standards compliance filter and the exclusion of ESG controversies of the highest severity or activities that are the most damaging to other environmental and/or social objectives)
 - via an impact calculation methodology based on an assessment of the positive and negative contributions made by the company's products and services to the SDGs, in order to optimise the net positive (resulting) contribution.
2. In the case of investments in UCIs, a look-through analysis is carried out in order to identify the underlying assets that could cause harm or breach the Indosuez Wealth Management Group's standards.



4 Environmental or social characteristics of the financial product

The Mandate invests in a selection of undertakings for collective investment in transferable securities (UCITs), particularly, but not exclusively, from the Indosuez Wealth Management Group ("Internal" UCITs and "External" UCITs). It promotes environmental and/or social ("E/S") characteristics through a rigorous methodology with the following objectives:

- Not to finance companies in targeted business sectors
- Not to finance companies that do not comply with certain international standards, in particular those relating to fundamental rights (human rights, labour laws, prevention of corruption and protection of the environment)
- Not to finance controversial behaviour that could affect the long-term reputation of the investments
- To promote best environmental, social and governance practices applying a "best-in-class" approach based on an assessment of the social and environmental profile.

In addition, the Agent draws on the analysis of external providers, which have dedicated resources and teams with ESG-related experience. The ESG scores given to target investments are based on an analysis of environmental, social and governance criteria.

The Agent sets rules concerning the minimum proportions of instruments, for this Mandate, with best-in-class ESG integration (categorised as "ESG" investments), i.e. categorised as the best performers in their sector based on environmental and/or social characteristics. This minimum proportion is 33.5% of the assets. Conversely, the Mandate is limited to investing a maximum of 10% of assets in companies or issuers with a low level of ESG integration (categorised as "non-ESG" investments in the Global Sustainable Investment Policy).

Where the Mandate invests in UCIs, a look-through analysis is carried out on the underlying investments to ensure that the selected UCIs meet the agent's standards on promoting environmental and social characteristics.

The Mandate partially invests in sustainable investments that contribute positively to environmental and/or social objectives.

The constraints on direct investments (exclusion rules based on the exclusion and controversial activities policy and rules on the minimum proportion of instruments with best-in-class ESG integration) apply on a look-through basis to investments made through the UCIs. However, as the Agent cannot actively control the investments made in these UCIs, it will engage in a dialogue with the manager in relation to investments considered to be problematic rather than systematically excluding the UCI in question. Depending on the response provided, the Agent may reclassify the investment.

Mandatory investment restrictions apply to:

- companies that do not comply with the principles set out in the Global Standards,
- companies involved in controversial business activities, and
- companies involved in ESG controversies of the highest severity.

These exclusions are set out in the Agent's Global Sustainable Investment Policy.



5 Investment strategy

The objective of the Mandate is to achieve significant capital appreciation over the long term. It is split into three distinct strategies based on the Investor's investment profile:

Balanced Strategy: Moderate level of risk. The objective of the Mandate is capital growth over the medium or long term (five years or more), through a balanced allocation of investments between the different asset classes, with a particular focus on environmental and social themes. Exposure to equity or similar asset classes may not exceed 50% of the Mandate's assets. This investment strategy is intended for investors seeking to combine potential returns and a moderate level of risk.

Growth Strategy: High level of risk. The Mandate seeks to generate strong capital growth over the medium to long term (six or more years), mainly through investment in equity markets, with a particular focus on environmental and social themes. Exposure to equity or similar asset classes may not exceed 80% of the Mandate's assets. This investment strategy is intended for Investors seeking high potential returns in exchange for a high level of risk.

Dynamic Strategy: Very high level of risk. The Mandate seeks to generate significant capital growth over the long term (eight or more years), primarily through investments in equity markets, with a particular focus on environmental and social themes. Exposure to equity or similar asset classes may constitute 100% of the Mandate's assets. This investment strategy is intended for Investors seeking high potential returns in exchange for a very high level of risk.

Environmental, social and governance (ESG) factors are considered in the selection of instruments so as to assess the ability of issuers to take into account the risks and opportunities related to sustainable development in their business. It also commits to maintaining a minimum proportion of sustainable investments by investing in companies whose main activity is the development of products and services that contribute to the achievement of the 17 environmental or social SDGs defined by the United Nations (such as health products and services, services relating to education, solutions for saving and providing access to water, solutions to energy efficiency, services promoting digitisation, sustainable mobility services, etc.).

