



NATIXIS INVESTMENT MANAGERS INTERNATIONAL

UCITS under French law

DNCA CONVERTIBLES EUROPE

ANNUAL REPORT as at 31 December 2020

Management Company: Natixis Investment Managers International

Custodian: CACEIS Bank

Statutory Auditor: Mazars



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1. Management report

a) Investment policy

▪ Management policy

1/ Environment

Equity markets finished down for 2020: the Stoxx 600 index of European stocks lost 1.44% with dividends reinvested. The Exane Eurozone Convertibles index was up 6.06%.

The dominant feature of 2020 was the COVID-19 health crisis. The virus officially emerged in China in January, before quickly going on to affect Europe and then the United States. Governments introduced lockdown measures in the first quarter, and then, at the end of the year, imposed major travel restrictions. The public health crisis turned into an economic crisis of unprecedented scale. Governments implemented fiscal measures to support businesses or at least avoid a deeper crisis.

Central banks took action to restore market liquidity and facilitate lending by banks, setting up guarantee systems and paper buybacks. Where possible, they also lowered interest rates; the Fed reduced its lending rate from 1.75% to 0.25% in two stages in early March. As a result, sovereign debts soared. These support measures allowed the financial markets to rebound from late March onwards. For their part, value stocks did not start showing signs of recovery until vaccine candidates were confirmed in early November.

Meanwhile, the US election, Brexit and trade tensions between the US and China over leadership in 5G, which adversely affected Chinese technology stocks, created volatility in the markets.

Despite this environment, companies remained active on the M&A front. For example, Atos took over Ingenico, and in Italy, NEXI acquired SIA. Thermo Fisher and LEG tried unsuccessfully to buy Qiagen and TAG Immobilien respectively. By contrast, Wirecard, once hailed as Germany's online payment champion, filed for insolvency after it was announced that some €1.9 billion was missing from its balance sheet.

The primary convertibles market was particularly active, with European issues worth €28 billion. At the sector level, fresh impetus came from value issuers such as Lufthansa and Safran, and digital issuers such as Delivery Hero and Takeaway. The year also featured new green issues by Neoen and Voltalia in utilities, and Schneider Electric.

The implied volatility of convertibles rose 6 points to 32%, after peaking at 38% in mid-March, while that of European equity options (V2X) ended the year at 25% after a peak of 85%.

2/ Management

From the start of the year, we have been taking profits from well-performing stocks such as Iberdrola and Cellnex. We quickly went negative on candidates likely to be hit by the pandemic, such as aerospace companies Safran and MTU, and Amadeus, and stayed away from Air France and British Airways. We also avoided candidates such as Technip, Total, Eni and BP. In fact, given the steep downturn in global growth, we don't see oil rebounding.



1. Management report

On the other hand, we increased our holdings in “Internet” companies or companies that could continue to expand in a context of reduced movement. We therefore invested in companies such as Ocado, Deliveroo Hero and Just Eat Takeaway, and in technology stocks such as STM.

With the plunge in stocks, we gradually returned to value and growth stocks. For instance, we slowly increased our holdings in Edenred, Safran, MTU, Vinci, LVMH and, in trading, Lufthansa.

Lastly, we made sustainability-focused stocks a priority. We invested, for example, in Schneider Electric, a company committed to improving its sustainability score and whose issue carries the “impact” label. The Exane index was 5.015%. The DNCA Convertibles Europe Fund turned in a per-unit performance as follows:

- FR0010171678 Net perf 4.878%
- FR0010678359 Net perf 4.246%
- FR0011310192 Net perf 5.030%

At end-December, the DNCA Convertibles Europe Fund had a delta of 61%, approximately 9 points above the benchmark, and a gamma of 0.52 (benchmark of 0.54).

3/ Outlook

Convertible bonds had a noteworthy year, underscoring the strategic interest of this asset class. The record year in the primary market, with almost €28 billion in issues, allowed us to diversify the universe and increase mixed-profile convertibles. For example, we were able to take advantage of promising trends in sectors such as payments, semiconductors, home meal deliveries and green energy.

European convertible bonds are still technically attractive in terms of volatility and provide access to a pool that is either recovering (cyclical) or growing (delivery services, technology, etc.).

We will continue to be vigilant in the face of the economic crisis and the ever-present public health risk, and consequently will focus on candidates of high quality.

Past performance is no guarantee of future results.



1. Management report

b) Information on the UCI

▪ Main changes to the portfolio during the financial year

Securities	Changes ("Accounting currency")	
	Purchases	Sales
SIKA AG 0.15% 05-06-25 CV	6,971,639.38	11,126,525.13
JUST EAT TAKEAWAYCOM NV 2.25% 25-01-24	6,929,048.26	9,597,836.98
JPMORGAN CHASE BANK N A ZCP 18-09-22	0.00	15,681,979.20
OCADO GROUP 0.875% 09-12-25 CV	10,215,546.08	5,426,588.52
LVMH MOET HENN ZCP 16-02-21 CV	5,132,673.25	8,483,483.04
AMADEUS CM 1.5% 09-04-25 CV	10,061,341.84	3,450,542.69
KERING ZCP 30-09-22 CV EMTN	5,921,950.00	6,386,235.00
TELECOM ITALIA SPA EX OLIVETTI 1.125% 26-03-22	0.00	12,007,888.91
IMMOFINANZ AG 1.5% 24-01-24	4,622,011.52	7,321,608.63
VINCI 0.375% 16-02-22	5,769,258.89	6,083,834.97

▪ Substantial changes occurring during the financial year and in the future

Transfer of the Ostrum AM equities management to DNCA Finance

▪ Index-linked UCI

This UCI is not included in the classification of index-linked UCIs.

▪ Alternative funds of funds

This UCI is not included in the classification of alternative funds of funds.



1. Management report

▪ **Efficient portfolio management techniques and derivatives (ESMA) in EUR**

a) Exposure obtained through efficient portfolio management techniques and derivative financial instruments

• **Exposure obtained through efficient management techniques: 0.00**

- o Securities lending: 0.00
- o Securities borrowing: 0.00
- o Reverse repurchase agreements: 0.00
- o Repurchase agreements: 0.00

• **Underlying exposure achieved through derivative financial instruments: 0.00**

- o Forward foreign exchange contracts: 0.00
- o Futures: 0.00
- o Options: 0.00
- o Swaps: 0.00

b) Identity of the counterparty/counterparties to efficient portfolio management techniques and derivative financial instruments

Efficient management techniques	Derivatives(*)

(*) Except listed derivatives.



1. Management report

c) Collateral received by the UCITS to reduce counterparty risk

Types of instruments	Amount in portfolio currency
Efficient management techniques	
. Forward deposits	0.00
. Equities	0.00
. Bonds	0.00
. UCITS	0.00
. Cash (*)	0.05
Total	0.05
Derivatives	
. Forward deposits	0.00
. Equities	0.00
. Bonds	0.00
. UCITS	0.00
. Cash	0.00
Total	0.00

(*) The Cash account also includes cash and cash equivalents resulting from repurchase transactions.

d) Operating income and expenses associated with efficient management techniques

Operating income and expenses	Amount in portfolio currency
. Income (*)	314,950.54
. Other income	30.32
Total income	314,980.86
. Direct operating expenses	8,714.04
. Indirect operating expenses	0.00
. Other expenses	157,229.05
Total expenses	165,943.09

(*) Net of the remuneration received by Natixis Asset Management Finance, which may not exceed 40% of the income generated by these transactions. Other income and other expenses relate to remuneration from the investment in deposit accounts of collateral received in cash, which varies according to market conditions, and to any other income on financial accounts and expenses on financial debts not linked to efficient management techniques.



1. Management report

▪ SFTR regulation in EUR

	Securities lending	Securities borrowing	Repurchase agreements	Reverse repurchase agreements	TRS
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a) Securities and commodities lending

Amount	0.00				
% of Net Assets*	0.00				

* % excluding cash and cash equivalents

b) Assets committed for each type of securities financing transaction and TRS, expressed in terms of absolute value

Amount	0.00	0.00	0.00	0.00	0.00
% of Net Assets	0.00	0.00	0.00	0.00	0.00

c) Top 10 issuers of collateral received (excluding cash) for all types of financing transactions

	0.00			0.00	0.00
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d) Top 10 counterparties in terms of absolute value of assets and liabilities without offsetting

	0.00	0.00	0.00	0.00	0.00
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e) Type and quality of guarantees (collateral)

Type					
- Equities	0.00			0.00	0.00
- Bonds	0.00			0.00	0.00
- UCIs	0.00			0.00	0.00
- Negotiable debt securities	0.00			0.00	0.00
- Cash	0.05		0.00		0.00
Rating	0.00	0.00	0.00	0.00	0.00
Collateral currency					
Euro	0.05		0.00	0.00	0.00

f) Settlement and offsetting of contracts

Tripartite				X	
Central counterparty					
Bilateral	X			X	



1. Management report

	Securities lending	Securities borrowing	Repurchase agreements	Reverse repurchase agreements	TRS
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g) Collateral maturity broken down by tranche

Less than 1 day	0.00			0.00	0.00
1 day – 1 week	0.00			0.00	0.00
1 week – 1 month	0.00			0.00	0.00
1 – 3 months	0.00			0.00	0.00
3 months – 1 year	0.00			0.00	0.00
More than 1 year	0.00			0.00	0.00
Open	0.00			0.00	0.00

h) Maturity of securities financing transactions and TRS broken down by tranche

Less than 1 day	0.00	0.00	0.00	0.00	0.00
1 day – 1 week	0.00	0.00	0.00	0.00	0.00
1 week – 1 month	0.00	0.00	0.00	0.00	0.00
1 – 3 months	0.00	0.00	0.00	0.00	0.00
3 months – 1 year	0.00	0.00	0.00	0.00	0.00
More than 1 year	0.00	0.00	0.00	0.00	0.00
Open	0.00	0.00	0.00	0.00	0.00

i) Data on the re-use of collateral

Maximum amount (%)	0.00	0.00	0.00	0.00	0.00
Amount used (%)	0.00	0.00	0.00	0.00	0.00
Income for the UCI following reinvestment of cash collateral in euros	0.00	0.00	0.00	0.00	0.00

j) Data on the custody of collateral received by the UCI

CACEIS Bank					
Securities	0.00			0.00	0.00
Cash	0.05				0.00

k) Data on the custody of collateral provided by the UCI

Securities	0.00	0.00	0.00	0.00	0.00
Cash	0.00	0.00	0.00	0.00	0.00



1. Management report

	Securities lending	Securities borrowing	Repurchase agreements	Reverse repurchase agreements	TRS
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i) Data on income and costs, broken down

Income					
- UCIs	201,572.73	0.00	113,377.81	0.00	
- Manager	0.00	0.00	0.00	0.00	
- Third parties	0.00	0.00	0.00	0.00	
Costs					
- UCIs	1,138.39	0.00	0.00	7,575.65	
- Manager	0.00	0.00	0.00	0.00	
- Third parties	0.00	0.00	0.00	0.00	

e) Data on the type and quality of collateral

Collateral received must comply with the NIM International policy established to guarantee a high level of quality and liquidity, and there must be no direct correlation with the counterparty to the transaction. Additionally, the NIM International collateralisation policy sets out levels of over-collateralisation for each type of security, intended to offset any variation in their value. Finally, a daily margin call system is in place to offset the mark-to-market variations of securities.

i) Data on the reuse of collateral

UCITS funds must reinvest all of their cash collateral (i.e. maximum amount = maximum amount used = 100%) but cannot reuse their securities collateral (i.e. maximum amount = amount used = 0%).

