# E.T.H.I.C.A.

## ANNUAL REPORT

### MUTUAL FUNDS - MUTUAL FUNDS UNDER FRENCH LAW

30.12.2022

Allianz Global Investors

# Summary

E.T.H.I.C.A.

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| **Management company** | ALLIANZ GLOBAL INVESTORS GmbH<br>Bockenheimer Landstrasse 42-44, D-60323 Frankfurt-am-Main, Germany |
| **Custodian bank** | SOCIETE GENERALE<br>29, Boulevard Haussmann - 75009 Paris |
| **Statutory auditor** | PRICEWATERHOUSECOOPERS AUDIT (PWC)<br>63, rue de Villiers, 92200 Neuilly-sur-Seine, France |
| **Distributors** | ALLIANZ GLOBAL INVESTORS<br>and/or companies in the Allianz Group |

# Information about investments and management

**Classification:** Eurozone equities.

**Procedures for determining and allocating distributable sums:** Capitalisation of profits and net capital gains.

**Management objective:** The Fund's management objective is to achieve medium- and long-term performance by investing in shares of companies that satisfy the following ethical criteria: Respect for human rights and the right to life, and promotion of peace, respect for fundamental labour rights, development of social and employment progress, protection of the environment, compliance with the market's rules of operation and compliance with the rules of good governance. These criteria will be taken into account in addition to traditional financial criteria, such as growth in the results or valuations of the companies concerned, with the aim of building a portfolio that offers the best possible pairing of ethical principles and financial qualities.

**Benchmark:** The Fund is actively managed.

The index, EURO STOXX 50 TOTAL RETURN (NET) IN EUR, is used ex post as a performance comparison indicator.

We are therefore free to select the securities that make up the portfolio in accordance with the management strategy and investment constraints.

This index is not in line with the environmental and social characteristics promoted by the fund.

The Management Company has written plans on file defining the measures to be taken if an index, or a benchmark index, changes significantly or is no longer provided. These written plans are available upon request, free of charge, from the registered office of the Company, or that of the Management Company.

**Investment strategy:** The investment universe consists of the securities that make up the MSCI Europe Investable Market Index (IMI), excluding those with a market capitalisation of less than €1 billion, i.e. approximately 950 stocks representing large, medium and small capitalisation companies in 15 developed countries in Europe.

The UCI, known as "E.T.H.I.C.A.", is a European equity fund based on the ethical guidelines of the Catholic Church.

The main source of added value in the management of the Fund is the active picking of stocks of companies that offer the best possible combination of ethical guidelines and financial qualities.

In terms of SRI, our investment philosophy corresponds to a positive sector selection approach ("best-in-class" approach) and an avoidance approach specific to ethical investment. The choice of best practice in terms of sustainable development involves adding further complementary filters into the "traditional" financial analysis of the securities represented in the investment universe.

These additional filters will ensure that only securities meeting the following ethical criteria are selected: Respect for human rights, life and the promotion of peace, respect for fundamental labour rights, development of social progress and employment growth, environmental conservation, compliance with market operating rules and respect for good governance rules.

Geographically, the UCI is mainly exposed to its domestic market consisting of the equity markets of Eurozone countries. Within its domestic market, the UCI's exposure to the Eurozone will be up to 80%, therefore allowing for a maximum of 20% diversification, including a maximum of 10% exposure outside the Eurozone.

The selected diversification countries are: Denmark and/or Sweden, which may account for up to 20% of the UCI's assets, and the United Kingdom, Switzerland, Iceland and/or Norway, which, as they are not part of the Eurozone, may only account for up to 10% of the UCI's assets.

The UCI's exposure to equity risk is between 85% and 100%.

The UCI may therefore be exposed to up to 20% of currency risk, even though this risk may not exceed 10% for currencies other than those of the Eurozone or Eurozone countries.

At least 75% of the UCI is always invested in PEA-eligible securities.

The UCI may also invest in small and mid-cap securities, as well as micro-cap securities. Investment in these securities is limited to 20% of its net assets.

The UCI may not hold units of other UCIs in its assets, with the exception of a maximum of 10% of pure cash UCIs.

**1- Active selection of ethical securities from the French Bishops' Conference (Conférence des Evêques de France - CEF): Principal and recurring**

The Fund's investment principles are based, in a primary and recurring manner, on the active selection of securities ("stock picking").

With regard to SRI, our investment philosophy corresponds to both a positive sectoral selection process ("best in class" approach) and the exclusion approach adopted in ethical investment. The selection of best practices with regard to sustainable development is carried out by including additional, complementary filters in the "traditional" financial analysis of the securities represented in the investment universe.

This non-financial analysis covers at least 90% of the portfolio. The universe is further refined through the integration of an exclusions list that takes into account some of the criteria belonging to the six ethical guidelines defined by the CEF (Conférence des évêques de France — bishops' conference of France) — the ethical guidelines for the financial management of Church assets developed and approved by the CEF. All of these ethical criteria will also be incorporated into the definition of the ESG rating of securities. Within the investment universe, a minimum of 20% is considered non-investable based on the quantitative ESG analysis. These securities are rated in different internal and external databases and are then harmonised on a graduated scale from 0 to 4. The Fund invests at least 90% of its assets in securities with a rating greater than or equal to 2. The portfolio must have an average rating of at least 2. The six ethical guidelines defined by the CEF are as follows:

- Respect for human rights, life and the promotion of peace,
- Respect for fundamental labour rights,
- Development of social progress and employment growth,
- Environmental conservation,
- Compliance with market operating rules,
- Respect for good governance rules.

These correspond to the following five ESG areas covered by the non financial analysis:

- Human rights: this criterion is assessed based on the issuer's commitment to respecting human rights when conducting its activities.
- Environment: the assessment of securities based on the environmental strategy applied by the issuer.
- Social: the evaluation of social initiatives put in place by the issuer.
- Governance: the issuer's willingness and capacity to organise its own structure in a way that limits the risks of malfunctions are considered within the analysis.
- Market behaviour: an analysis of the issuer's relations with stakeholders (customers, suppliers, local authorities, etc.) and the security of its products (this criterion does not apply to securities issued by the United States).

AllianzGI uses data from third party providers as part of its ESG research, which may result in certain limitations with regard to the reliability of the data.

The assessment of the company's socially responsible behaviour is thus integrated with the fundamental and strategic analysis of the securities, which remains the basis for the selection of securities within the portfolios and allows the risk/return profile of traditional management to be maintained.

When applying its investment strategy, the Management Company considers in its auditing process any relevant financial risks, including all of the relevant sustainability-related risks which could significantly impact the yield of an investment, in deciding whether or not to invest. These risks are continually assessed.

In addition, the Management Company shall take into account the sustainability-related PAI indicators in the same way as described below as part of their investment process. Further details can be found in the Management Company's statement on the principal adverse impacts on sustainability available on the website www.allianzglobalinvestors.com.

PAI indicators are various indicators designed to show the significant or potentially significant impact of investment decisions on sustainability factors. PAI indicators include, but are not limited to, greenhouse gas emissions, biodiversity, water, waste, as well as social and labour issues for private issuers, and, where relevant, an indicator for investments in securities of government- related issuers. PAI indicators are used to measure the negative impact of issuers on sustainability factors.

The Fund is subject to a sustainability risk under the terms of the EU's Disclosure Regulation (EU) 2019/2088, as defined in the risk profile in the prospectus.

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The Fund applies the Allianz Global Investors Global Exclusion Policy in areas such as controversial weapons and coal for directly held securities. Details of the exclusion criteria applied are available on our website: https://regulatory.allianzgi.com/ ESG/Exclusion_ Policy

\In addition, the Fund also applies the Allianz Global Investors minimum exclusion list for funds that take into account environmental and social characteristics for directly held securities. Details of the exclusion criteria are available on our website: https://regulatory.allianzgi.com/en/esg/sri-exclusions.

Le The Fund promotes environmental and social characteristics and therefore discloses relevant information in accordance with Article 8(1) of the European Sustainable Finance Disclosure Regulation (EU) 2019/2088 (SFDR). A fund committing to a minimum percentage of Investments that take into account EU criteria for environmentally sustainable economic activities (i.e. Taxonomy- aligned) contributes through its investments to the following environmental objectives: (i) mitigation of climate change, and/or

(ii) adaptation to climate change.

The Technical Screening Criteria ("TSC") for environmentally sustainable economic activities have not yet been fully developed (in particular for the other four environmental objectives determined by the Taxonomy Regulation). These detailed criteria will require the availability of multiple, specific data regarding each investment, mainly relying on Company-reported data. There is currently only limited reliable, timely and verifiable data available to be able to assess investments using the TSC. In this context, Allianz Global Investors GmbH, in its capacity as the Fund's Management Company, has selected an external data provider to determine the proportion of investments that are aligned with the European Taxonomy. The external data provider assesses the information provided by companies to evaluate whether their business activities meet the criteria defined by the European Commission. The Management Company conducts an additional assessment of the issuer based on the Do No Significant Harm principle to assess compliance with the EU Taxonomy Regulation.

The Do No Significant Harm principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the European Union's criteria for environmentally sustainable economic activities. Any other Sustainable Investments must also not significantly harm any environmental or social objectives.