The Mandate may also be invested in all other types of financial instruments such as money market UCITSs, structured products and spot or forward currency transactions, structured or otherwise.

The Agent prioritises investments that offer considerable upside potential and therefore accepts a high level of risk. This is an international investment strategy and, as a result, it may generate significant foreign exchange risk.

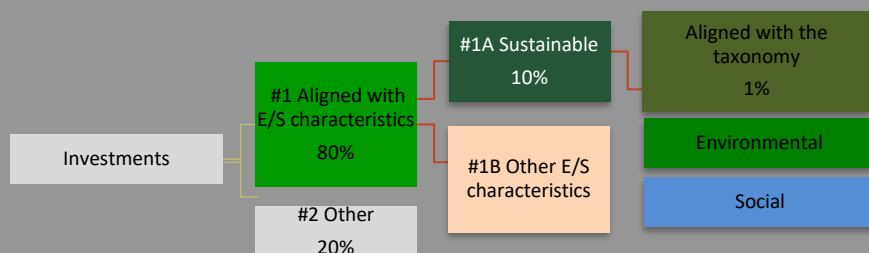


6 Proportion of investments

A minimum of 80% of assets will be invested in issuers that are aligned with the E/S characteristics promoted (#1 Aligned with the E/S characteristics); among these investments, those considered sustainable investments will represent at least 10% of assets (#1A Sustainable). The rest (<20%) will consist of cash, cash equivalents as well as unscreened investments and will not be aligned with the E/S characteristics promoted (#2 Other).

The Agent undertakes that at least 10% of its investments shall be sustainable investments. These investments may be aligned with the EU taxonomy, or with another environmental or social objective. The Agent commits to an alignment of at least 1% with the taxonomy but does not currently commit to specifying the exact proportion of other underlying sustainable investments that take into account the EU criteria for environmentally or socially sustainable economic activities.

Derivatives are not used to achieve the Mandate's ESG objective. The Mandate's ESG rating or percentage of sustainable investments do not include any contribution from derivatives.



Category #1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

Category #2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Category #1 Aligned with E/S characteristics includes:

- the #1A Sustainable sub-category covering sustainable investments with environmental or social objectives.
- the #1B Other E/S characteristics sub-category covering investments aligned with environmental or social characteristics that are not considered sustainable.



7 Control of environmental or social characteristics

The sustainability indicators used to measure the achievement of all the environmental and social characteristics promoted by the Mandate correspond to the following investment restrictions:

- Exposure to UCITSs that promote, inter alia, environmental or social characteristics within the meaning of the SFDR and/or UCITSs that have a sustainable investment objective within the meaning of the SFDR and/or UCITSs that, following a look-through analysis, meet the Agent's standards in relation to promoting environmental and/or social characteristics.
- The Agent's standards require limited exposure to companies that are considered to breach Global Standards, companies involved in controversial businesses based on the definitions and thresholds set out in the Global Sustainable Investment Policy, or companies that are the subject of ESG controversies of the highest severity.

Indicators are monitored regularly to ensure that the constraints are complied with at all times.



8 Methods

The Indosuez Wealth Management Group has developed a non-financial investment process that equips its investment teams with a methodology for extra-financial classification.

This process is systematically applied to the following asset classes:

- UCITS (internal funds and funds from third-party fund managers).
- Bonds or other fixed income products issued by companies or governments.
- Shares.

Under this non-financial classification methodology, issuers are analysed from three different perspectives:

- The first relates to the eligibility of the financial instrument. In practice, we exclude controversial activities and behaviours for issuers through a basic and in-depth analysis. This analysis reveals the funds with which dialogue is required.
- The second aspect is the analysis of the extent to which ESG considerations are integrated into the financial instrument, which measures its issuer's exposure to ESG risks and how it manages environmental, social and governance issues.
- The third aspect relates to the sustainability of the instrument, which assesses the contribution made by the issuer's products and services to environmental and social objectives.

The Mandate holds UCIs that are the subject of detailed look-through analysis of the ESG profile of the corresponding issuers, by applying the Indosuez Wealth Management Group's ESG methodology, as described below.