Furthermore, in accordance with the conditions set out in the regulations, in the event that collateral is received in cash, it must only be:

- deposited;
- invested in high-quality government bonds;
- used in reverse repurchase agreements;
- invested in short-term money market undertakings for collective investment (UCIs).

For transactions conducted by NAM Finance, acting as an “agent” or “principal”, the amounts received in respect of cash collateral on temporary sales of securities are invested in an interest-bearing deposit account.

k) Data on the custody of collateral provided by the UCI

All collateral provided by the UCI is transferred under full ownership.



1. Management report

I) Breakdown of data on income and costs

The Management Company has entrusted Natixis Asset Management Finance with performing securities lending and repurchase agreement transactions for the UCITS.

Income from these transactions is returned to the UCITS. These transactions give rise to costs that are borne by the UCITS. Natixis Asset Management Finance's invoicing cannot exceed 40% of the revenue generated by these transactions and is deducted from the income recognised by the UCITS.

The amounts shown do not include remuneration from the investment of cash collateral in deposit accounts.

▪ Access to documentation

The legal documentation for the Fund (KIID, prospectus, periodic reports, etc.) is available from the management company at its head office or from the following email address: ClientServicingAM@natixis.com



1. Management report

c) Information on risks

▪ Overall risk calculation method

The Management Company uses the commitment method to measure the overall risk of this Fund.

▪ Exposure to securitisation

This UCI is not affected by exposure to securitisation.

▪ Risk management

None.

▪ Cash management

None.

▪ Processing of non-liquid assets

This UCI is not affected.



1. Management report

d) Environmental, social and governance (ESG) criteria

RESPONSIBLE INVESTOR APPROACH

A responsible investor approach is central to DNCA Finance and is based first and foremost on the company's values. At DNCA Finance, our mission is to deliver a strong, sustainable performance to our clients but not at any cost. Firstly, we will not take any inappropriate risks that could jeopardise our clients' capital. Secondly, we will not finance, on our clients' behalf, companies whose activities are not aligned with our sense of ethics. This approach is set out in the DNCA Finance exclusion policy.

Link to our Exclusion Policy, December 2020: <https://www.dnca-investments.com/isr/Politique%20exclusion%20FR.pdf>

DNCA Finance seeks to actively promote responsible investment to its investor clients and the financial community. This is why the company is a signatory to the UNPRI and active within its collaborative platform. DNCA Finance is also a member of the AFG's Responsible Investment Committee and participates in the working group on the European consultation on sustainable finance initiatives. Still in this area, the company adheres to the AFG-FIR-Eurosif transparency code for SRI funds open to the public. Similarly, DNCA Finance pays particular attention to the French government labels SRI and TEEC in their current form and is committed to participating in their development. DNCA Finance has also been a signatory to the Carbon Disclosure Project since 2018.



Integrating ESG at DNCA Finance

ESG analyses at DNCA Finance are performed by the SRI team, which was set up in 2018. The team's goal is to provide in-house research to all DNCA asset managers. In particular, it is tasked with feeding and interpreting the ABA (Above & Beyond Analysis) model, a non-financial analysis tool.

In 2021, ESG integration will be formalised for all asset classes offered by DNCA Finance. Expertise in convertibles falls within this scope since it is a strategic asset class for the Group. Consequently, in 2021 convertible funds will also be subject to the SRI fund labelling process.



1. Management report

Ongoing controversy monitoring at DNCA Finance

Our goal is to check whether the principles laid down by a company are aligned with reality and compile warnings for managers as appropriate. Each controversy is fully analysed and a report drawn up. Analyses that are tangible are used as a leading indicator and not as an automatic sanctioning tool. Given the global nature of the companies and the profusion of information, it is important to distinguish, in each case, what is an isolated incident and what is a major red flag.

A policy of voting, commitment and dialogue with companies at DNCA Finance

Our conviction-based management approach means that we select stocks only after conducting an in-depth analysis of a company's fundamentals. Our interactions with senior managers are therefore the linchpin of our profession. Similarly, our non-financial analysis includes meeting with a company as often as possible to discuss responsibility and sustainable transition issues. We are very much an active shareholder keen to exercise our voting rights at general meetings.



1. Management report

e) French law on the energy transition for green growth

This UCI is not affected by the regulations of the French Law on the Energy Transition for Green Growth.



2. Governance and compliance commitments

▪ Procedure for selecting and assessing intermediaries and counterparties – Execution of orders

For the Management Company to meet its best execution obligation, the selection and monitoring of rate intermediaries, stockbrokers and counterparties is governed by a specific process.

The management company's policy regarding the selection of intermediaries/counterparties and order execution is available online at <http://www.im.natixis.com>.

▪ Voting policy

The latest annual report and details of the conditions under which the management company intends to exercise the voting rights associated with securities held in the portfolio by the funds it manages are available from the company's registered office, or online at <http://www.im.natixis.com>.

▪ Remuneration policy of the delegating management company

This NIMI remuneration policy consists of general principles applicable to all employees (see point I), specific principles applicable to employees identified by AIFM and UCITS V (see point II) and a governance mechanism applicable to all employees (see point III).

It falls within the framework of the remuneration policy defined by Natixis and is established in compliance with the provisions relating to remuneration stipulated in the following regulatory texts, as well as the guidelines of the European Securities and Markets Authority (ESMA) and the positions of the Autorité des Marchés Financiers (AMF, the French Financial Markets Authority) resulting therefrom:

- Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, transposed into the French Monetary and Financial Code by Order No. 2013-676 of 27 July 2013 ("AIFM Directive").
- Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 on undertakings for collective investment in transferable securities, transposed into the French Monetary and Financial Code by Order No. 2016-312 of 17 March 2016 ("UCITS V Directive").
- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, transposed into the Monetary and Financial Code by Order No. 2016-827 of 23 June 2016, supplemented by the Delegated Regulation 2017/565/EU of 25 April 2016 ("MiFID II Directive").

I. GENERAL PRINCIPLES OF THE REMUNERATION POLICY

The remuneration policy is a strategic aspect of the NIMI policy. As a tool to enhance employee motivation and commitment, it aims to be competitive and attractive in relation to the rest of the industry while fully complying with key financial indicators and regulations.



2. Governance and compliance commitments

NIMI's remuneration policy, which applies to all employees, counts the alignment of employees' interests with those of investors among its fundamental principles:

- It is consistent and promotes sound and efficient risk management and does not encourage risk-taking that would be incompatible with the risk profiles, regulations or documents constituting the products managed.
- It is in line with the economic strategy, objectives, values and interests of the Management Company and the products it manages, as well as those of investors, and includes measures aimed at preventing conflicts of interest.

The remuneration policy covers all components of remuneration, which include fixed remuneration and, where applicable, variable remuneration.

Fixed remuneration rewards skills, professional experience and level of responsibility. It takes into account market conditions.

Variable remuneration depends on the assessment of collective performance — measured at the level of the Management Company and the products managed — and individual performance. It considers quantitative and qualitative factors, which may be established on a yearly basis or across a number of years.

I-1. Definition of performance

The objective and transparent evaluation of annual and multi-year performance based on predefined objectives is the prerequisite for the application of NIMI's remuneration policy. It ensures the fair and selective treatment of employees. This evaluation is shared between the employee and their manager during an individual appraisal interview.

The contribution and performance level of each employee are evaluated with regard to their duties, assignments and level of responsibility in the Management Company. In this context, the remuneration policy distinguishes several categories of staff:

- The Management Committee is assessed on its contribution to the definition and implementation of the Management Company's strategy, this strategy being part of that of the international distribution platform and that of Dynamic Solutions. The Management Committee is also assessed on its ability to expand the performance of product and service offerings, on the performance of the distribution activity and, more generally, on the development of the group's multi-boutique model, as well as on the risk-adjusted financial performance within its scope of supervision. For this category, performance is assessed annually through quantitative indicators linked to changes in NIMI's financial results and supervised activities, as well as a contribution to the overall performance of Natixis IM. Performance is also assessed through the achievement of qualitative objectives, such as the quality of management and/or responsibility for/contribution to cross-functional projects.
- Support functions are assessed on their ability to proactively support the strategic challenges of the Management Company. Individual performance is assessed annually through the achievement of qualitative objectives, such as the quality of recurring activity and the degree of participation in cross-functional projects or strategic/regulatory plans. These objectives are defined annually in accordance with those of NIMI, those of the international distribution platform and, where applicable, those of Dynamic Solutions.



2. Governance and compliance commitments

- Assessment of the performance of control functions is based on the evaluation of qualitative criteria only, such as participation in cross-functional projects or in strategic/regulatory plans, defined annually, so as to avoid compromising their independence or creating conflicts of interest with the activities they control.
- The performance of management functions is assessed according to a quantitative criterion linked to the generation of value through allocation, supplemented by one or more qualitative criteria.
This quantitative criterion reflects the development issues of the management performance sought by investors without causing excessive risk-taking, which may have an impact on the risk profile of NIMI and the products managed.
This quantitative criterion is calculated over a predefined period in line with the risk-adjusted performance horizon of the funds managed and of the management company.
- The assessment of the performance of the distribution functions is based on the evaluation of quantitative and qualitative criteria. The quantitative criteria are based on gross inflows, net inflows, turnover, the profitability of assets under management and how these change. The qualitative criteria include the diversification and development of the business (new clients, new affiliates, new expertise, etc.) and the joint consideration of the interests of NIMI and those of clients.

For all categories of staff, the performance assessment incorporates qualitative criteria.

These qualitative criteria always include compliance with regulations and internal procedures in terms of risk management and NIMI compliance.

They may also include the quality of the relationship with clients, including the level of expertise and advice provided, improving the reliability of a process, participating in a cross-disciplinary project, participating in the development of new expertise, contributing to the development of operational efficiencies or any other aspects defined by the strategic objectives set out by NIMI.

For each category of staff, all quantitative and qualitative objectives are defined and communicated individually at the start of the year, in line with NIMI's strategic objectives.