Sustainable investment means an investment in an economic activity that, as measured, contributes to an environmental and/or social objective (investing in business activities that foster a positive contribution to sustainable objectives). Sustainable Investment must involve an economic activity that contributes to an environmental objective, measured, for example, through key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

Environmental and social contributions can be defined in terms of the UN Sustainable Development Goals, as well as the objectives of the EU Taxonomy Regulation. The computation of the positive contribution is based on a quantitative framework, complemented by qualitative inputs by Sustainability Research. The methodology applied first breaks down a company into its business activities to assess whether these activities are providing a positive contribution to environmental and/or social objectives. Following the mapping of business activities, an asset-weighted aggregation at portfolio level is conducted to calculate a percentage share of positive contribution per portfolio.

The minimum proportion of sustainable investments in the Fund is 15% of the Fund's net assets.

The Fund aims to invest at least 0.01% of its net assets in activities that are aligned with the European Taxonomy.

In implementing its strategy, the Manager will take into account the PAI indicators PAI ("Principal Adverse Impact") relating to greenhouse gas emissions, biodiversity, water and waste as well as social issues and those related to working conditions for private sector issuers and, where applicable, when these indicators apply, to government bonds, and the exclusion criteria, which apply to internal sustainable funds. PAI indicators are taken into account through the exclusion criteria.

Uniform data coverage is required for these indicators. Due to the lack of certain data, the Fund Manager is not yet in a position to assess the unadjusted gender remuneration gap for the companies in which it invests. In addition, data coverage for biodiversity, water and waste is low and the corresponding PAI indicators are reviewed with the exclusion of serious controversies under the UN Global Compact. The Fund Manager will therefore endeavour to increase data coverage for those PAI indicators that suffer from a lack of data. The Fund Manager will regularly review whether data availability has increased sufficiently to include the assessment of these criteria in the investment process.

The Fund does not carry the SRI label.
This stock picking is part of a traditional financial analysis based on fundamental analysis, valuation and characterisation of securities.
Fundamental analysis leads to an appraisal of each security in absolute terms and relative to its sector. It is based, over the medium term, on an analysis of the strategy, market, growth potential, financing structure and ability to generate profits from each security analysed.
Valuation aims to quantify the valuation potential of each security and assess the stock market momentum favourable to the investment.
Characterisation aims to establish the profile of a security by reference to its style, how aggressive it is in stock market terms and its sensitivity to various stock market and macroeconomic factors (size of the company, liquidity of the security, interest rate, currency, etc.).
The weighting and number of securities in the Fund portfolio is the result of an analysis of the optimal diversification of specific risk for an objective level of return and in connection with structural strategies such as the overall relative risk budget, style, level of aggressiveness (or beta) and thematic strategies (sectors and countries). The choice of adding or arbitrage of a security within the Fund portfolio is assessed by way of its impact on its portfolio risk and profitability, as well as its specific characteristics.

2 - Diversification of investment choices: Principal and recurring

In order to diversify its investment choices, and with the aim of seizing any performance opportunity, the Fund's manager may invest in securities (which may include or be confined to UCIs) which offer performance opportunities.

Potential thematic investment opportunities are defined by the internal decision making bodies presented under the heading "Articulation of strategies". These strategies may take the form of diversification by management style, capitalisation size and/or sector. The rating scale for secondary markets, which is common to all management teams, breaks down as follows in this case: neutral, positive, very positive.

a- Diversification by management style: major and recurring

The Fund's manager is regularly obliged to invest in securities (which may include or be confined to UCIs) characterised by a pronounced management style (yield, growth etc.). The introduction of this kind of diversification arises directly from the rating scale for "secondary" markets as described above.

b- Diversification by capitalisation size: major and recurring

The Fund manager may regularly invest in securities (which may include or be confined to UCIs) the specific feature of which is that they are specialists in asset sizes (large-cap, mid-cap and/or small-cap securities). The introduction of this kind of diversification arises directly from the rating scale for "secondary" markets as described above.

c- Diversification by sector:

The Fund's manager may be obliged to invest in securities (which may include or be confined to UCIs) of one or more sectors. The introduction of this type of strategy arises directly from the rating scale for "secondary" markets as described above.

**Risk profile:** "Your money will be invested primarily in financial instruments selected by the Management Company. These instruments will be subject to market trends and risks. "
**The UCI does not offer any guarantees, and the capital invested may not be fully recouped due to market fluctuations.**
The extent of these fluctuations can be measured by a simple indicator: volatility.
Volatility is an indicator allowing the average magnitude of a UCI's performance to be quantified through observation of its past performance. As such, and as an example, the volatility of a money market portfolio is less than that of a bond portfolio, which in turn presents less volatility than an equity portfolio.
This concept of volatility reflects both the UCI's upward and downward performance potential. Thus, the higher its volatility, the greater its ability to generate performance and, conversely, the greater its risk of incurring higher losses.
This volatility can be broken down by risk factor. These factors are also sources of added value, in which the portfolio invests in order to generate performance. From among all the risk factors/added value at their disposal, our management teams endeavour to manage their risk budget at all times by prioritising sources that are the subject of strong convictions. The main risk factors to which this UCI may be exposed are outlined below.

**Risk associated with the equity market:** Since the Fund may invest directly or indirectly in shares, changes in its value are linked to changes in the valuation of the Equities investment universe. For example, if the price of the shares in the portfolio falls, the net asset value of the Fund's units will be reduced.

The Fund's minimum degree of exposure to equity market risk will be 85%.

**Risk associated with the choice of individual shares:** In addition to exposure to equity markets and sector risk, transactions are made within the same sector on specific securities. This choice of securities is determined by the manager's confidence or lack of confidence in certain stocks. The decision to adopt an underweight or overweight position on a given security generates volatility in the portfolio, according to the volatility of each security.

**Risk associated with investing in small- and mid-caps:** The Fund's investments may include shares in small- and mid-cap companies; as fewer of these securities are traded, market trends both upwards and downwards can be more pronounced and can occur more quickly than those of large-cap companies. The Fund's net asset value may be similarly affected.

Up to 20% of the Fund's assets will be exposed to risk associated with investing in small-caps.

**Geographical/sectoral risk:** The equity markets comprise a very broad universe of securities. Within this universe, the portfolio may focus at its will on a given market segment, either in line with its universe/benchmark, where appropriate, or based on the expectations of our management teams. These segments may be linked to economic sectors, countries/geographic regions, the size of companies, return/growth strategy, and so on. Some segments are more volatile than others, and thus generate greater volatility in the portfolio's performance, while others are more defensive.

**Currency risk:** Changes in the exchange rate on securities issued in foreign currencies generate valuation differences that are independent of the fluctuations specific to each security in their currency. Thus, a security whose valuation in its currency does not change may however be affected by fluctuations of this currency against the euro. This exposure is taken into account in the choice of securities, and when the expectations for a given currency are unfavourable, its effects may be mitigated by the use of forward currency instruments.

Up to 20% of the Fund's assets will be exposed to currency risk.

**Specific Risks (risks linked to specific features of the management strategy of the Fund within its class):** The UCI focuses on companies that apply best practices in their sector in regard to sustainable development. Among Eurozone equity UCIs, this specialisation and the absence of a directly relevant benchmark involves a specific exposure to sector risk.

**Risk linked to negative interest rates:** The Fund's liquidities lodged with the Custodian or other banks may be subject to the application, by the Custodian or other banks, of negative interest rates according to market trends and specifically, changes in the interest-rate policy of the European Central Bank. These negative interest rates may then have a negative impact on the net asset value of the Fund.

**Sustainability risk:** There is systematic research evidence that sustainability risks may materialize as issuer specific extreme loss-risks. An event or situation in the environmental, social or governance domains that, if to occur, could have a high financial impact and result in significant financial losses.

**Guarantee or protection:** None.

**Target subscribers and standard investor profile:**

The UCI comprises three unit classes.

The "I" unit is intended for professional investors and/or any subscriber, and more specifically for dioceses of the Catholic Church.

The UCI's risk profile makes it suitable for subscription by unitholders seeking exposure to:

- Market risk of equities in Eurozone countries respecting the ethical criteria of the Catholic Church The "M" unit is intended for investors who subscribe through authorised distributors.

"M" shares may only be subscribed with the approval of the Management Company and only by distributors who, in compliance with regulatory obligations or individual fee agreements with their clients, are not permitted to accept and retain retrocession fees. No retrocession fees may be paid to distributors holding "M" shares.

The "R" unit is intended for all subscribers.

**Minimum recommended investment term:** 5 years.

E.T.H.I.C.A. is aimed at investors who pursue the objective of general capital appreciation/asset optimisation and/or above- average participation in price changes. It may not be suitable for investors who wish to withdraw their capital from the fund within a short timeframe. E.T.H.I.C.A. is aimed at investors with basic knowledge and/or experience of financial products.
Prospective investors should be capable of bearing a financial loss and should not attach any importance to capital protection. In terms of risk assessment, the Fund is classified as falling into a certain category of risk on a scale ranging from 1 (cautious; expected yields very low to low) to 7 (high tolerance to risk; higher expected yields), which is published on the website https:// regulatory.allianzgi.com and which will be included in the Key Investor Information Document published for the unit/share class in question (depending on the structure of the Fund/SICAV).