The Indosuez Wealth Management Group draws on the analysis of external providers, which have dedicated resources and teams with ESG-related experience. The ESG scores given to target investments are based on an analysis of environmental, social and governance criteria.

Accordingly, the analysis identifies companies performing best relative to their peers in their sector in terms of environmental or social characteristics and that are no worse than their peers in the sector on the other criterion.

Where investments are made in UCIs, a look-through analysis is carried out on the underlying investments to ensure that the selected UCIs meet the Group's standards on promoting environmental and social characteristics.

This process is applied to the financial instruments that form part of the Indosuez Wealth Management Group's investment services universe and serves to identify the appropriate sustainability category for each issuer.

However, derivatives and physical gold are not assessed or screened because, by their very nature, ESG integration is difficult to assess for these instruments, or because sufficient data cannot be collected in order to categorise them appropriately. They will therefore be classified as “uncategorised”.



9 Data sources and processing

Indosuez Wealth Management manages sustainability risk through the systematic and in-depth selection and ESG classification of financial instruments.

Data relating to the ESG and sustainability characteristics of the underlying financial instruments is integrated into Indosuez Wealth Management’s data systems and made available to the relevant departments. This process is based on objective information and market data that is provided by data providers specialised in ESG/sustainability issues.

Data quality

Data quality controls for external data providers are managed by a dedicated unit. Controls are deployed at different stages of the value chain, including pre-integration controls, post-integration controls and post-calculation controls, to name only the controls of proprietary scores.

Data processing

The ESG rating process for external suppliers is based on a combination of material ESG criteria and weightings based on the company’s activity and sector. The three dimensions, Environment, Social and Governance, are analysed through a number of sub-indicators, available based on the materiality and coverage of the issuers. These scores are then standardised into an overall ESG score.

Indosuez Wealth Management then assigns an instrument label by reference to the ranking of issuers based on these different scores, on a sector-by-sector basis. This data is then inputted into Indosuez’s systems to be used by portfolio managers, and by risk, reporting and ESG teams, in a clear and transparent manner.

Estimated proportion of data

ESG ratings are based on quantitative data obtained from external data providers and/or qualitative analyses. Some data - such as greenhouse gas emissions, carbon intensity or diversity on governance bodies - is, to an increasing extent, provided directly by companies but other data is currently still difficult to obtain from companies, with the result that estimates remain a key aspect of the methodology used by data providers.



10 Limitations to methodologies and data

The data used may be subject to the following limitations:

- Lack of data (or audited data) disclosed by companies (limitations concerning the existence and, sometimes, the quality of the data);
- The complexity of certain ESG indicators and the difficulty of quantifying them in a uniform manner;
- Different specialised data providers.

Our non-financial investment process may change and be adapted to take account of regulatory and technical developments.

The selected external UCIs may implement ESG strategies that differ from those implemented within the Indosuez Wealth Management Group. As such, they may adopt different approaches to applying non-financial criteria, which could lead to different interpretations of certain individual values.



11 Due diligence

The due diligence principles applicable to the underlying instruments of discretionary management mandates are described in the Global Sustainable Investment Policy. A dedicated team verifies the ESG and sustainability classifications for each new instrument entering the discretionary management universe and also periodically monitors this data.

Each quarter, ESG instruments are recalculated in accordance with the quantitative methodology described. The results of this calculation are then reviewed by the ESG analysts, who carry out a number of consistency checks on changes within the universe, including (without limitation): significant changes in the ESG score, change of ESG instrument category.

Participatory policies

Companies invested or potentially invested at the issuer level are involved in this process, regardless of the type of holdings held (equities and bonds). The issuers involved are selected primarily according to their level of exposure to the object of the holding, since the environmental, social and governance issues that companies face have a major impact on society, both in terms of risks and opportunities.

Indosuez Wealth Management engages with external fund managers in the event of a difference of opinion on the sustainability characteristics of an issuer, to ask them for additional explanations. If their explanations are insufficient, the fund may be sold or excluded from Indosuez Wealth Management Group's selection of funds.



12 Engagement policies

Is engagement part of the environmental or social investment strategy?

- Yes
 No



13 Designated benchmark

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

- Yes
 No