I-2. Remuneration components

I-2.1. Fixed remuneration

NIMI strives to maintain a level of fixed remuneration that sufficiently remunerates employees for their professional activity.

Fixed remuneration rewards the skills, professional experience and level of responsibility expected of an employee when performing their duties.

The positioning of fixed remuneration is reviewed periodically to ensure its consistency with regard to geographical and professional market practices.



2. Governance and compliance commitments

The revaluation of fixed salaries is analysed once a year as part of the annual remuneration review. Outside these periods, only cases of promotion, professional mobility or exceptional individual situations may give rise to a revaluation.

I-2.2. Variable remuneration

The variable remuneration packages are defined based on the annual results of NIMI, the international distribution platform and Dynamic Solutions, and also by reference to qualitative elements, such as the practices of competitor companies, the general conditions of the market applicable at the time the results were obtained and any factors that may have temporarily influenced the business line's performance.

Variable remuneration, where awarded, is paid to reward an individual annual performance achieved as part of a collective performance.

NIMI's collective variable remuneration consists of mandatory and optional profit-sharing and incentive schemes, together with a company savings plan (*plan d'épargne d'entreprise*, PEE) and a company collective retirement savings plan (*plan d'épargne pour la retraite collectif*, PERCO). Employees can benefit from a matching scheme under these plans.

This collective variable remuneration has no incentive impact on the risk management of NIMI and/or the managed products and does not fall within the scope of the AIFM or UCITS V directives.

In compliance with the overall variable remuneration packages, individual variable remuneration is allocated as part of the annual remuneration review in a discretionary manner objectified with regard to the assessment of individual performance and the way in which performance is achieved. Variable remuneration awarded to employees is affected by inappropriate risk and compliance management or non-compliance with regulations and internal procedures over the year considered (see I-1. above).

The identified employees are subject to specific obligations in terms of adherence to the rules on risks and compliance. A breach of these obligations may result in the partial reduction or removal of the individual variable remuneration awarded.

In the event of a loss or a significant fall in its profits, NIMI may also decide to reduce or entirely cancel the amount allocated to individual variable remuneration, together with any deferred instalments of variable remuneration previously awarded and in the process of vesting.

There are no contractual guarantees for variable remuneration, with the occasional exception of variable remuneration awarded for the first year of work within the framework of external recruitment.

"Golden parachute" agreements are forbidden. Payments related to the early termination of an employment contract are defined in accordance with legal provisions (legal and contractual indemnities) and the performance of the beneficiary, the area of the business to which they belong and the performance of the entire Management Company over the period. They are designed to avoid rewarding failure.



2. Governance and compliance commitments

Variable remuneration is not paid through instruments or methods that facilitate circumvention of the requirements established in the regulations.

I-2.3. Key employee retention scheme

NIMI wants to ensure that its investors have confidence in the stability of its teams.

In order to achieve this, a deferred remuneration system has been incorporated into its remuneration policies.

Beyond a certain variable threshold, this scheme leads to the allocation of a proportion of the variable remuneration in the form of a cash payment indexed to changes in the consolidated financial performance of Natixis IM measured by its earnings before tax (EBT), recorded each year over a minimum period of three years. The deferred variable remuneration component vests in equal tranches over a minimum period of three years and aligns employees' remuneration with Natixis IM's performance. The deferred variable remuneration rate is calculated by applying a deferred remuneration table. This scheme is subject to the employee meeting conditions relating to attendance and the absence of conduct inconsistent with the company's standards that may have an impact on NIMI's level of risk. Vesting of these tranches may be subject to a repayment commitment, either in full or in part, in order to ensure ex-post risk adjustment.

I-2.4. Balance between fixed and variable remuneration

NIMI ensures that there is an appropriate balance between the fixed and variable components of overall remuneration and that the fixed component represents a sufficiently high proportion of overall remuneration so that a fully flexible policy can be exercised with regard to variable components of remuneration, including the option of paying no variable component. All individual situations for which variable remuneration represents more than 100% of fixed remuneration and which can be explained by market practice and/or an exceptional level of responsibility, performance and behaviour, are documented by the Human Resources Department as part of the annual remuneration review.

II. APPLICATION OF THE SCHEME APPLICABLE TO IDENTIFIED STAFF UNDER THE AIFM AND/OR UCITS V DIRECTIVES

II-1. Identified employees

In accordance with regulatory provisions, NIMI's identified employees includes the categories of employee, including executive managers, risk-takers and those exercising a control function, as well as any employee who, based on his/her total remuneration, is in the same remuneration bracket as executive managers and risk-takers, whose employment activities have a material impact on the risk profile of the management company and/or the products managed by the management company. These persons are identified based on their employment activities, level of responsibility or their overall level of remuneration.

With a view to consistency and harmonisation, NIMI has decided to apply the scheme applicable to identified employees to all managed products (mandates, UCITSs and AIFs).



2. Governance and compliance commitments

The following employee categories are identified:

- Members of the management body,
- Members of staff responsible for portfolio management,
- Managers of control functions (risk, compliance and internal control),
- Managers of support or administrative functions,
- Other risk-takers,
- Employees who, given their overall remuneration, are in the same remuneration bracket as executive management and risk-takers.

Each year, prior to the annual remuneration review, the Human Resources Department draws up and formally records the identification methodology and scope of NIMI's identified employees, in conjunction with the Director of Permanent Controls.

The names of all identified employees are then validated by NIMI's Executive Management, before being provided to the Natixis Remuneration Committee.

The entire identification process is documented and archived by the Human Resources Department. The employees concerned are also informed of their status.

II-2. Scheme applicable to variable remuneration allocated to identified employees

In accordance with regulations and in order to ensure alignment between employees and investors and the Management Company, where the variable remuneration of identified employees exceeds a certain threshold, it is partly deferred and partly awarded in the form of a financial instrument vesting over a period of at least three years, acquired *pro rata temporis*.

The proportion of variable remuneration, which is deferred over three years, increases with the amount of variable remuneration awarded and may reach 60% for those with the highest remuneration at NIMI. Currently, the application methods for the deferred payment are as follows:

- Between €200,000 and €499,000: 50% deferred.
- From €500,000: 60% deferred.

The thresholds for triggering deferred variable remuneration are subject to change depending on regulations or changes to internal policies. In this case, the new thresholds are submitted to NIMI's Management Committee and the Natixis Remuneration Committee for their approval.

A minimum of 50% of variable remuneration is also awarded in financial instruments in the form of indexed cash payments:

- For teams directly involved in portfolio management, to the performance of a selection of products managed by NIMI.
- For teams that are not directly involved in portfolio management, to changes in Natixis IM's consolidated financial performance measured by its earnings before tax (EBT), recorded each year over a minimum period of three years.

The vesting of the deferred component of variable remuneration is subject to the employee meeting certain conditions relating to attendance and to Natixis IM's consolidated financial performance as well as the absence of conduct inconsistent with the company's standards that may have an impact on the level of risk for NIMI and/or the products managed.

This vesting is also subject to obligations in terms of adherence to the rules on risks and compliance. Failure to comply with



2. Governance and compliance commitments

these obligations may result in a partial or total decrease in the vesting. It may also be subject to a full or partial repayment commitment in order to ensure ex-post risk adjustment.

Employees benefiting from deferred variable remuneration are prohibited from using individual hedging or insurance strategies over the entire vesting period.

The terms and conditions applicable to the calculation, valuation, allocation, vesting and payment of the deferred variable remuneration in equivalent financial instruments are set out in NIMI and Natixis IM's Long-Term Incentive Plans (LTIPs).

III. GOVERNANCE

The general and specific principles of the remuneration policy are drawn up and formally recorded by NIMI's Human Resources Department in line with the policy applicable to the global distribution platform.

NIMI's Permanent Controls Department and Risk Department have an active role in the development, ongoing monitoring and evaluation of the remuneration policy. They are thus involved in determining the overall strategy applicable to the Management Company to promote the development of effective risk management. As such, they are involved in determining the scope of identified employees. They are also responsible for assessing the impact of the variable remuneration structure on the risk profile of managers.

NIMI's remuneration policy is approved by the NIMI Board of Directors.

The general and specific principles, the terms of application and summary figures of the remuneration policy for identified employees are successively approved by the members of NIMI's Executive Committee, Natixis IM Executive Management and Natixis Executive Management.



2. Governance and compliance commitments

NIMI does not have its own remuneration committee but, as a member of the Natixis Group, reports to the Natixis Remuneration Committee.

The Natixis Remuneration Committee was established and acts in accordance with regulations¹:

- Both in its composition: independence and expertise of its members.
- And in the exercise of its duties which, more specifically for management companies, include the following roles:
 - o Recommendation and assistance to the Board of Directors in the development and implementation of the Management Company's remuneration policy.
 - o Assistance to the Board of Directors in supervising the development and operation of the management company's remuneration system.
 - o Specific attention is paid to the evaluation of the mechanisms used to ensure that the remuneration system takes proper account of all categories of risk, liquidity and the levels of assets under management and that the remuneration policy is compatible with the economic strategy, objectives, values and interests of the management company and the products managed and those of investors.

In this context, the general and specific principles, the compliance of NIMI's remuneration policy with applicable regulations and the terms of application and summary figures of the remuneration policy, including details of identified staff and those with the highest remuneration, are submitted to the Natixis Remuneration Committee for review, before being approved by its Board of Directors.

The remuneration of NIMI's Chief Executive Officer is set by the executive management of Natixis IM and Natixis, then presented to the Natixis Remuneration Committee before being approved by the Natixis Board of Directors.

The remuneration of NIMI's Risk and Compliance Directors is reviewed, as part of the independent reviews carried out by the risk and compliance functions, by Natixis IM's Risk and Compliance Directors. They are then submitted to the Natixis Remuneration Committee.

The general and specific principles of the remuneration policy are communicated internally to all employees and members of the Works Council.

This entire review, validation and communication process takes place every year. It includes any regulatory and contextual changes and is consistent with the Natixis remuneration policy.

Finally, the entire NIMI remuneration policy is subject to a centralised and independent annual review by Natixis IM's Internal Audit Department.

When NIMI delegates the financial management of one of the portfolios that it manages to another management company, it ensures that this delegated company complies with the regulations in force.

¹: For more details on the composition and role of the NATIXIS Remuneration Committee, see the company's Reference Document.



2. Governance and compliance commitments

Remuneration paid during the last financial year

The total amount of remuneration for the financial year, broken down into fixed and variable remunerations, paid by the Management Company to its staff and the number of beneficiaries, is as follows:

Fixed remuneration in 2019*: €23,312,064,
Variable remuneration awarded for 2019: €10,560,038,
Employees concerned: 327 employees.