**Tax regime:** The Fund may be eligible as a unit of account in a life insurance policy. The Fund is eligible for the Plan d'Epargne en Actions (PEA) [Equity Savings Plan].
The Fund is not subject to corporation tax. However, capital gains or losses are taxable when remitted to unitholders.
Nevertheless, the tax authority considers switching from one share class to another to be a sale followed by a subscription, which is therefore subject to the taxation of capital gains on securities.

The tax regime applicable to these latent or realized capital gains or losses depends on the tax provisions applicable to the investor's financial situation and/or the jurisdiction in which the Fund is invested; if investors are unsure of their tax situation, they should contact an adviser or other professional.

*For more information, the complete prospectus is available from the management company upon request.*

- The net asset value as well as other information about the UCI is available from Allianz Global Investors GmbH, Bockenheimer Landstrasse 42-44, D-60323 Francfort am Main - Germany or Allianz Global Investors, Succursale Française, 3 Boulevard des Italiens 75113 Paris Cedex 02 or on the website: www.allianzgi.fr https://fr.allianzgi.com.
- AMF approval date: 1 April 2008.
- UCI creation date: 1 April 2008.

Whereas 2021 was dominated by economic recovery (following the COVID crisis) and accommodative fiscal and monetary policies, 2022 was shaped by five factors, namely: nascent normalisation of health conditions in Western countries, the Russia-Ukraine conflict, an unprecedented wave of inflation, far tighter monetary policies and, lastly, downgraded growth forecasts.

On the health front, 2022 kicked off a spate of contaminations caused by the Omicron variant, much more contagious but less threatening than its predecessors. Indeed, the COVID-19 virus was responsible for three times fewer deaths worldwide in 2022 than in 2021, and most restrictions were eased in the summer, paving the way for a bounce-back in service activities. Only China maintained its zero-COVID policy, leading to a series of regional lockdowns and weak growth.

The Russia-Ukraine conflict officially broke out on 24 February with the entry of Russian troops into its neighbouring country. Sanctions were swiftly adopted by Europe and the United States against Russia, leading to a progressive attrition of hydrocarbon sales and particularly gas from Russia to Europe, which is still 40% dependent on its Russian supplier. As a result, gas prices (which had already risen in H2 2021), soared from roughly €50 to over €275 at the height of the summer (when stocks were built up for the winter). While some predicted a quick Ukrainian surrender, the conflict has gradually stalled due to fierce resistance and significant Western arms support. The initial rapid advance of Russian troops leading to the annexation of several regions was followed by a Ukrainian counter-offensive in the autumn.

The inflationary setting preceded the Ukraine conflict: as Western economies reopened up after the health crisis and as China pursued its zero-COVID policy, high tensions have been felt in supply chains since Q2 2021, with producer prices in the US rising from +2% at t2020 year-end to +10% in March 2022. Driven by rising gas and electricity prices in Europe in the wake of the Ukraine conflict, the increased producer prices even exceeded +40% during the summer. Labour shortages and a buoyant labour market brought about a wage-price loop in the US, where inflation peaked at 9.1% in June. In the euro area, a peak of 10.6% was reached in October, before easing slightly.

Faced with this unprecedented inflationary surge, the central banks, which had underestimated the extent and duration of the phenomenon, ended up adopting a far less supportive stance. The US Federal Reserve's first rate hike in March (+25 bp) was followed at each subsequent meeting by hikes of 50 and then 75 basis points, before returning to a 50 basis point increase in December. In total, the average FED refinancing rate rose from 0.25% to 4.50% in 2022. The European Central Bank commenced its tightening later (July 2022) and less aggressively, raising rates from 0% to 2.5%. This rates policy, combined with rationing of liquidity supply (quantitative tightening) resulted in a reduction in the money supply in circulation and an increase in long rates on both sides of the Atlantic (the US 10-year rate is now 3.9% Vs with 1.5% at the end of last year, with a peak of 4.2% at the end of October, and the German 10-year Bund rose from 0.18% at 2021 year-end to 2.36% at 2022 year-end). The rising interest rates had a heavy impact on the main asset classes: the bond market suffered its worst correction in two decades, credit spreads tightened (Itraxx Crossover rose from 242 to 475 bp). The year was also shaped by a sharp decline in assets sensitive to liquidity attrition (Bitcoin fell from around USD 47,000 to USD 17,000 in 2022), a fall in IPOs and a collapse in unprofitable technology stocks.

The combination of geopolitical tensions, the inflationary shock, restrictive monetary policies and a Chinese economy still decelerating under the effect of a zero-COVID policy, led to downward revisions of growth forecasts throughout the year. Consumer confidence fell to a historical low. A steep decline in the housing sector was felt as a result of the rate hikes. Industrial production held up relatively well, but was also boosted by replenishment of post-COVID stocks, which is currently well on track. A number of leading activity indicators (freight, commodities) have been clearly on the decline since the summer of 2022.

E.T.H.I.C.A.

Corporate results were surprisingly robust. In contrast, the degraded leading PMI indicators did not translate into a contraction in earnings. Consensus expectations were revised upwards throughout the year, making 2022 a record year in terms of earnings (+22% on average for the Euro Stoxx) and margin. Energy-related sectors of course benefited from the surge in gas prices, but they were not alone. Companies quickly passed on the input price increases in their sales prices in anticipation, and these increases were passed on fairly easily in a context still marked by a form of post-COVID shortage, as well as by successive fiscal stimulus packages (COVID and the Ukraine crisis) which enabled households to build up abundant savings. Additionally, the appreciation of the dollar (+6% against the euro) also helped exporting companies considerably.

The hierarchy of sector performances reflected this environment, which was dominated by the energy crisis, interest rate hikes, the inflationary shock impacting on consumer morale and downward revisions of growth forecasts. Ultimately, the European equity market showed a relatively contained decline of 10% over the year, with dispersion between sectors even more pronounced than in 2021. Generally, the value and large cap segments outperformed the growth and mid and small cap segments.

The main sector outperformers were commodity-related sectors (Energy +30%) driven by the energy crisis and basic resources (+11%) benefiting from rising inflation, as well as sectors positively impacted by rising interest rates (Insurance +6%, Banks +2.5%), the latter also benefiting from their strengthened balance sheet over the last few years without suffering any degraded credit quality for the time being. All of these sectors had dividend yields above 5%.

The other sectors closed on a decline. However, some defensive segments (Telecom, Utilities, Media) held up better with performances of -6/-7% than the cyclical segments (Automotive, Industrials, Construction). Stocks sensitive to China, interest rates, e-commerce and fragile from a balance sheet point of view are underperforming. The weakest underperformance came from sectors negatively impacted by higher interest rates, such as Real Estate (-38%) and Technology (-27%), due to the effect of lower valuation multiples and a downturn in the semiconductor cycle. The Retail sector (-23%) was particularly affected by the sluggish consumer market.

Overall, 2022 was not a positive year for SRI management performance, with Defence and Energy stocks emerging the best performers throughout the year.

ETHICA recorded a performance of -13.72% net of fees for the IC share (net asset value of €31940.10 on 30 December 2022), -14.17% net of fees for the MC share (net asset value = €110.63 on 30 December 2022), and -14. 69% net of fees for the RC2 unit (net asset value = €108.39 on 30 December 2022), against a Eurostoxx 50 benchmark index down 9.49% over the period (Vs the 12.47% decline in the MSCI EMU index).

The fund benefited from net subscriptions of more than €2.1m over the period and assets under management at end of amounted to €96.4m.

The fund underperformed its index in 2022 due to unfavourable stock selection, with the sector allocation effect contributing positively to the relative performance over the year.

The fund's relative performance was adversely affected by the following negative - Underweighting of Energy and overweighting of Technology,

- Stock selection within the industry sector with the underperformance of Kion, Alstom, Saint Gobain and Schneider Electric and the absence of defence-related stocks Airbus and Safran from the portfolio, which are not eligible under AGI's SRI policy,
- The choice of stocks within the Basic Materials sector due to underperformance of DSM, Arkema, Symrise and Stora Enso and the absence of Linde in the
- The choice of stocks within Healthcare with the underperformance of UCB and Biomérieux and the detrimental absence of Sanofi and Bayer, that are not eligible for the portfolio
- The selection of Consumer Discretionary stocks with the underperformance of the Adidas, Zalando, Michelin and Slli
- Stock selection within Energy mainly due to the costly lack of exposure to TotalEnergies up 41% over the year, and Eni,
- Stock selection within Financials due to the underperformance of Societe Generale, affected by its exposure to Russia, the underperformance of bets on KBC and BNP, and the lack of exposure to BBVA and Deutsche
- A few bets in technology (Dassault Systèmes, Cap Gemini, Infineon, Worldline), Utilities (Veolia) and Consumer Staples (Danone), and no exposure to Anheuser-Bush Inbev.

However, the portfolio's performance was boosted by:

- Overweighting of Communication Services and Financials and underweighting of Healthcare and Materials,
- Selection of technology stocks with the robust performance of Edenred (+28% over 2022) and the absence of Adyen, SAP and Nokia in the portfolio,
- The selection made within the Real Estate sector with the winning bet in Unibail-Rodamco-Westfield and the absence of exposure to Vonovia,
- The selection of Utilities stocks due to the sound performance of Iberdrola and Acciona Energias and the absence of exposure to the underperformance of the Enel share sold in 2021,
- Special bets in Repsol Munich Re, Publicis, Neste, Intesa San Paolo and the lack of exposure to Deutsche Post, Kering, L'Oréal, BASF, Philips, Volkswagen, Kone and CRH.

Against the backdrop of a slowing economic cycle and a change in the monetary regime, we adopted a "barbell" approach in 2022 with a portfolio balanced between styles and sectors, in order to protect ourselves from growth that is set to slow down by seeking resilient profiles and structural investment themes.

- We have therefore given priority to stocks exposed to private or public investment (green, digital and infrastructure), rather than those exposed to consumer spending. Within consumer spending, we lowered our exposure to consumer discretionary (selling Renault, Zalando, Michelin and Adidas) in favour of more defensive names in consumer staples (buying Danone, buying Henkel, strengthening Ahold Delhaize) or communication services (strengthening Deutsche Telekom).
- We focused on quality names, across all sectors, that have pricing power and healthy balance sheets. For instance, within the materials sector, we prefer quality stocks such as DSM or Symrise and companies that are inflation-resistant via their upstream integration, such as Stora Enso or their long-term contracts such as Air Liquide. We also performed arbitrages in favour of more defensive stocks within industry (strengthening in Schneider Electric and Vinci / selling Signify, Alstom and Kion) and materials (strengthening in DSM / selling Arkema)
- We raised our exposure to financials (purchase of Société Générale and Allianz), built up at the end of 2020 as a hedge against rising bond yields, still favouring groups with solid capital positions such as BNP or KBC, and increased our exposure to the energy sector (purchase of GazTransport & Technigaz, strengthening in Neste)

While growth is expected to remain scarce in the longer term following the catch-up effect of rising debt and the curbing of economic globalisation, we remained focused on secular growth themes boosted by the pandemic:

- The digital revolution has gathered steam and is transforming all economic sectors (trade, transport, industry, etc.) => We remain exposed to the digitalisation theme, which we have consolidated via ASML, STM, Dassault Systèmes, SAP, Cap Gemini and Schneider,
- Health is back at the heart of societal issues and public policies => We are trying to gain exposure to this theme despite a structural underweighting of pharmaceuticals due to ethics via specialised medium-sized players (UCB, Biomérieux) and players committed to food safety and nutrition (strengthening in DSM and Symrise)
- The energy transition is boosted by the stimulus packages adopted in Europe and the United States: We have increased the portfolio's exposure to companies benefiting from the Green Deal (Schneider Electric, Saint Gobain, Arcadis, Air Liquide, Vinci, Siemens, Veolia) and are maintaining our exposure to renewable energy companies, increase our positions in EDP Renovaveis and Iberdrola
- The social contract is becoming more important for companies with increasing regulation of supply chains and development of the circular economy: We ensure that we value business models that are more respectful of all stakeholders, particularly within their supply chain (EssilorLuxottica, LVMH) and players with an advanced circular economy strategy (Stora Enso, Umicore, Veolia).

In 2022, our main purchases were Allianz, Société Générale, GazTransport & Technigaz, Henkel and Danone. They were financed by the sale of positions in Adidas, Michelin, Arkema, Philips, Generali, Zalando, Infineon, Kion, Signify, Worldline, Renault and Alstom.

The performance achieved over the period is no indicator of future results of the UCI.

## ADDITIONAL INFORMATION

### Efficient portfolio management techniques and derivative financial instruments

a) Exposure gained through effective portfolio management techniques and derivatives: N/A

b) Identity of the counterparty or counterparties with efficient portfolio management techniques and derivatives: N/A

c) Financial collateral/guarantees received by the UCITS to reduce counterparty risk: N/A

d) Revenues and operational expenses linked to effective management techniques: N/A

### Exercise of voting rights:

Allianz Global Investors GmbH (on behalf of the Fund or the investment company) exercises voting rights attached to the securities of the main European companies held by the Fund in the exclusive interest of unitholders, in accordance with article L 533-22 of the French Monetary and Financial Code.

To that end, it can get assistance from Allianz Global Investors GmbH, which uses the services of the specialised consultant ISS for the analysis and exercise of voting rights at the shareholders' meetings of companies. Allianz Global Investors' voting policy is formulated each year by the Corporate Governance Committee at Allianz Global Investors and its team of ESG analysts. It enables ISS to examine resolution texts and to determine the position of the management company. These voting recommendations are then reviewed by the ESG teams of Allianz Global Investors GmbH before votes are actually cast.

The document entitled Principle on Voting Rights, as well as the Report on the Exercise of Voting Rights, which reports on the conditions under which it exercises the voting rights attached to the securities held by the UCITS that it manages, and the information about voting on each resolution can, in accordance with the General Regulations of the AMF, be consulted either at https://fr.allianzgi.com or at its head office located at 3 boulevard des Italiens, in the 2nd arrondissement of Paris.

### Transfer fee allocation criteria:

For every transaction on shares, bonds, NDS and Funds, a flat fee, based on the type of transaction, is deducted by the depositary. Where applicable, it covers intermediaries' brokerage costs..

### Selection and evaluation of intermediaries and counterparties:

In order to obtain the best possible results for its clients, Allianz Global Investors GmbH complies with applicable regulation on the selection of intermediaries (best-selection obligation) and the execution of orders (best-execution obligation).
Allianz Global Investors GmbH implements an intermediary-selection policy that sets out the criteria adopted for selecting intermediaries. This policy is available on Allianz Global Investors GmbH's website at www.allianzgi.fr or upon request from the head office located at 3 boulevard des Italiens, in the 2nd arrondissement of Paris. Allianz Global Investors GmbH selects intermediaries that can deliver the best results in the execution of transactions, based on the price and costs of execution of the transaction; speed of the transaction; probability of execution and settlement; size and nature of the order; or any suitable criterion. The Intermediary Selection Committee assesses each intermediary's performance on a half-yearly basis and adapts the list of intermediaries accordingly.

### Shared fees:

Pursuant to the General Regulations of the Financial Markets Authority and as part of the equity trading carried out in 2021, Allianz Global Investors GmbH used the services of intermediaries to help it with investment decisions and the execution of orders, in particular through financial analysis.

Allianz Global Investors GmbH signed agreements in line with said regulations with the following intermediaries.

The report on brokerage fees is available at https://fr.allianzgi.com.

### Assets eligible for the French PEA equity savings plan:

In order to enable holders to enjoy the tax benefits of the peA scheme, the assets of the UCI is composed at all times of at least 75% of shares from the euro zone. the investment proportion of assets in securities or rights eligible for the peA equity savings plan at 30.12.2022 is 98.44%.

### Use of financial instruments managed by the Management Company or a related company:

A table listing the financial instruments managed by the Management Company or a related company can be found in the "Other Information" table in the Fund's annual financial statements.

**European Taxonomy Regulation in relation to the Sustainability Disclosure Regulation:**

The principle of "do not significantly harm" applies only to investments underlying the financial product that take into account the European Union's criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the European Union's criteria for environmentally sustainable economic activities.

**Calculation of the Fund's commitment to forward financial instruments:**

The method of calculating commitment, as defined by the general regulations of the AMF, is used to calculate the overall risk.

**Rémuneration:**

At Allianz Global Investors, we consider that competitive salaries, a strong commitment to employees, and career opportunities which are both stimulating and rewarding, are essential for attracting, motivating and retaining the most talented staff with a vested interest in the long term success of our clients and our company. We pay particular attention to remunerating them properly in order to achieve our ambition of becoming a trusted investment partner for our clients. We recognise the importance of an attractive remuneration package, in terms both of salary and other benefits, and pay our employees on the basis of clear guidelines which are regularly reviewed in light of market practices and local regulations.

Financial remuneration consists primarily of a basic salary, which generally takes into account the skills, responsibilities and experience associated with each post, and an annual variable remuneration component. The variable component is generally a cash bonus paid at the end of the employee's assessment year, as well as a deferred component for all staff members whose variable remuneration exceeds a certain threshold. The remuneration is genuinely variable, in the sense that the amount of the remuneration may be more or less than the amount paid in the previous year depending on the performance achieved by the employee, the team and the company.

The level of remuneration paid depends on quantitative and qualitative performance indicators. The quantitative indicators are based on measurable objectives, while the qualitative indicators take into account actions which reflect our fundamental values, namely excellence, passion, integrity and respect. A comprehensive assessment forms part of these qualitative criteria for all employees.

For investment professions whose decisions are key in obtaining concrete results for our customers, quantitative indicators taking account of long-term investments for portfolio managers in particular, the quantitative element includes the reference index for customer portfolios that they generate or the declared target of customers in terms of yield measured over periods of one year to three years.

For professionals who have contact with the clients, the objectives include client satisfaction, measured independently.

Another way of linking individual performance to the creation of long-term value for our clients and shareholders consists of deferring for a period of three years a substantial portion of the annual variable remuneration of employees who meet the necessary conditions.

The levels of deferral rise according to the amount of the variable remuneration. Half of the deferred amount is linked to the company's performance, while the other half is invested in the funds which we manage. Investment professionals should invest in funds which they manage and support, while continuing to align their interests with those of our clients.

**Employee compensation information:**

The total compensation package actually paid to Allianz Global Investors GmbH employees during the past financial year is tabulated below, split into fixed and variable portions and broken down according to executive risk-takers, employees performing control functions and employees receiving total compensation thereby placing them at the same compensation level as executives and risk-takers.