** Theoretical fixed remuneration for full-time equivalent (FTE) as at 31 December 2019.*

The aggregate amount of remuneration, broken down between the senior executives and members of staff of the management company whose activities have a significant impact on the risk profile of the management company and/or portfolios is as follows:

Total remuneration awarded for 2019: €8,479,492 including,
- Senior executives: €4,395,012,
- Members of staff: €4,084,480.



2. Governance and compliance commitments

▪ Remuneration policy of the delegated management company

1. Background

The remuneration policy used by the DNCA Group takes into account the “common provisions on remuneration policies within management companies” drafted by the main professional associations representing the asset management industry as well as the provisions resulting from the UCITS V, AIFM and MiFID 2 Directives, the ESMA guidelines on sound remuneration policies under the Undertakings for Collective Investment in Transferable Securities Directive (ESMA/2016/575) dated 14 October 2016, and Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

It was defined and formalised by DNCA Finance’s Executive Committee. It is approved by Natixis Investment Managers (hereinafter NIM) and by the supervisory body of each DNCA Group entity, reviewed annually and submitted for notice of compliance to DNCA Finance’s Head of Internal Control and Compliance. Its purpose is to promote sound and effective risk management and not engage the members of the Supervisory Committee, Executive Committee or any other member of DNCA Group staff in excessive risk-taking.

It is also defined in such a way as to avoid conflicts of interest and prevent reckless risk-taking or risks that are not in clients’ interests.

This policy applies to all DNCA Group staff and lays down the specific provisions that exist for identified staff.

The remuneration policy is based on skills assessment and on quantitative and qualitative annual and multi-year performance criteria. Its fundamental principles incorporate the alignment of the interests of investors, employees and DNCA Group companies.

2. Scope of identified staff

Identified staff comprise:

- Executive Committee members
- Staff members responsible for portfolio management
- Managers of control functions (risks, compliance and internal control)
- Those responsible for support or administrative activities
- Other risk-takers
- Employees who, in view of their total remuneration, are in the same remuneration bracket as general management and risk-takers

The scope of the identified staff is reviewed annually.



2. Governance and compliance commitments

3. Types of remuneration

The structure of the remuneration paid to Group DNCA employees is identical for all employees and breaks down as follows:

- fixed remuneration;
- individual variable remuneration as specified below;
- collective variable remuneration (namely optional and mandatory profit-sharing premiums).

Note that collective variable remuneration is not covered by the AIFM and UCITS Directives as it is part of a general, non-discretionary policy and provides no incentive for risk-taking. It is therefore excluded from the definition of remuneration.

An appropriate balance is established between the fixed and variable components of overall remuneration. The fixed component may represent a sufficiently high proportion of overall remuneration such that a flexible policy may be exercised with regard to variable components of remuneration, including the option of paying no variable component.

4. Determination of variable remuneration

Individual variable remuneration is based on the function and level of responsibility. It is awarded on a discretionary basis in the light of the individual performance evaluation.

It is comprised as follows:

- a cash component
- a cash component indexed to a representative basket of AIFs and UCITS set up by DNCA Finance for identified staff.

The DNCA Group does not pay variable remuneration through instruments or by using methods that would facilitate the circumvention of legal and regulatory provisions applying to it.

Variable remuneration is awarded based on the contribution to individual performance as assessed by the DNCA Finance Executive Committee according to the principles set out below.

- The total variable remuneration package is determined as a percentage of EBITDA (earnings before interest, taxes, depreciation, and amortisation), so that the amounts paid out are calibrated to the DNCA Group's results.
- The amount of this package is presented to Natixis Investment Managers ("NIM") at a formal meeting. The package is then approved by the Natixis Remuneration Committee.
- Packages for the various departments are determined using a bottom-up method, with an objective at each stage to determine the contribution to collective performance.



2. Governance and compliance commitments

Criteria for determining discretionary variable remuneration for identified staff

Performance is assessed based on quantitative and qualitative criteria specific to the main job categories of the identified staff (asset management, trading desk, sales, investment advisory services, compliance duties and internal control/risks). Depending on the role, the assessment includes a time scale and takes into account compliance with risk limits and the interests of clients.

The variable remuneration package is determined on the basis of quantitative and qualitative criteria. Specific criteria incorporating risks related to sustainability, i.e. social, environmental and governance issues, must be defined for all management team employees.

To avoid any conflict of interest or compromises to their objectivity, the heads of compliance and internal control, and the heads of risk management are assessed based on targets and results specific to their roles, and not the targets and results of the business lines whose operations they oversee and approve.

This vesting is also subject to obligations in terms of adherence to the rules on risks and compliance. Failure to comply with these obligations may result in a partial or total decrease in the vesting. It may also be subject to a full or partial repayment commitment in order to ensure ex-post risk adjustment.

5. Procedures for paying variable remuneration to identified staff

Above a specific variable remuneration threshold that is reviewed annually, the variable remuneration awarded to identified staff will be paid as follows:

- at least 50% of this variable remuneration will be deferred (variable remuneration is announced but its vesting is deferred).
This proportion increases with the amount of variable remuneration awarded and may reach 60% for those with the highest remuneration;

It is spread in thirds over the three financial years following the year in which the variable remuneration was awarded. This deferred component will be indexed to the performance of a basket of funds (the "Basket Fund").

The Basket Fund is determined in such a way as to best align the interests of employees and those of investors, without too much targeted-fund concentration. It consists of UCIs that are representative of DNCA Finance's principal management strategies.

This Basket Fund may be adapted based on changes to DNCA Finance's product range and asset management expertise. The composition and weighting of the Basket Fund are reviewed annually to ensure that the Basket Fund is representative.



2. Governance and compliance commitments

The following two situations would result in the non-payment of the deferred portion:

- If DNCA Finance's financial position declines to the extent that EBITDA in one of the three payout years mentioned above is negative, the payout could be cancelled or reduced. In the event such a decision is made, it would uniformly affect all employees who are part of the concerned Identified Staff, in the financial year in question, by a deferred variable allocation.
- A decision of this kind is made by the DNCA Finance Executive Committee and must be approved first by the Supervisory Committee and NIM, and then by the Natixis Remuneration Committee.
- In the event of wilful or grave misconduct by one of the staff members concerned during one of the three payout years mentioned above, the DNCA Group may reduce or cancel the deferred portion that has not yet been paid to that person.

Similarly, in the event that a major sustainability-related risk materialises, i.e. an ESG event or situation occurs that would have a material and lasting adverse impact on the value of the funds/products under management, the package allocated to individual discretionary variable remuneration may be reduced or even cancelled, as may the maturities in the process of vesting and related to the discretionary variable remuneration already awarded and deferred, if applicable.

The non-deferred portion of variable remuneration will be paid out in cash at the beginning of the following year (typically at the end of January).

6. Prohibition on the use of hedging strategies and guaranteed variable remuneration

Employees undertake not to use personal hedging strategies or insurance strategies related to remuneration or liability to circumvent risk-alignment requirements written into remuneration agreements.

Guaranteed variable remuneration is prohibited, except when hiring staff. In such cases the guarantee is strictly limited to one year.

Remuneration paid during the last financial year:

The total amount of remuneration awarded by DNCA Finance and its subsidiaries to all staff in respect of the 2020 financial year was €38.6 million.

This amount breaks down as follows:

- total amount of fixed remuneration: €11.9 million;
- total amount of variable remuneration: €26.7 million:

✓ of which deferred variable remuneration of identified staff: €11.2 million;

✓ of which non-deferred variable remuneration of identified staff and other staff categories: €15.5 million.



3. Fees and taxation

▪ Intermediation fees

Detailed information on the terms and conditions applied by the management company for order execution or investment decision-making support services during the year ended can be found on its website at <http://www.im.natixis.com>.

▪ Withholdings at source

This UCI is not involved in recoveries of withholding tax in respect of this year.



4. Statutory Auditor's report

DNCA CONVERTIBLES EUROPE FUND

43 avenue Pierre Mendès France
75013 Paris, France

Statutory Auditor's Report on the Annual Financial Statements

Financial year ended 31 December 2020

Notice to unitholders of the DNCA CONVERTIBLES EUROPE MUTUAL FUND,

Opinion

In execution of the assignment entrusted to us by the management company, we have audited the annual financial statements of the undertaking for collective investment in the form of the DNCA CONVERTIBLES EUROPE mutual investment fund relating to the financial year ended 31 December 2020, as attached to this report.

We certify that the annual financial statements are, in compliance with French accounting rules and principles, accurate and consistent and give a true and fair view of the financial performance for the previous financial year, as well as the financial situation and assets of the Fund at the end of this financial year.

Basis of opinion

Audit terms of reference

We conducted our audit in accordance with the standards of professional practice applicable in France. We believe that the information we collected is sufficient and appropriate as a basis for our opinion.

Our responsibilities pursuant to these standards are set out in the section of this report entitled "Statutory Auditor's responsibilities regarding the audit of the annual financial statements".

Independence

We performed our audit assignment in accordance with the rules of independence stipulated in the French Commercial Code and French Code of Ethics for Statutory Auditors, for the period from 1 January 2020 to the issue date of our report.

Justification of assessments

The global crisis related to the COVID-19 pandemic has meant that this year's financial statements have been prepared and audited under special conditions. The crisis and exceptional measures adopted in the context of the public health emergency have had multiple consequences for the funds, their investments and the valuation of the corresponding assets and liabilities. Some of the adopted measures, such as travel restrictions and remote working, have also impacted the UCI's operational management and the way in which audits are carried out.

Against this developing backdrop, and in accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you that, in our professional opinion, the most significant assessments we conducted were based on the appropriateness of the accounting principles applied, particularly regarding the financial instruments held in the portfolio, and on the overall presentation of the financial statements in terms of the chart of accounts for open-ended undertakings for investment.

The assessments were made as part of our audit of the annual financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed above. We thus have no comment to make on any individual aspect of these annual financial statements.

Specific verifications

We also performed the specific verifications required by the relevant legal and regulatory provisions and in accordance with professional auditing standards in France.

We have no observations to make concerning the accuracy and consistency with the annual financial statements of the information provided in the management report prepared by the management company.

Responsibilities of senior management and those persons in charge of corporate governance relating to the annual financial statements

It is the management company's responsibility to prepare Annual Financial Statements that give a true and fair view, in accordance with French accounting rules and principles, and to implement the internal controls it deems necessary for the preparation of Annual Financial Statements that are free of material misstatement, whether due to fraud or error.

When preparing the annual financial statements, it is the management company's responsibility to assess the Fund's ability to continue as a going concern, to present in said financial statements, where applicable, the necessary information relating to its viability as a going concern, and to apply the going concern accounting policy unless it intends to wind up the Fund or to cease trading.

The annual financial statements were prepared by the management company.

Statutory Auditor's responsibilities regarding the audit of the annual financial statements

It is our responsibility to draft a report on the annual financial statements. Our aim is to obtain reasonable assurance that the annual financial statements, taken as a whole, are free of material misstatement. Reasonable assurance corresponds to a high level of assurance but does not guarantee that an audit performed in accordance with the standards of professional practice can systematically detect any material misstatement. Misstatements can arise from fraud or error and are considered material where it can be reasonably expected that, taken individually or together, they may influence the economic decisions made by users of the financial statements that are based upon such misstatements.

As specified in Article L. 823-10-1 of the French Commercial Code, our task is to certify the financial statements and not to guarantee the viability or the quality of the management of your Fund.

As part of an audit conducted in accordance with the professional practice standards applicable in France, the Statutory Auditor exercises its professional judgement throughout this audit. In addition:

- it identifies and assesses the risks of material misstatement in the annual financial statements, whether due to fraud or error, designs and performs audit procedures intended to counter those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement due to fraud is greater than for a material misstatement due to error because fraud can involve collusion, forgery, deliberate omissions, misrepresentation or circumvention of internal control processes;
- it obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- it assesses the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as the information provided in this regard in the Annual Financial Statements;
- it assesses the appropriateness of the management company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. This assessment is based on the information gathered up to the date of its report, on the understanding that subsequent events or circumstances may affect its viability as a going concern. If it concludes that significant uncertainty exists, it draws the attention of the reader of the report to the information provided in the annual financial statements about this uncertainty or, if this information is not provided or is not relevant, it issues a certification with reservations or a refusal to certify;
- it evaluates the overall presentation of the annual financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

The Statutory Auditors

Mazars

Courbevoie, France, 24 March 2021

[Signature]

Pierre Masieri



5. Annual financial statements

a) Annual financial statements

▪ BALANCE SHEET – ASSETS AT 31/12/2020 IN EUR

	31/12/2020	31/12/2019
NET FIXED ASSETS	0.00	0.00
DEPOSITS	10,076.93	35,974,117.26
FINANCIAL INSTRUMENTS	307,469,346.48	345,630,390.62
Equities and equivalent securities	0.00	4,162,652.62
Traded on a regulated or equivalent market	0.00	4,162,652.62
Not traded on a regulated or equivalent market	0.00	0.00
Bonds and equivalent securities	291,113,419.57	274,485,845.55
Traded on a regulated or equivalent market	291,113,419.57	274,485,845.55
Not traded on a regulated or equivalent market	0.00	0.00
Debt securities	0.00	0.00
Traded on a regulated or equivalent market	0.00	0.00
Negotiable debt securities	0.00	0.00
Other debt securities	0.00	0.00
Not traded on a regulated or equivalent market	0.00	0.00
Undertakings for collective investment	16,355,926.91	14,834,660.33
Retail UCITS and AIFs and equivalents in other countries intended for non-professional investors	16,355,926.91	14,834,660.33
Other funds and equivalents in other EU Member States intended for non-professional investors	0.00	0.00
Retail professional funds and their equivalents in other EU Member States and listed securitisation vehicles	0.00	0.00
Other professional investment funds and their equivalents in other EU member states and unlisted special purpose vehicles	0.00	0.00
Other non-European undertakings	0.00	0.00
Temporary securities transactions	0.00	52,147,232.12
Receivables on securities received under repurchase agreements	0.00	0.00
Receivables on loaned securities	0.00	35,729,494.22
Borrowed securities	0.00	0.00
Securities transferred under repurchase agreements	0.00	16,417,737.90
Other temporary transactions	0.00	0.00
Forward financial instruments	0.00	0.00
Transactions on a regulated or equivalent market	0.00	0.00
Other transactions	0.00	0.00
Other financial instruments	0.00	0.00
RECEIVABLES	243,617.49	24,186,764.71
Forward foreign exchange transactions	0.00	23,818,650.98
Other	243,617.49	368,113.73
FINANCIAL ACCOUNTS	6,224,486.71	9,554,860.64
Cash and cash equivalents	6,224,486.71	9,554,860.64
TOTAL ASSETS	313,947,527.61	415,346,133.23



5. Annual financial statements

▪ **BALANCE SHEET – LIABILITIES AT 31/12/2020 IN EUR**

	31/12/2020	31/12/2019
SHAREHOLDERS' EQUITY		
Capital	305,415,760.63	326,777,577.05
Undistributed prior net capital gains and losses (a)	0.00	8.18
Retained earnings (a)	0.00	0.00
Net gains and losses for the year (a, b)	4,737,324.45	8,002,970.74
Income for the financial year (a, b)	-1,715,769.15	-1,629,556.37
TOTAL SHAREHOLDERS' EQUITY *	308,437,315.93	333,150,999.60
<i>* Amount representative of net assets</i>		
FINANCIAL INSTRUMENTS	0.00	34,768,704.99
Sales of financial instruments	0.00	0.00
Temporary securities transactions	0.00	34,768,704.99
Payables on securities transferred under repurchase agreements	0.00	16,038,722.57
Payables on borrowed securities	0.00	0.00
Other temporary transactions	0.00	18,729,982.42
Forward financial instruments	0.00	0.00
Transactions on a regulated or equivalent market	0.00	0.00
Other transactions	0.00	0.00
PAYABLES	468,170.32	44,090,165.49
Forward foreign exchange transactions	0.00	23,747,616.41
Other	468,170.32	20,342,549.08
FINANCIAL ACCOUNTS	5,042,041.36	3,336,263.15
Current bank loans	5,042,041.36	3,336,263.15
Borrowings	0.00	0.00
TOTAL LIABILITIES	313,947,527.61	415,346,133.23

(a) Including adjustments

(b) Less interim dividends paid during the financial year



5. Annual financial statements

▪ OFF-BALANCE SHEET ITEMS AT 31/12/2020 IN EUR

	31/12/2020	31/12/2019
HEDGING TRANSACTIONS	0.00	0.00
Commitments on regulated or equivalent markets	0.00	0.00
Commitments on over-the-counter markets	0.00	0.00
Other commitments	0.00	0.00
OTHER TRANSACTIONS	0.00	0.00
Commitments on regulated or equivalent markets	0.00	0.00
Commitments on over-the-counter markets	0.00	0.00
Other commitments	0.00	0.00



5. Annual financial statements

▪ INCOME STATEMENT AT 31/12/2020 IN EUR

	31/12/2020	31/12/2019
Income from financial transactions		
Income from deposits and financial accounts	30.32	2,826.42
Income from equities and equivalent securities	181,833.34	0.00
Income from bonds and equivalent securities	840,588.53	1,317,810.65
Income from debt securities	0.00	0.00
Income from temporary purchases and sales of securities	314,950.54	497,860.47
Income from forward financial instruments	0.00	0.00
Other financial income	0.00	0.00
TOTAL (1)	1,337,402.73	1,818,497.54
Expenses on financial transactions		
Expenses on temporary purchases and sales of securities	8,714.04	1,211.30
Expenses on forward financial instruments	0.00	0.00
Expenses on financial debt	157,229.05	195,755.69
Other financial expenses	0.00	0.00
TOTAL (2)	165,943.09	196,966.99
PROFIT/LOSS ON FINANCIAL TRANSACTIONS (1 – 2)	1,171,459.64	1,621,530.55
Other income (3)	0.00	0.00
Management fees and provisions for depreciation (4)	2,931,814.53	3,390,896.55
NET PROFIT/LOSS FOR THE FINANCIAL YEAR (L. 214-17-1) (1 - 2 + 3 - 4)	-1,760,354.89	-1,769,366.00
Income adjustments for the financial year (5)	44,585.74	139,809.63
Interim dividends paid over the financial year (6)	0.00	0.00
PROFIT/LOSS (1 – 2 + 3 – 4 + 5 – 6)	-1,715,769.15	-1,629,556.37



5. Annual financial statements

Accounting policies and rules

The annual financial statements are presented in the form prescribed by ANC Regulation 2014-01, as amended.

The following general accounting principles apply:

- a true and fair view, comparability and going concern,
- lawfulness and fairness,
- prudence,
- consistency in accounting methods from one financial year to the next.

Income from fixed-income securities is recognised using the interest earned accounting method.

The reference currency of the portfolio is the euro.

The length of the financial year is 12 months.

Information on the impact of the COVID-19 crisis

The statements were prepared by the management company based on the information available in a changing context of crisis linked to COVID-19

Asset valuation rules

Securities portfolio

Additions to the portfolio are recorded at their acquisition price, excluding fees, and disposals are recorded at their sale price, excluding fees.

Transferable securities and futures or options transactions held in the portfolio are estimated as follows:

Bonds:

Bonds are valued based on an average of contributed prices obtained daily from market makers and converted into euros, if necessary, at the WMR rate for the currency on the valuation date.

French securities:

- From the spot market, deferred settlement system: Based on the last known price.
- From the OTC market : Based on the last known price.



5. Annual financial statements

Foreign securities:

- Listed and registered in Paris based on the last known price.
- Not listed and not registered in Paris based on the last known closing price for those of the European continent, and based on the last known price for all others.

Transferable securities, for which the price has not been recorded on the valuation date or has been adjusted, are valued by the Management Company at their likely trading value.

OATs:

OATs (Obligations Assimilables du Trésor - French treasury bonds) are valued on the basis of the mid-price of a contributor (specialist primary dealer [SVT] selected by the French Treasury), supplied by a financial data vendor. This price is subject to a reliability check, whereby it is compared with prices from several other SVTs.

UCITS/AIFs:

These are valued at the latest redemption price or the latest net asset value available.

Negotiable debt securities:

Negotiable debt securities are valued in accordance with the following rules:

- French fixed-rate, annual interest treasury bills (*Bons du Trésor à taux fixes et à intérêt annuel* – BTANs) and fixed-rate bills (*Bons du Trésor à taux fixe* – BTFs) are valued on the basis of an average of contributed prices obtained from market makers;
- Unlisted variable-rate debt securities are valued at cost price, adjusted to take into account any potential variations in credit spreads.
- other short-term fixed-rate negotiable debt securities (CDs, commercial papers) and bills issued by financial institutions are valued based on their market price.

In the absence of an indisputable market price, negotiable debt securities are valued by applying a yield curve, adjusted, if necessary, by a margin calculated on the basis of the characteristics of the security (of the issuer).

Temporary purchases and sales of securities:

Valuation in accordance with the conditions set out in the contract.

Certain fixed-rate transactions with a maturity of over three months may be valued at the market price.

Securities backed strictly by foreign exchange transactions (fixed income and/or currency):

- are recorded in detail and valued based on the market value or, in the absence of significant transactions, by applying an actuarial method; the rate used is that applied to issues of equivalent securities plus or minus any differential representing the intrinsic characteristics of the issuer of the security.