**Key elements of remuneration in 2022:**

| | Total number of employees | Of which | | | | |
|---|---|---|---|---|---|---|
| Number of employees: 30/12/2022 | 1,710 | risk-takers | managers | control functions | other risk-takers | receiving an identical income |
| Fixed remuneration | 174,302,493 | 7,269,792 | 985,960 | 390,480 | 2,207,677 | 3,685,675 |
| Variable remuneration | 121,033,472 | 16,763,831 | 1,483,410 | 377,612 | 4,459,440 | 10,443,368 |
| Total | 295,335,965 | 24,033,623 | 2,469,370 | 768,092 | 6,667,117 | 14,129,043 |

Employee compensation information does not include compensation paid by external managers to their employees. The asset management company does not pay any direct remuneration from the fund to employees of outsourcing companies.

**Fixation of remuneration:**

AllianzGI is subject to the supervisory law requirements applicable to the management companies with regard to the structure of the remuneration system. The general management of the company is regularly responsible for setting the remuneration of employees. The remuneration of the general management itself is fixed by the partner.
The company has established a Compensation Committee that performs the duties prescribed by law. This Compensation Committee is composed of two members of the Supervisory Board of the company, who are appointed by the Supervisory Board and one of whom must be a staff representative.
The personnel department has developed the company's compensation policy in close collaboration with the risk management and legal affairs and compliance departments as well as with external advisers and by involving senior management in accordance with the requirements of the UCITS Directive and the AIFM Directive. This remuneration policy applies to both the company with headquarters in Germany and its branches.

**Compensation structure:**

The main components of monetary compensation are the base salary, which generally reflects the duties, responsibilities and experience required for a given position, and an annual variable component.
The amount of variable compensation to be paid at the company level depends on the performance of the company and the risk situation of the company and therefore fluctuates from one year to the next. In this context, the allocation of specific amounts to certain employees depends on their performance and that of their department during the reporting period.
The variable remuneration includes the payment of an annual bonus in cash after the end of the financial year. A significant portion of the annual variable compensation of employees for which the latter exceeds a certain value is deferred for three years.
The deferred portion increases in parallel with the amount of the variable portion. Half of the deferred amount is linked to the performance of the company, the other half is invested in funds managed by AllianzGI. The amounts finally paid depend on the success of the business activity or the performance of the units of certain investment funds over a period of several years.
In addition, deferred compensation items may expire in accordance with the terms of the plan.

**Performance evaluation:**

The level of remuneration to be paid to employees is linked to both quantitative and qualitative performance indicators. For fund managers whose decisions have a significant effect on the achievement of our clients' investment objectives, the quantitative indicators seek to measure the sustainability of the investment performance. In the case of portfolio managers, the quantitative component is based on the client's portfolio benchmark or client-specified expected return, measured over a one year and three-year period.
Customer satisfaction, measured independently, is also one of the objectives of employees in direct contact with customers.
The remuneration of employees exercising control functions is not directly related to the success of the activity of the various departments over which the control functions are exercised.

**Risk takers:**

The following groups of employees have been identified as risk takers: management, risk takers and control staff (who have been identified on the basis of the current organisational charts and job profiles and have been evaluated on the basis of an estimation of their influence on the risk profile) as well as all employees who receive a total remuneration under which they are at the same level of remuneration as the members of the management and the risk takers, whose activity has a significant effect on the risk profiles of the company and the investment funds it manages.

**Risk prevention**

AllianzGI has comprehensive risk reporting that takes into account both current and future risks in our business. Risks that exceed the risk appetite of the organisation are presented to our Compensation Committee, which decides, if necessary, on an adaptation of the global compensation pool.
Individual variable remuneration may also be reduced or cancelled altogether in the event of violations of our compliance guidelines or if too high risks are taken for the company.

**Compensation system annual review and key changes**

The Compensation Committee found no discrepancies in its annual audit of the compensation system, including verification of existing compensation structures and implementation of and compliance with regulatory requirements. The central, independent audit also found that the compensation policy was implemented in line with the compensation regulations set by the Supervisory Board. Additionally, no material changes were made to the remuneration policy during the year under review.

**SFTR :**

During the financial year, the Fund has not been subject to operations relating to SFTR regulations.

# Auditor's report

**STATUTORY AUDITOR'S REPORT**
**ON THE FINANCIAL STATEMENTS**
**For the year ended 30 December 2022**

**ETHICA**
OPCVM CONSTITUE SOUS FORME DE FONDS COMMUN DE PLACEMENT
Governed by the French Monetary and Financial Code (*Code monétaire et financier*)

Management company
ALLIANZ GLOBAL INVESTORS GMBH, succursale Francaise
3, boulevard des italiens
Case courrier P220 CS70264
75118 PARIS Cedex

**Opinion**

In compliance with the assignment entrusted to us by the management company, we conducted an audit of the accompanying financial statements of ETHICA for the year ended 30 December 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the fund at 30 December 2022 and of the results of its operations for the year then ended, in accordance with French accounting principles.

**Basis of our opinion**

***Audit standards***

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. Our responsibilities under these standards are described in the section *"Statutory Auditor's responsibilities for the audit of the financial statements"* in this report.

***Independence***

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors, from 01/01/2022 and up to the date of this report.

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«DOSSIER»

**Justification of our assessments**

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following assessments that, in our professional judgement, were the most significant for the audit of the financial statements.

These assessments were made in the context of our audit of the financial statements, taken as a whole, and of the opinion we formed which is expressed above. We do not provide an opinion on individual items in the financial statements.

**Specific verifications**

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report prepared by the management company.

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**«DOSSIER»**

**Responsibilities of the management company for the financial statements**

It is the management company's responsibility to prepare the fund's financial statements presenting a true and fair view in accordance with French accounting principles and to implement the internal control that it deems appropriate for the preparation of financial statements that do not contain material misstatements, whether due to fraud or error.

In preparing the financial statements, the management company is responsible for assessing the fund's ability to continue as a going concern, disclosing in the financial statements, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the fund or to cease operations.

These financial statements have been prepared by the management company.

**Statutory auditor's responsibilities for the audit of the financial statements**

***Audit purpose and approach***

It is our responsibility to prepare a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements, taken as a whole, are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As indicated in article L.823-10-1 of the French Commercial Code, our statutory audit of the financial statements is not to guarantee the viability or the quality of your management.

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**«DOSSIER»**

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor uses professional judgement throughout the entire audit.
He also:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- 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 company's internal control;

- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;

- concludes on the appropriateness of management'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. Such conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to issue a qualified opinion or a disclaimer of opinion;

- evaluates the overall presentation of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Neuilly sur Seine, date of e-signature

*Document authenticated by e-signature*
The Statutory Auditor
PricewaterhouseCoopers Audit
Amaury Couplez

# Balance sheet assets

| | **30.12.2022** | 31.12.2021 |
|---|---|---|
| Currency | EUR | EUR |
| **Net assets** | **-** | - |
| **Deposits** | **-** | - |
| **Financial instruments** | **96,502,261.05** | 109,020,449.43 |
| **• Equities and similar securities** | | |
| Traded on a regulated or similar market | 96,315,725.00 | 108,703,485.00 |
| Not traded on a regulated or similar market | - | - |
| **• Bonds and similar securities** | | |
| Traded on a regulated or similar market | - | - |
| Not traded on a regulated or similar market | - | - |
| **• Debt securities** | | |
| Traded on a regulated or similar market | | |
| *Negotiable debt securities* | - | - |
| *Other debt securities* | - | - |
| Not traded on a regulated or similar market | - | - |
| **• Mutual funds** | | |
| UCITS and general purpose AIF for non-professionals and equivalents in other countries | - | - |
| Other funds for non-professionals and equivalents in other European Union Member States | - | - |
| Professional general purpose funds and equivalents in other European Union Member States and listed securitization bodies | - | - |
| Other Professional Investment Funds and equivalents in other European Union Member States and unlisted securitization bodies | 186,536.05 | 316,964.43 |
| Other non-European organisations | - | - |
| **• Temporary purchases and sales of securities** | | |
| Receivables representing financial repurchase agreements | - | - |
| Receivables representing financial securities lendings | - | - |
| Borrowed financial securities | - | - |
| Repurchase financial agreements | - | - |
| Other temporary purchases and sales | - | - |
| **• Financial contracts** | | |
| Transactions on a regulated or similar market | - | - |
| Other transactions | - | - |
| **• Other financial instruments** | - | - |
| **Receivables** | **-** | - |
| Foreign exchange forward contracts | - | - |
| Other | - | - |
| **Financial accounts** | **778.16** | 10,209.06 |
| Cash and cash equivalents | 778.16 | 10,209.06 |
| **Other assets** | **-** | - |
| **Total assets** | **96,503,039.21** | 109,030,658.49 |

# Balance sheet liabilities

| | **30.12.2022** | 31.12.2021 |
|---|---|---|
| Currency | EUR | EUR |
| **Equity** | | |
| • Capital | 97,693,199.08 | 101,707,037.73 |
| • Previous undistributed net capital gains and losses | - | - |
| • Retained earnings | - | - |
| • Net capital gains and losses for the financial year | -3,695,834.44 | 5,393,359.89 |
| • Result | 2,441,136.96 | 1,886,556.69 |
| **Total equity** *(amount representing net assets)* | **96,438,501.60** | 108,986,954.31 |
| **Financial instruments** | **-** | - |
| **• Disposals of financial instruments** | - | - |
| **• Temporary purchases and sales of financial securities** | | |
| Debts representing financial repurchase agreements | - | - |
| Debts representing financial securities borrowings | - | - |
| Other temporary purchases and sales | - | - |
| **• Financial contracts** | | |
| Transactions on a regulated or similar market | - | - |
| Other transactions | - | - |
| **Debts** | **40,574.01** | 43,704.18 |
| Foreign exchange forward contracts | - | - |
| Others | 40,574.01 | 43,704.18 |
| **Financial accounts** | **23,963.60** | - |
| Cash credit | 23,963.60 | - |
| Borrowings | - | - |
| **Total liabilities** | **96,503,039.21** | 109,030,658.49 |

# Off-balance sheet

| | 30.12.2022 | 31.12.2021 |
|---|---|---|
| Currency | EUR | EUR |
| **Hedging** | | |
| • Commitments on regulated or similar markets | | |
| - Futures market (Futures) | - | - |
| - Options market (Options) | - | - |
| - Credit derivatives | - | - |
| - Swaps | - | - |
| - Contracts for Differences (CFD) | - | - |
| • OTC commitments | | |
| - Futures market (Futures) | - | - |
| - Options market (Options) | - | - |
| - Credit derivatives | - | - |
| - Swaps | - | - |
| - Contracts for Differences (CFD) | - | - |
| • Other commitments | | |
| - Futures market (Futures) | - | - |
| - Options market (Options) | - | - |
| - Credit derivatives | - | - |
| - Swaps | - | - |
| - Contracts for Differences (CFD) | - | - |
| **Other transactions** | | |
| • Commitments on regulated or similar markets | | |
| - Futures market (Futures) | - | - |
| - Options market (Options) | - | - |
| - Credit derivatives | - | - |
| - Swaps | - | - |
| - Contracts for Differences (CFD) | - | - |
| • OTC commitments | | |
| - Futures market (Futures) | - | - |
| - Options market (Options) | - | - |
| - Credit derivatives | - | - |
| - Swaps | - | - |
| - Contracts for Differences (CFD) | - | - |
| • Other commitments | | |
| - Futures market (Futures) | - | - |
| - Options market (Options) | - | - |
| - Credit derivatives | - | - |
| - Swaps | - | - |
| - Contracts for Differences (CFD) | - | - |

# Income statement

| | 30.12.2022 | 31.12.2021 |
|---|---|---|
| Currency | EUR | EUR |
| **Income from financial transactions** | | |
| • Income from financial transactions | 17.65 | 0.24 |
| • Income from equities and similar securities | 2,869,155.47 | 2,287,716.31 |
| • Income from bonds and similar securities | - | - |
| • Income from debt securities | - | - |
| • Income from temporary purchases and disposals of financial securities | - | - |
| • Income from financial contracts | - | - |
| • Other financial income | - | - |
| **Total (I)** | **2,869,173.12** | 2,287,716.55 |
| **Expenses on financial transactions** | | |
| • Expenses on temporary purchases and disposals of financial securities | - | - |
| • Expenses on financial contracts | - | - |
| • Expenses on financial debt | -364.72 | -552.61 |
| • Other financial expenses | -37,159.70 | -9,570.00 |
| **Total (II)** | **-37,524.42** | -10,122.61 |
| **Profit/loss on financial transactions (I - II)** | **2,831,648.70** | 2,277,593.94 |
| Other income (III) | - | - |
| Management fees and depreciation expense (IV) | -424,451.62 | -416,100.20 |
| **Net income for the period (L.214-9-17-1) (I - II + III - IV)** | **2,407,197.08** | 1,861,493.74 |
| Income adjustments for the period (V) | 33,939.88 | 25,062.95 |
| Interim payments in terms of the period (VI) | - | - |
| **Income (I - II + III - IV +/- V - VI):** | **2,441,136.96** | 1,886,556.69 |

# Accounting rules and methods

The annual financial statements are presented in the formats prescribed by the amended Regulation ANC 2014-01. The accounts were prepared by the management company based on the information available taking into consideration the changeable situation as regards the COVID-19 crisis.

## ASSET VALUATION RULES

### Valuation methods

The calculation of the net asset value is made taking into account the valuation methods specified below.

**Financial instruments and forward financial instruments traded on a regulated market**

Equities and equivalent securities

Equities and equivalent securities traded on a French or foreign regulated market are valued on the basis of the day's closing price or the last known closing price, regardless of where they are listed.

Fund units or investment funds

Fund units or investments funds traded on a regulated market are valued on the basis of the day's closing price or at the last known price.

**Financial instruments and forward financial instruments not traded on a regulated market**

Equities and equivalent securities

Equities and equivalent securities are valued at their current value.

Fund units or shares or investment funds

Fund units or shares or investment funds are valued on the basis of the last known net asset value.

Currency futures

Receivables for the forward purchases of currencies and liabilities for the forward sales of currencies are valued at the forward rate on the valuation date.

Credit derivatives

Credit default swaps (CDS) are valued at their current value. In accordance with the principle of prudence, these valuations are adjusted according to the counterparty risk.

**Deposits and Loans**

Term deposits

Term deposits are valued at their contractual value, calculated according to the conditions set out in the contract. In accordance with the principle of prudence, the valuation is adjusted for counterparty default risk.

**Assets and liabilities in foreign currencies**

The reference currency for accounting purposes is the Euro.

Assets and liabilities denominated in a currency other than the accounting reference currency are valued at the exchange rate in Paris on the day.

### Valuation methods for off-balance sheet commitments

The commitment value of the fixed-term contracts is equal to the price (in the UCI currency) multiplied by the number of contracts multiplied by the nominal.

The commitment value for conditional operations is equal to the price of the underlying security (in the UCI currency) multiplied by the number of contracts multiplied by the delta multiplied by the underlying nominal.

The commitment value for swap contracts is equal to the nominal amount of the contract (in the UCI currency).

### Accounting procedures

Accounting method for recording income from deposits and fixed-income instruments: Recorded on the income statement as and when acquired.

Recording of acquisition and disposal costs attached to financial instruments: Portfolio transactions are recorded at the acquisition or disposal price, excluding costs.

**Fees invoiced to the Fund:**

With the exception of intermediary costs, the fees cover all costs invoiced to the Fund:
- the financial management fees specific to the management company;
- the administrative costs external to the management company;
- the maximum indirect costs (commissions and management fees).

In addition to these fees, there may be:
- performance fees. These reward the Management Company when the Fund exceeds its objectives;
- transfer fees;
- fees linked to temporary purchases and sales of securities.

For more details on ongoing charges, please refer to KIID (if need be) or annual report.

| Fees charged to the Fund: | Basis | Maximum scale/rate |
|---|---|---|
| Financial Management fees and external administrative fees | Net assets | IC unit : maximum 0.40% including VAT<br>MC unit: maximum 0.90% including VAT<br>RC2 unit: maximum 1.50% including VAT |
| Maximum indirect fees (fees and management fees) | Net assets | Not significant* |
| Service providers charging transfer fees : the depositary | Charge on each tran-saction | Maximum of €300 including VAT |
| Performance fee | Net assets | N/A |

** UCI investing less than 20 % in other UCIs*

**Indication of accounting modifications subject to the specific information of unitholders**

Changes made: None.

Future changes: None.

**Indication of other modifications subject to the specific information of unitholders** *(Not certified by the statutory auditor)*

**Changes made:** None.

**Future changes:** Changes concern the terms and conditions of subscriptions and redemptions..

**Indication and justification of estimate changes and implementation rules**

None.

**Indication of the nature of errors corrected during the financial year**

None.

**Indication of the rights and conditions attached to each unit class**

Capitalisation of profits and net capital gains.

# Changes net assets

| | **30.12.2022** | 31.12.2021 |
|---|---|---|
| Currency | EUR | EUR |
| **Net assets at the beginning of the period** | **108,986,954.31** | 88,600,638.05 |
| Subscriptions (including the subscription fee allocated to the UCIT) | 8,572,522.30 | 14,990,481.08 |
| Redemptions (with deduction of the redemption fee allocated to the UCIT) | -6,024,469.42 | -13,359,735.05 |
| Capital gains on deposits and financial instruments | 1,956,131.66 | 6,298,634.93 |
| Capital losses on deposits and financial instruments | -5,568,339.53 | -1,003,888.72 |
| Capital gains on financial contracts | - | - |
| Capital losses on financial contracts | - | - |
| Transaction fees | -64,573.77 | -62,579.04 |
| Foreign exchange differences | -45,661.89 | 118,323.86 |
| Changes in the estimate difference in deposits and financial instruments: | -13,781,259.14 | 11,543,585.46 |
| *- Estimate difference - period N* | *16,515,437.60* | *30,296,696.74* |
| *- Estimate difference - period N-1* | *30,296,696.74* | *18,753,111.28* |
| Changes in the estimate difference in financial contracts: | - | - |
| *- Estimate difference - period N* | - | - |
| *- Estimate difference - period N-1* | - | - |
| Distribution over the previous year net capital gains and losses | - | - |
| Prior period distribution | - | - |
| Net income for the period before adjustment accounts | 2,407,197.08 | 1,861,493.74 |
| Deposit(s) paid(s) during the year net capital gains and losses | - | - |
| Interim payment(s) during the period | - | - |
| Other items | - | - |
| **Net assets at the end of the period** | **96,438,501.60** | 108,986,954.31 |