5. Annual financial statements

Futures and options transactions

Transactions on futures markets:

Based on the settlement price.

Transactions on options markets:

Based on the last known price.

Swaps:

Asset swaps are valued at market price, based on the issuer's credit spread, as indicated by the market makers. In the absence of a market maker, the spreads will be obtained by any means from the available contributors.

Other swaps are valued at market price based on yield curves.

Complex instruments, such as CDS, SES and complex options, are valued based on their type using an appropriate method.

Forward exchange contracts:

They are valued at market price based on forward foreign exchange curves.

Off-balance sheet commitments

Off-balance sheet commitments are valued as follows:

Commitments on futures markets:

- Futures

Commitment = settlement price x nominal contract value x quantity

With the exception of commitments under the Euribor contract traded on MATIF, which are recorded at their nominal value.

- Swap commitments

a) Interest rate swaps

Interest rate swaps with a maturity of three months or less

Backed: nominal value + accrued interest (interest differential)

Non-backed: nominal value + accrued interest (interest differential)



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Interest rate swaps with a maturity exceeding three months

Backed:

Fixed rate/Variable rate

Appraisal of the fixed-rate portion at market price

Variable rate/Fixed rate

Appraisal of the variable-rate portion at market price

Non-backed:

Fixed rate/Variable rate

Appraisal of the fixed-rate portion at market price

Variable rate/Fixed rate

Appraisal of the variable-rate portion at market price

b) Other swaps

These will be valued at their market value.

Commitments on options markets:

The commitment is equal to the translation of the option to the underlying equivalent.

Foreign currency prices are converted into euros in accordance with the exchange rate on the day of valuation.

Mechanism for adjustment ("swing pricing") of the Net Asset Value with trigger threshold (from 27 July 2015)

On 27 July 2015, the management company implemented a method of adjusting the net asset value (NAV) with a trigger threshold.

This mechanism means that investors subscribing to or redeeming units must bear the costs relating to transactions made using the Fund's assets as a result of the movement (subscription/redemption) of Fund liabilities. This mechanism, supported by a policy, is designed to protect the investors who remain in the Fund by ensuring that they bear the lowest possible charges. This results in the calculation of an adjusted ("swung") NAV.

This means that if, on a NAV calculation day, the total number of net subscription/redemption orders from investors across all unit classes of the Fund exceeds a threshold that is predetermined, based on the objective criteria set out by the Management Company, as a percentage of net assets, the NAV can be adjusted upwards or downwards to take into account the readjustment costs attributable to the respective net subscription/redemption orders. If the Fund issues more than one unit class, the NAV of each unit class is calculated separately, but any adjustment has the same impact on the total NAV of the unit classes of the Fund.

The cost parameters of readjustments and of the trigger threshold are determined by the management company and reviewed periodically. These costs are estimated by the management company based on the transaction fees, the bid-ask spreads and any taxes applicable to the Fund.



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It is not possible to predict accurately whether the adjustment mechanism will be applied in the future or the frequency at which the management company will make such adjustments.

Investors are notified that the volatility of the Fund's NAV cannot reflect only that of the securities held in the portfolio because of the application of the adjustment mechanism.

The "swung" NAV is the Fund's only net asset value and the only one communicated to the Fund's unitholders. However, in the event of a performance fee, this is calculated on the NAV before the adjustment mechanism is applied.

Management fees

Management fees are determined at each net asset value calculation.

These fees are recorded in the income statement for the UCI.

Management fees are paid in full to the management company responsible for all UCI operating costs.

Management fees do not include transaction fees.

The actual and maximum rates applied based on the net assets are:

- 1.00% incl. taxes for I NPF units
- 1.60% incl. taxes for R units
- 0.85%, incl. taxes for IC and ID units
- 0.90% incl. taxes for N units

Performance fee:

The performance fee, applicable to a particular unit class, is based on a comparison of the Fund's valued assets with its reference assets.

The Fund's valued assets represent the portion of assets corresponding to a specific share class, valued in accordance with the rules applicable to the assets and taking into account the actual operating and management fees corresponding to the share class in question.

The reference assets represent the portion of the Fund's assets corresponding to a specific share class, adjusted to take into account any subscriptions/redemptions applicable to this share class at each valuation, and valued in accordance with the performance of the Fund's benchmark index (i.e. the reference rate).

The reference assets are equivalent to ECI – Europe (Exane Convertible Index Europe), Dividend Net Reinvested (DNR).

The Fund's performance is calculated on the basis of changes in the net asset value of each unit class.



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The observation period is defined as follows:

- initial observation period:
- For R, IC, ID, and N units: from 2 July 2018 to the last trading day of December 2019;
- subsequent observation periods: from the first trading day of January to the final trading day of December of the following year.

At the beginning of each observation period, the reference assets used are the highest of the assets recorded on the first day of the period and all the valued assets recorded on the final day of each of the observation periods established since the Fund's creation. Where necessary, the reference assets are restated for the amounts of subscriptions/redemptions occurring between the date of recording these reference assets and the start of the new observation period.

If the Fund's valued assets are higher than the reference assets defined above over the observation period, the variable portion of the management fees will represent up to 20% of the difference between these two assets.

If, during the observation period, the Fund's valued assets are lower than the reference assets, the variable portion of the management fees will be zero.

If, during the observation period, the Fund's valued assets are higher than the reference assets, any provision set aside for performance fees will be adjusted accordingly when calculating the net asset value.

In the event that the Fund's valued assets are lower than the reference assets between two net asset values, any previously approved provision will be replaced with a new provision. The new provisions must not exceed the previous allocations.

This variable portion will be collected at the end of each observation period only if, over the elapsed period, the Fund's valued assets exceed those of the reference assets at the time of the last net asset value calculation.

In the event of redemption, the portion of the provision corresponding to the number of units redeemed is permanently retained by the management company.

Allocation of distributable income

Definition of distributable income:

Distributable income consists of:

Income:

Net income for the financial year is equal to the amount of interest, arrears, premiums and bonuses, dividends, directors' fees and all other income generated by the securities held in the portfolio, plus income generated by temporary cash holdings, less management fees and borrowing costs.

It is increased by the retained earnings and increased or reduced by the balance of the income adjustment account.



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Capital gains and losses:

Realised capital gains, net of fees, minus realised capital losses, net of fees, recorded in the current financial year, plus net capital gains of the same type recognised in previous years that have not been distributed or accumulated, plus or minus current-year net capital gains adjustments.

Procedures for allocating distributable income:

Distributable income	I NPF – R units	ID unit
Allocation of net income	Accumulation	Distribution
Allocation of net realised capital gains or losses	Accumulation	Distribution



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▪ 2. CHANGE IN NET ASSETS AT 31/12/2020 IN EUR

	31/12/2020	31/12/2019
NET ASSETS AT THE START OF THE FINANCIAL YEAR	333,150,999.60	332,799,314.46
Subscriptions (including subscription fees paid to the UCI)	21,951,074.04	42,631,349.17
Redemptions (less redemption fees paid to the UCI)	-60,170,380.35	-74,179,074.96
Capital gains earned on deposits and financial instruments	17,089,311.49	20,497,611.55
Capital losses incurred on deposits and financial instruments	-10,826,758.68	-14,068,844.29
Capital gains earned on forward financial instruments	2,052,486.08	3,299,400.50
Capital losses incurred on forward financial instruments	-1,945,719.08	-2,770,899.79
Transaction fees	-101,506.50	-239,487.53
Exchange rate differences	-5,118,136.71	2,670,099.52
Fluctuations in the valuation difference on deposits and financial instruments	14,116,350.93	24,721,951.77
<i>Valuation difference, financial year N</i>	28,193,624.74	14,077,273.81
<i>Valuation difference, financial year N-1</i>	-14,077,273.81	10,644,677.96
Fluctuations in the valuation difference on forward financial instruments	0.00	0.00
<i>Valuation difference, financial year N</i>	0.00	0.00
<i>Valuation difference, financial year N-1</i>	0.00	0.00
Dividends paid in the previous financial year on net capital gains and losses	0.00	0.00
Dividends paid in the previous financial year on income	0.00	-441,004.80
Net income for the financial year prior to adjustment	-1,760,354.89	-1,769,366.00
Interim dividend(s) paid during the financial year on net capital gains and losses	0.00	0.00
Interim dividend(s) paid during the financial year on income	0.00	0.00
Other items	-50.00 (**)	-50.00 (*)
NET ASSETS AT THE END OF THE FINANCIAL YEAR	308,437,315.93	333,150,999.60

(*) N-1: Annual LEI certification fees: - €50.00.

(**) N: Annual LEI certification fees: - €50.00.



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▪ 3. ADDITIONAL INFORMATION

▪ 3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC TYPE

	Amount	%
ASSETS		
BONDS AND EQUIVALENT SECURITIES		
Convertible bonds traded on a regulated or equivalent market	291,113,419.57	94.38
TOTAL BONDS AND EQUIVALENT SECURITIES	291,113,419.57	94.38
DEBT SECURITIES		
TOTAL DEBT SECURITIES	0.00	0.00
LIABILITIES		
SALES OF FINANCIAL INSTRUMENTS		
TOTAL SALES OF FINANCIAL INSTRUMENTS	0.00	0.00
OFF-BALANCE SHEET ITEMS		
HEDGING TRANSACTIONS		
TOTAL HEDGING TRANSACTIONS	0.00	0.00
OTHER TRANSACTIONS		
TOTAL OTHER TRANSACTIONS	0.00	0.00

▪ 3.2. BREAKDOWN OF ASSETS, LIABILITIES AND OFF-BALANCE-SHEET ITEMS BY INTEREST RATE TYPE

	Fixed rate	%	Variable rate	%	Adjustable rate	%	Other	%
ASSETS								
Deposits	0.00	0.00	0.00	0.00	0.00	0.00	10,076.93	0.00
Bonds and equivalent securities	289,205,778.59	93.76	0.00	0.00	1,907,640.98	0.62	0.00	0.00
Debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary securities transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	0.00	0.00	0.00	0.00	0.00	0.00	6,224,486.71	2.02
LIABILITIES								
Temporary securities transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	0.00	0.00	0.00	0.00	0.00	0.00	5,042,041.36	1.63
OFF-BALANCE SHEET ITEMS								
Hedging transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



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3.3. BREAKDOWN OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS BY RESIDUAL MATURITY^(*)

	< 3 months	%]3 months - 1 year]	%]1 - 3 years]	%]3 - 5 years]	%	> 5 years	%
ASSETS										
Deposits	10,076.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bonds and equivalent securities	0.00	0.00	0.00	0.00	55,260,580.13	17.92	133,282,485.88	43.21	102,570,353.56	33.25
Debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary securities transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	6,224,486.71	2.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LIABILITIES										
Temporary securities transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	5,042,041.36	1.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OFF-BALANCE SHEET ITEMS										
Hedging transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

(*) Positions in interest rate futures are shown based on the maturity of the underlying asset.