# Additional information

## 1. Financial instruments: breakdown by legal or economic type of instrument

### 1.1. Breakdown of the "Bonds and similar securities" item by type of instrument

| | Traded on a regulated or similar market | Not traded on a regulated or similar market |
|---|---|---|
| Indexed bonds | - | - |
| Convertible bonds | - | - |
| Fixed-rate bonds | - | - |
| Variable-rate bonds | - | - |
| Zero-coupon bonds | - | - |
| Investments | - | - |
| Other instruments | - | - |

### 1.2. Breakdown of the "Debt securities" item by legal or economic type of instrument

| | Traded on a regulated or similar market | Not traded on a regulated or similar market |
|---|---|---|
| Treasury Bonds | - | - |
| Short-term debt securities (NEU CP) issued by non-financial issuers | - | - |
| Short-term debt securities (NEU CP) issued by bank issuers | - | - |
| Titres de créances à moyen terme NEU MTN | - | - |
| Other instruments | - | - |

### 1.3. Breakdown of the "Disposals of financial instruments" item by type of instrument

| | Disposals of repurchase agreements | Disposals of borrowed securities | Disposals of acquired repurchase agreements | repurchase agreements |
|---|---|---|---|---|
| Equities | - | - | - | - |
| Bonds | - | - | - | - |
| Debt securities | - | - | - | - |
| Other instruments | - | - | - | - |

1.4. Breakdown of the off-balance sheet sections by market type (in particular rates, securities)

| | Rates | Equities | Foreign Exchange | Other |
|---|---|---|---|---|
| **Hedging** | | | | |
| Commitments on regulated or similar markets | - | - | - | - |
| OTC commitments | - | - | - | - |
| Other commitments | - | - | - | - |
| **Other transactions** | | | | |
| Commitments on regulated or similar markets | - | - | - | - |
| OTC commitments | - | - | - | - |
| Other commitments | - | - | - | - |

## 2. Breakdown by rate type for asset, liability and off-balance sheets items

| | Fixed rate | Variable rates | Rollover rate | Other |
|---|---|---|---|---|
| **Assets** | | | | |
| Deposits | - | - | - | - |
| Bonds and similar securities | - | - | - | - |
| Debt securities | - | - | - | - |
| Temporary purchases and sales of financial securities | - | - | - | - |
| Financial accounts | - | - | - | 778.16 |
| **Liabilities** | | | | |
| Temporary purchases and sales of financial securitiess | - | - | - | - |
| Financial accounts | - | - | - | 23,963.60 |
| **Off-balance sheet** | | | | |
| Hedging | - | - | - | - |
| Other transactions | - | - | - | - |

## 3. Breakdown by residual maturity for asset, liability and off-balance sheets items

| | 0 - 3 months | 3 months - 1 year | 1 - 3 years | 3 - 5 years | > 5 years |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Deposits | - | - | - | - | - |
| Bonds and similar securities | - | - | - | - | - |
| Debt securities | - | - | - | - | - |
| Temporary purchases and sales of financial securities | - | - | - | - | - |
| Financial accounts | 778.16 | - | - | - | - |
| **Liabilities** | | | | | |
| Temporary purchases and sales of financial securities | - | - | - | - | - |
| Financial accounts | 23,963.60 | - | - | - | - |
| **Off-balance sheet** | | | | | |
| Hedging | - | - | - | - | - |
| Other transactions | - | - | - | - | - |

## 4. Breakdown by listing currency or evaluation for asset, liability and off-balance sheets items

*This breakdown is provided for the main listing and evaluation currencies, except for the currency in which the books are kept.*

| By main currency | GBP | DKK | CHF | Other currencies |
|---|---|---|---|---|
| **Assets**<br>Dépôts | - | - | - | - |
| Equities and similar securities | - | - | - | - |
| Bonds and similar securities | - | - | - | - |
| Debt securities | - | - | - | - |
| Collective investment undertakings | - | - | - | - |
| Collective investment undertakings | - | - | - | - |
| Receivables | - | - | - | - |
| Financial accounts | 680.59 | 51.70 | 37.82 | 8.05 |
| Other assets | - | - | - | - |
| Liabilities<br>Disposal operations on financial instruments | - | - | - | - |
| Temporary purchases and sales of financial securities | - | - | - | - |
| Debts | - | - | - | - |
| Financial accounts | - | - | - | - |
| **Off-balance sheet**<br>Hedging | - | - | - | - |
| Other transactions | - | - | - | - |

## 5. Receivables and Debts: breakdown by type

*Details on elements comprising the "other receivables" and "other debts" items, particulary the breakdown of foreign exchange forward contracts by type of operation (purchase/sale).*

| | |
|---|---|
| **Receivables**<br>Foreign exchange forward contracts: | **-** |
| Foreign exchange forward contracts: | - |
| Total amount traded for forward currency sales | - |
| Other Receivables: | |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| Other transactions | - |
| **Debts**<br>Foreign exchange forward contracts: | **40,574.01** |
| Forward currency sales | - |
| Total amount traded for forward currency purchases | - |
| Other Debts: | |
| Provisioned expenses | 40,574.01 |
| - | - |
| - | - |
| - | - |
| - | - |
| Other transactions | - |

## 6. Equity

| | Subscriptions | | Redemptions | |
|---|---|---|---|---|
| Number of units issued / redeemed during the period | Number of units | Amount | Number of units | Amount |
| IC Unit / FR0010597336 | 224.249 | 7,471,873.68 | 163.893 | 5,448,508.75 |
| MC Unit / FR0013428141 | 232 | 26,989.78 | 402.7 | 45,741.57 |
| RC2 Unit / FR0013428158 | 10,131.823 | 1,073,658.84 | 4,995.614 | 530,219.10 |
| Subscription/redemption fee by unit class: | | Montant | | Montant |
| IC Unit / FR0010597336 | | - | | - |
| MC Unit / FR0013428141 | | - | | - |
| RC2 Unit / FR0013428158 | | - | | - |
| Retrocessions by share class: | | Montant | | Montant |
| IC Unit / FR0010597336 | | - | | - |
| MC Unit / FR0013428141 | | - | | - |
| RC2 Unit / FR0013428158 | | - | | - |
| Commissions to the UCI by unit class: | | Montant | | Montant |
| IC Unit / FR0010597336 | | - | | - |
| MC Unit / FR0013428141 | | - | | - |
| RC2 Unit / FR0013428158 | | - | | - |

## 7. Management fees

| Operating and management fees (fixed charges) as a % of the average net assets | % |
|---|---|
| Unit class: | |
| IC Unit / FR0010597336 | **0.38** |
| MC Unit / FR0013428141 | **0.90** |
| RC2 Unit / FR0013428158 | **1.50** |

| Outperformance fee (variable charges): amount of fees for the period | Amount |
|---|---|
| Unit class: | |
| IC Unit / FR0010597336 | **-** |
| MC Unit / FR0013428141 | **-** |
| RC2 Unit / FR0013428158 | **-** |

| Retrocession of management fees: | |
|---|---|
| - Amount of fees retroceded to the UCIT | **-** |
| - Breakdown by "target" UCIT: | |
| - UCIT 1 | - |
| - UCIT 2 | - |
| - UCIT 3 | - |
| - UCIT 4 | - |

## 8. Commitments received and granted

8.1. Description of the guarantees received by the UCIT with mention of capital guarantees ........................................................None

8.2. Description of other commitments received and/or granted.....................................................................................................................None

## 9. Other information

9.1. Current value of financial instruments pertaining to a temporary acquisition:

| | |
|---|---|
| - Financial instruments as repurchase agreements (delivered) | - |
| - Other temporary purchases and sales | - |

9.2. Current value of financial instruments comprising guarantee deposits:

Financial instruments received as a guarantee and not written to the balance sheet:

| | |
|---|---|
| - equities | - |
| - bonds | - |
| - debt securities | - |
| - other financial instruments | - |

Financial instruments granted as a guarantee and maintained in their original item:

| | |
|---|---|
| - equities | - |
| - bonds | - |
| - debt securities | - |
| - other financial instruments | - |

9.3. Financial instruments held as a portfolio issued by the entities related to the management company (funds) or financial managers (Mutual Funds) and UCITS managed by these entities:

| | |
|---|---|
| - UCITS | **186,536.05** |
| - other financial instruments | - |

## 10. Income allocation table *(In the accounting currency of the UCIT)*

### Interim payments in terms of the period

| Date | Unit Class | Total amount | Unit amount | Total tax credit | Unit tax credit |
|---|---|---|---|---|---|
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |

E.T.H.I.C.A.