3.4. BREAKDOWN OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS BY LISTING OR VALUATION CURRENCY (NON-EURO)

	Currency 1 USD		Currency 2 CHF		Currency 3 GBP		Currency N OTHER	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equities and equivalent securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bonds and equivalent securities	36,536,703.32	11.85	19,198,347.71	6.22	12,516,421.27	4.06	0.00	0.00
Debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UCIs	10,546,513.02	3.42	0.00	0.00	0.00	0.00	0.00	0.00
Temporary securities transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Receivables	5,312.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	3,715,873.12	1.20	0.00	0.00	0.00	0.00	0.00	0.00
LIABILITIES								
Sales of financial instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary securities transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Payables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	0.00	0.00	2,807,171.43	0.91	2,234,869.89	0.72	0.04	0.00
OFF-BALANCE SHEET ITEMS								
Hedging transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



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▪ 3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Type of debit/credit	31/12/2020
RECEIVABLES		
	Subscriptions receivable	2,321.43
	Coupons and dividends in cash	31,712.41
	Collateral	209,583.65
TOTAL RECEIVABLES		243,617.49
PAYABLES		
	Fixed management fees	254,067.20
	Variable management fees	4,185.53
	Collateral	209,917.59
TOTAL PAYABLES		468,170.32
TOTAL PAYABLES AND RECEIVABLES		-224,552.83

▪ 3.6. SHAREHOLDERS' EQUITY

• 3.6.1. Number of securities issued or redeemed

	Units	Amount
DNCA CONVERTIBLES EUROPE ID unit		
Units subscribed during the financial year	185.0000	2,258,104.35
Units redeemed during the financial year	0.00	0.00
Net subscriptions/redemptions	185.0000	2,258,104.35
Number of units outstanding at the end of the financial year	4,305.0000	
DNCA CONVERTIBLES EUROPE I NPF unit		
Units subscribed during the financial year	110.5784	19,640,916.93
Units redeemed during the financial year	-345.9629	-60,134,251.76
Net subscriptions/redemptions	-235.3845	-40,493,334.83
Number of units outstanding at the end of the financial year	1,382.3002	
DNCA CONVERTIBLES EUROPE R unit		
Units subscribed during the financial year	283.8700	52,052.76
Units redeemed during the financial year	-195.3457	-36,128.59
Net subscriptions/redemptions	88.5243	15,924.17
Number of units outstanding at the end of the financial year	709.0030	



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• 3.6.2. Subscription and/or redemption fees

	Amount
DNCA CONVERTIBLES EUROPE ID unit	
Total subscription and/or redemption fees paid to the Fund	0.00
Subscription fees paid to the Fund	0.00
Redemption fees paid to the Fund	0.00
DNCA CONVERTIBLES EUROPE I NPF unit	
Total subscription and/or redemption fees paid to the Fund	0.00
Subscription fees paid to the Fund	0.00
Redemption fees paid to the Fund	0.00
DNCA CONVERTIBLES EUROPE R unit	
Total subscription and/or redemption fees paid to the Fund	0.00
Subscription fees paid to the Fund	0.00
Redemption fees paid to the Fund	0.00



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▪ 3.7. MANAGEMENT FEES

	31/12/2020
DNCA CONVERTIBLES EUROPE ID units	
Guarantee fees	0.00
Fixed management fees	416,407.86
Percentage of fixed management fees	0.85
Variable management fees	4,185.47
Retrocession of management fees	0.00
DNCA CONVERTIBLES EUROPE I NPF units	
Guarantee fees	0.00
Fixed management fees	2,509,394.35
Percentage of fixed management fees	1.00
Variable management fees	0.00
Retrocession of management fees	0.00
DNCA CONVERTIBLES EUROPE R units	
Guarantee fees	0.00
Fixed management fees	1,826.82
Percentage of fixed management fees	1.60
Variable management fees	0.03
Retrocession of management fees	0.00

▪ 3.8. COMMITMENTS RECEIVED AND GIVEN

• 3.8.1. Guarantees received by the UCI:

None.

• 3.8.2. Other commitments received and/or given:

None.



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▪ 3.9. OTHER INFORMATION

• 3.9.1. Current value of financial instruments under a temporary purchase agreement

	31/12/2020
Securities received under reverse repurchase agreements	0.00
Borrowed securities	0.00

• 3.9.2. Current value of financial instruments constituting collateral deposits

	31/12/2020
Financial instruments given as collateral and maintained as originally booked	0.00
Financial instruments received as collateral and not posted in the balance sheet	0.00

• 3.9.3. Financial instruments held, issued and/or managed by the Group

	ISIN code	Denomination	31/12/2020
Equities			0.00
Bonds			0.00
Negotiable debt securities			0.00
UCIs			16,355,926.91
	LU1470439701	OSTRUM GLOBAL CONVER BONDS SIA (USD)	10,546,513.02
	FR0011952613	OSTRUM GLOBAL SUBORDINATED DEBT I – EUR	5,809,413.89
Forward financial instruments			0.00
Total Group securities			16,355,926.91



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▪ 3.10. ALLOCATION TABLE FOR DISTRIBUTABLE INCOME

- Allocation table for the portion of distributable income relating to profit/loss

	31/12/2020	31/12/2019
Amounts still to be allocated		
Retained earnings	0.00	0.00
Income	-1,715,769.15	-1,629,556.37
Total	-1,715,769.15	-1,629,556.37

	31/12/2020	31/12/2019
DNCA CONVERTIBLES EUROPE ID units		
Allocation		
Distribution	0.00	0.00
Retained earnings for the financial year	0.00	0.00
Accumulation	-238,649.32	-148,239.71
Total	-238,649.32	-148,239.71

	31/12/2020	31/12/2019
DNCA CONVERTIBLES EUROPE I NPF units		
Allocation		
Distribution	0.00	0.00
Retained earnings for the financial year	0.00	0.00
Accumulation	-1,475,595.57	-1,480,088.50
Total	-1,475,595.57	-1,480,088.50

	31/12/2020	31/12/2019
DNCA CONVERTIBLES EUROPE R units		
Allocation		
Distribution	0.00	0.00
Retained earnings for the financial year	0.00	0.00
Accumulation	-1,524.26	-1,228.16
Total	-1,524.26	-1,228.16



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- Allocation table for the portion of distributable income relating to net capital gains and losses

	31/12/2020	31/12/2019
Amounts still to be allocated		
Undistributed prior net capital gains and losses	0.00	8.18
Net capital gains and losses for the financial year	4,737,324.45	8,002,970.74
Interim dividends paid on net capital gains and losses for the financial year	0.00	0.00
Total	4,737,324.45	8,002,978.92

	31/12/2020	31/12/2019
DNCA CONVERTIBLES EUROPE ID units		
Allocation		
Distribution	0.00	0.00
Undistributed net capital gains and losses	0.00	0.00
Accumulation	824,454.73	1,175,502.81
Total	824,454.73	1,175,502.81

	31/12/2020	31/12/2019
DNCA CONVERTIBLES EUROPE I NPF units		
Allocation		
Distribution	0.00	0.00
Undistributed net capital gains and losses	0.00	0.00
Accumulation	3,910,837.41	6,824,807.18
Total	3,910,837.41	6,824,807.18

	31/12/2020	31/12/2019
DNCA CONVERTIBLES EUROPE R units		
Allocation		
Distribution	0.00	0.00
Undistributed net capital gains and losses	0.00	0.00
Accumulation	2,032.31	2,668.93
Total	2,032.31	2,668.93



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▪ 3.11. TABLE OF INCOME AND OTHER ITEMS CHARACTERISTIC OF THE ENTITY OVER THE LAST FIVE FINANCIAL YEARS

	30/12/2016	29/12/2017	31/12/2018	31/12/2019	31/12/2020
Total net assets in EUR	434,177,416.85	423,858,850.75	332,799,314.46	333,150,999.60	308,437,315.93
DNCA CONVERTIBLES EUROPE ID EUR units					
Net assets	44,623,884.87	51,060,489.26	44,858,658.52	48,905,301.69	53,671,599.42
Number of securities	3,680.0000	4,120.0000	4,120.0000	4,120.0000	4,305.0000
Net asset value per unit	12,126.05	12,393.32	10,888.02	11,870.21	12,467.27
Distribution per unit on net capital gains/losses	0.00	749.81	107.04	0.00	0.00
Unit capitalisation on net capital gains/losses	-142.09	0.00	0.00	285.31	191.51
Accumulation per unit on income	-0.62	-40.06	-26.85	-35.98	-55.43
DNCA CONVERTIBLES EUROPE I NPF EUR units					
Net assets	389,394,202.37	372,594,048.37	287,751,125.81	284,134,642.18	254,633,427.17
Number of securities	2,325.9756	2,177.6344	1,798.6735	1,617.6847	1,382.3002
Net asset value per unit	167,411.12	171,100.36	159,979.63	175,642.78	184,209.93
Unit capitalisation on net capital gains/losses	-1,894.23	10,352.08	1,411.48	4,218.87	2,829.22
Accumulation per unit on income	-1.00	-553.06	-380.50	-914.94	-1,067.49
DNCA CONVERTIBLES EUROPE R EUR units					
Net assets	159,329.61	204,313.12	189,530.13	111,055.73	132,289.34
Number of securities	917.2849	1,157.8081	1,155.6369	620.4787	709.0030
Net asset value per unit	173.69	176.46	164.00	178.98	186.58
Unit capitalisation on net capital gains/losses	-2.03	10.71	1.45	4.30	2.86
Accumulation per unit on income	-1.02	-1.62	-1.44	-1.97	-2.14



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▪ 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS IN EUR

Security name	Currency	Quantity (number or nominal value)	Current value	% of net assets
Deposits				
Cash collat. p/e	EUR	10,080.89	10,076.93	0.00
TOTAL Deposits			10,076.93	0.00
Bonds and equivalent securities				
Bonds and equivalent securities traded on a regulated or equivalent market				
GERMANY				
ADIDAS AG 0.05% 12/09/23 CV	EUR	1,800,000	2,270,452.56	0.74
DELIVERY HERO SE 0.25% 23-01-24	EUR	5,700,000	8,042,145.49	2.61
DELIVERY HERO SE 0.875% 15-07-25	EUR	700,000	797,112.56	0.26
DELIVERY HERO SE 1.0% 23-01-27	EUR	6,300,000	9,170,474.48	2.97
DEUTSCHE WOHNEN AG 0.325% 26-07-24	EUR	5,200,000	5,787,451.12	1.88
DEUTSCHE WOHNEN AG 0.6% 05-01-26	EUR	4,400,000	4,856,632.00	1.57
LEG IMMOBILIEN AG 0.4% 30-06-28	EUR	3,500,000	3,722,884.32	1.20
LEG IMMOBILIEN AG 0.875% 01-09-25	EUR	2,900,000	3,663,847.18	1.19
MTU AERO ENGINES GMBH 0.05% 18/03/27	EUR	3,800,000	3,929,832.21	1.28
RAG STIFTUNG ZCP 17-06-26 CV	EUR	5,300,000	5,989,450.50	1.94
SYMRISE AG 0.2375% 20-06-24	EUR	4,400,000	5,602,013.40	1.82
TAG IMMOBILIEN AG 0.625% 27-08-26	EUR	400,000	416,853.95	0.13
TAG TEGERNSEE IMMOBILIEN 0.625% 01-09-22	EUR	100,000	147,705.54	0.05
ZALANDO SE 0.05% 06-08-25 CV	EUR	4,800,000	6,158,031.45	2.00
ZALANDO SE 0.625% 06-08-27 CV	EUR	3,300,000	4,187,577.04	1.35
TOTAL GERMANY			64,742,463.80	20.99
AUSTRIA				
AMS AGA 2.125% 03-11-27 CV	EUR	2,600,000	2,624,006.33	0.85
AUSTRIAMICROSYSTEMS AG ZCP 05-03-25	EUR	2,200,000	1,651,892.00	0.54
CA IMMOBILIEN ANLAGEN 0.75% 04-04-25	EUR	3,300,000	3,840,626.49	1.25
IMMOFINANZ AG 1.5% 24-01-24	EUR	1,800,000	1,907,640.98	0.61
TOTAL AUSTRIA			10,024,165.80	3.25
DENMARK				
GN GREAT NORDIC LTD AS ZCP 21-05-24	EUR	2,200,000	2,595,032.00	0.84
TOTAL DENMARK			2,595,032.00	0.84
SPAIN				
AMADEUS CM 1.5% 09-04-25 CV	EUR	4,900,000	6,876,568.73	2.23
CELLNEX TELECOM 0.5% 05-07-28 CV	EUR	5,000,000	6,471,802.74	2.10
CELLNEX TELECOM 1.5% 16-01-26 CV	EUR	3,600,000	6,017,145.05	1.95
TOTAL SPAIN			19,365,516.52	6.28
UNITED STATES				
JPMORGAN CHASE BANK N A ZCP 18-09-22	EUR	2,700,000	3,343,680.00	1.08
JPMORGAN CHASE BANK N A ZCP 24-05-22	EUR	1,800,000	2,095,758.00	0.68
TOTAL UNITED STATES			5,439,438.00	1.76
FRANCE				
ACCOR 0.7% 07-12-27 CV	EUR	81,047	4,241,067.94	1.38
ARCHER OBLIGATIONS ZCP 31-03-23	EUR	3,100,000	4,538,338.00	1.47
ATOS SE ZCP 06/11/24 CV	EUR	7,000,000	9,274,020.00	3.01



5. Annual financial statements

▪ 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS IN EUR

Security name	Currency	Quantity (number or nominal value)	Current value	% of net assets
EDENRED ZCP 06/09/24 CV	EUR	66,528	4,315,172.40	1.40
EDF ZCP 14-09-24 CV	EUR	285,676	4,488,969.83	1.45
FRAN 0.875% 15-05-27 CV	EUR	70,761	10,066,212.20	3.26
KERING ZCP 30-09-22 CV EMTN	EUR	2,600,000	2,972,814.00	0.96
KORIAN 0.875% 06-03-27 CV	EUR	58,150	3,204,937.25	1.04
KORIAN 2.5% PERP CV	EUR	69,284	2,993,657.71	0.97
NEOEN 2.0% 02-06-25 CV	EUR	33,000	2,236,410.00	0.73
NEXITY 0.25% 02-03-25 CV	EUR	22,000	1,426,161.00	0.47
ORPEA 0.375% 17-05-27 CV	EUR	34,666	5,147,935.67	1.67
REMY COIN 0.125% 07-09-26	EUR	18,000	2,865,780.00	0.93
SAFRAN SA ZCP 21-06-23 CV	EUR	33,159	5,003,759.42	1.63
SCHNEIDER ELECTRIC SE 0.0000010% 15/06/26	EUR	16,154	3,092,642.92	1.00
SELENA SARL ZCP 25-06-25 CV	EUR	4,200,000	4,956,399.00	1.61
SOITEC SA ZCP 28-06-23 CV	EUR	6,990	1,123,583.09	0.36
SOITEC ZCP 01-10-25 CV	EUR	11,000	2,222,665.50	0.72
UBISOFT ZCP 24/09/24 CV	EUR	29,266	3,698,593.18	1.19
VINCI 0.375% 16-02-22	USD	5,000,000	4,621,829.58	1.50
WORLDLINE ZCP 30-07-25 CV	EUR	58,666	7,446,035.39	2.41
TOTAL FRANCE			89,936,984.08	29.16
ITALY				
NEXI 1.75% 24-04-27 CV	EUR	4,800,000	5,922,262.15	1.92
PIRELLI C ZCP 22-12-25 CV	EUR	600,000	626,400.00	0.20
SNAM ZCP 20-03-22	EUR	2,700,000	2,849,715.00	0.93
TELECOM ITALIA SPA EX OLIVETTI 1.125% 26-03-22	EUR	6,700,000	6,704,715.54	2.17
TOTAL ITALY			16,103,092.69	5.22
JERSEY				
PHP FINANCE JERSEY LTD 2.875% 15-07-25	GBP	1,200,000	1,582,004.80	0.51
TOTAL JERSEY			1,582,004.80	0.51
LUXEMBOURG				
ELIOTT CAPITAL SARL ZCP 30-12-22	EUR	4,100,000	4,139,380.50	1.34
GRAN CITY PRO 0.25% 02-03-22	EUR	300,000	306,009.98	0.10
IWG GROUP HOLDINGS SARL 0.5% 09-12-27	GBP	3,000,000	3,369,823.24	1.09
LAGFIN SCA 2.0% 02-07-25 CV	EUR	2,200,000	2,470,163.47	0.80
TOTAL LUXEMBOURG			10,285,377.19	3.33
NETHERLANDS				
BE SEMICONDUCTOR INDUSTRIES NV 0.5% 06-12-24	EUR	700,000	823,572.94	0.27
DUFY ONE BV 1.0% 04-05-23 CV	CHF	1,000,000	1,614,108.86	0.52
IBERDROLA INTERNATIONAL BV ZCP 11-11-22 CV	EUR	6,800,000	9,401,510.00	3.05
JUST EAT TAKEAWAYCOM NV 1.25% 30-04-26	EUR	1,900,000	2,136,447.07	0.69
QIAGEN NV 0.5% 13-09-23	USD	3,800,000	4,127,220.06	1.34
QIAGEN NV 1.0% 13-11-24 CV	USD	2,800,000	2,918,344.52	0.95
QIAGEN NV ZCP 17-12-27 CV	USD	4,400,000	3,679,217.03	1.19
STMICROELECTRONICS NV 0.0000010% 04-08-25	USD	6,200,000	6,164,352.09	2.00
STMICROELECTRONICS NV 0.0000010% 04-08-27	USD	7,400,000	7,329,783.01	2.37



5. Annual financial statements

▪ 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS IN EUR

Security name	Currency	Quantity (number or nominal value)	Current value	% of net assets
STMICROELECTRONICS NV 0.25% 03-07-24	USD	5,200,000	7,695,957.03	2.50
TOTAL NETHERLANDS			45,890,512.61	14.88
UNITED KINGDOM				
OCADO GROUP 0.75% 18-01-27 CV	GBP	900,000	1,133,928.75	0.37
OCADO GROUP 0.875% 09-12-25 CV	GBP	4,000,000	6,430,664.48	2.09
TOTAL UNITED KINGDOM			7,564,593.23	2.46
SWITZERLAND				
SIKA AG 0.15% 05-06-25 CV	CHF	12,400,000	15,535,168.97	5.05
SWISS PRIME SITE AG 0.325% 16-01-25	CHF	2,200,000	2,049,069.88	0.66
TOTAL SWITZERLAND			17,584,238.85	5.71
TOTAL Bonds and equivalent securities traded on a regulated or equivalent market			291,113,419.57	94.39
TOTAL Bonds and equivalent securities			291,113,419.57	94.39
Undertakings for collective investment				
Retail UCITS and AIFs and equivalents in other countries intended for non-professional investors				
FRANCE				
OSTRUM GLOBAL SUBORDINATED DEBT I - EUR	EUR	469	5,809,413.89	1.88
TOTAL FRANCE			5,809,413.89	1.88
LUXEMBOURG				
OSTRUM GLOBAL CONVER BONDS SIA (USD)	USD	86,780	10,546,513.02	3.42
TOTAL LUXEMBOURG			10,546,513.02	3.42
TOTAL Retail UCITS and AIFs and equivalents in other countries intended for non-professional investors			16,355,926.91	5.30
TOTAL Undertakings for collective investment			16,355,926.91	5.30
Receivables			243,617.49	0.08
Payables			-468,170.32	-0.15
Financial accounts			1,182,445.35	0.38
Net assets			308,437,315.93	100.00

ADDITIONAL INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY

The function of the Paying and Information Agent in the Federal Republic of Germany is performed by:

CACEIS Bank, Germany Branch
Lilienthalallee 34 - 36,
D-80939 Munich,
Germany

(hereinafter: German Paying and Information Agent)

Applications for the redemptions and conversion of units may be sent to the German Paying and Information Agent.

All payments to investors, including redemption proceeds and potential distributions may be obtained upon request through the German Paying and Information Agent.

The following documents may be obtained, free of charge, in hardcopy form at the office of the German Paying and Information Agent:

- the prospectus,
- the key investor information document,
- the current annual and semi-annual reports,
- the Management Regulations,
- the custody agreement between the Management Company and CACEIS Bank.

The issue and redemption prices, the net asset value as well as any notices to investors are also available from the German Paying and Information Agent. In addition, the issue and redemption prices are published on www.fundinfo.com and any notices to investors in the Federal Gazette ("www.bundesanzeiger.de").

In addition, communications to investors in the Federal Republic of Germany will be by means of a durable medium (section 167 of the Investment Code) in the following cases:

- suspension of the redemption of the units,
- termination of the management of the fund or its liquidation,
- any amendments to the fund's rules which are inconsistent with the previous investment principles, which affect material investor rights or which relate to remuneration and reimbursement of expenses that may be paid or made out of the asset pool,
- merger of the fund with one or more other funds and
- the change of the fund into a feeder fund or the modification of a master fund.



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