| | **30.12.2022** | 31.12.2021 |
|---|---|---|
| **Income allocation** | EUR | EUR |
| **Amounts still to be allocated** | | |
| Retained earnings | - | - |
| Income | 2,441,136.96 | 1,886,556.69 |
| **Total** | **2,441,136.96** | 1,886,556.69 |

| IC Unit / FR0010597336 | **30.12.2022** | 31.12.2021 |
|---|---|---|
| Currency | EUR | EUR |
| **Allocation** | | |
| Distribution | - | - |
| Retained earnings for the period | - | - |
| Capitalisation | 2,356,693.09 | 1,840,972.27 |
| **Total** | **2,356,693.09** | 1,840,972.27 |
| **Information concerning the units conferring distribution rights** | | |
| Number of units | - | - |
| Distribution per unit | **-** | - |
| **Tax credits** | **-** | - |

| MC Unit / FR0013428141 | **30.12.2022** | 31.12.2021 |
|---|---|---|
| Currency | EUR | EUR |
| **Allocation** | | |
| Distribution | - | - |
| Retained earnings for the period | - | - |
| Capitalisation | 3,073.97 | 2,530.34 |
| **Total** | **3,073.97** | 2,530.34 |
| **Information concerning the units conferring distribution rights** | | |
| Number of units | - | - |
| Distribution per unit | **-** | - |
| **Tax credits** | **-** | - |

E.T.H.I.C.A.

| RC2 Unit / FR0013428158 | **30.12.2022** | 31.12.2021 |
|---|---|---|
| Currency | EUR | EUR |
| **Allocation** | | |
| Distribution | - | - |
| Retained earnings for the period | - | - |
| Capitalisation | 81,369.90 | 43,054.08 |
| **Total** | **81,369.90** | 43,054.08 |
| **Information concerning the units conferring distribution rights** | | |
| Number of units | - | - |
| Distribution per unit | **-** | - |
| **Tax credits** | **-** | - |

## 11. Allocation table of amounts available for distribution relating to net capital gains and losses

*((in the accounting currency of the UCITS)*

### Payments on net capital gains and losses for the financial year

| Date | Total amount | Unit amount |
|---|---|---|
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |

E.T.H.I.C.A.

| Allocation of net capital gains and losses | 30.12.2022<br>EUR | 31.12.2021<br>EUR |
|---|---|---|
| **Amounts remaining to be allocated** | | |
| Previous undistributed net capital gains and losses | - | - |
| Net capital gains and losses for the financial year | -3,695,834.44 | 5,393,359.89 |
| Payments on net capital gains and losses for the financial year | - | - |
| **Total** | **-3,695,834.44** | 5,393,359.89 |

| IC Unit / FR0010597336 | **30.12.2022** | 31.12.2021 |
|---|---|---|
| Currency | EUR | EUR |
| **Allocation** | | |
| Distribution | - | - |
| Undistributed net capital gains and losses | - | - |
| Capitalisation | -3,478,420.53 | 5,095,995.47 |
| **Total** | **-3,478,420.53** | 5,095,995.47 |
| **Information concerning units conferring distribution rights** | | |
| Number of units | - | - |
| Unit distribution | **-** | - |

| MC Unit / FR0013428141 | **30.12.2022** | 31.12.2021 |
|---|---|---|
| Currency | EUR | EUR |
| **Allocation** | | |
| Distribution | - | - |
| Undistributed net capital gains and losses | - | - |
| Capitalisation | -5,680.89 | 9,633.85 |
| **Total** | **-5,680.89** | 9,633.85 |
| **Information concerning units conferring distribution rights** | | |
| Number of units | - | - |
| Unit distribution | **-** | - |

E.T.H.I.C.A.

| RC2 Unit / FR0013428158 | **30.12.2022** | 31.12.2021 |
|---|---|---|
| Currency | EUR | EUR |
| **Allocation** | | |
| Distribution | - | - |
| Undistributed net capital gains and losses | - | - |
| Capitalisation | -211,733.02 | 287,730.57 |
| **Total** | **-211,733.02** | 287,730.57 |
| **Information concerning units conferring distribution rights** | | |
| Number of units | - | - |
| Unit distribution | **-** | - |

## 12. Table of results and other characteristic elements of the Fund over the last 5 periods

*UCIT creation date: 10 juin 2003.*

| Currency<br>EUR | **30.12.2022** | 31.12.2021 | 31.12.2020 | 31.12.2019 | 31.12.2018 |
|---|---|---|---|---|---|
| Net assets | **96,438,501.60** | 108,986,954.31 | 88,600,638.05 | 91,158,193.01 | 71,763,003.00 |

**IC Unit / FR0010597336** UNIT currency: EUR

| | **30.12.2022** | 31.12.2021 | 31.12.2020 | 31.12.2019 | 31.12.2018 |
|---|---|---|---|---|---|
| Number of outstanding units | **2,842.548** | 2,782.192 | 2,833.524 | 2,945.379 | 3,001 |
| Valeur liquidative | **31,940.1** | 37,020.93 | 30,504.66 | 30,131.54 | 23,913.02 |
| Unit distribution net capital gains and losses (including interim payments) | **-** | - | - | - | - |
| Unit distribution (including interim payments) | **-** | - | - | - | - |
| Unit tax credit transferred to unit holders (individuals) [(1)] | **-** | - | - | - | - |
| Unit capitalisation [(2)] | **-394.62** | 2,493.34 | -1,535.97 | 418.77 | 1,085.18 |

*[(1)] In application of the Tax Instruction of 4 March 1993 of the General Tax Directorate, the unitary tax credit is determined on the day the dividend is clipped by dividing the total amount of the tax credits amongst the outstanding units on that date.*
*[(2)] The unit capitalization is the sum of earnings and higher net capital losses and the number of units outstanding. This calculation method has been applied since 1 January 2013.*

**MC Unit / FR0013428141** UNIT currency: EUR

| | **30.12.2022** | 31.12.2021 | 31.12.2020 | 31.12.2019 | 31.12.2018 |
|---|---|---|---|---|---|
| Number of outstanding units | **1,337.165** | 1,507.865 | 1,252.494 | 10 | - |
| Valeur liquidative | **110.63** | 128.9 | 106.77 | 106.03 | - |
| Unit distribution net capital gains and losses (including interim payments) | **-** | - | - | - | - |
| Unit distribution (including interim payments) | **-** | - | - | - | - |
| Unit tax credit transferred to unit holders (individuals) [(1)] | **-** | - | - | - | - |
| Unit capitalisation [(2)] | **-1.94** | 8.06 | -5.91 | 0.95 | - |

*[(1)] In application of the Tax Instruction of 4 March 1993 of the General Tax Directorate, the unitary tax credit is determined on the day the dividend is clipped by dividing the total amount of the tax credits amongst the outstanding units on that date.*
*[(2)] The unit capitalization is the sum of earnings and higher net capital losses and the number of units outstanding. This calculation method has been applied since 1 January 2013.*

**RC2 Unit / FR0013428158**

UNIT currency: EUR

| | **30.12.2022** | 31.12.2021 | 31.12.2020 | 31.12.2019 | 31.12.2018 |
|---|---|---|---|---|---|
| Number of outstanding units | **50,731.996** | 45,595.787 | 19,183.801 | 22,771.48 | - |
| Valeur liquidative | **108.39** | 127.05 | 105.88 | 105.76 | - |
| Unit distribution net capital gains and losses (including interim payments) | **-** | - | - | - | - |
| Unit distribution (including interim payments) | **-** | - | - | - | - |
| Unit tax credit transferred to unit holders (individuals) (1) | **-** | - | - | - | - |
| Unit capitalisation (2) | **-2.56** | 7.25 | -6.45 | 0.68 | - |

(1) *In application of the Tax Instruction of 4 March 1993 of the General Tax Directorate, the unitary tax credit is determined on the day the dividend is clipped by dividing the total amount of the tax credits amongst the outstanding units on that date.*

(2) *The unit capitalization is the sum of earnings and higher net capital losses and the number of units outstanding. This calculation method has been applied since 1 January 2013.*

# Inventory at 30.12.2021

| Asset Code | Asset Description | Holding Status | Nominal | Market Value | Quotation Ccy | % TNA |
|---|---|---|---|---|---|---|
| Securities | | | | | | |
| **Equities** | | | | | | |
| FR0000120073 | AIR LIQUIDE | PROPRE | 27,500.00 | 3,641,000.00 | EUR | 3.78 |
| DE0008404005 | ALLIANZ SE-NOM | PROPRE | 20,000.00 | 4,018,000.00 | EUR | 4.17 |
| NL0006237562 | ARCADIS NV | PROPRE | 20,000.00 | 734,000.00 | EUR | 0.76 |
| NL0010273215 | ASML HOLDING N.V. | PROPRE | 12,500.00 | 6,297,500.00 | EUR | 6.53 |
| FR0000120628 | AXA | PROPRE | 130,000.00 | 3,387,150.00 | EUR | 3.51 |
| FR0013280286 | BIOMERIEUX SA | PROPRE | 12,500.00 | 1,224,000.00 | EUR | 1.27 |
| FR0000131104 | BNP PARIBAS | PROPRE | 75,000.00 | 3,993,750.00 | EUR | 4.14 |
| FR0000125338 | CAP GEMINI SE | PROPRE | 8,000.00 | 1,247,600.00 | EUR | 1.29 |
| FR0000125007 | COMPAGNIE DE SAINT-GOBAIN SA | PROPRE | 25,000.00 | 1,141,250.00 | EUR | 1.18 |
| ES0105563003 | CORPORACION ACCIONA ENERGIAS RENOVABLES SA | PROPRE | 20,000.00 | 722,800.00 | EUR | 0.75 |
| FR0000120644 | DANONE SA | PROPRE | 50,000.00 | 2,461,500.00 | EUR | 2.55 |
| FR0014003TT8 | DASSAULT SYSTEMES SE | PROPRE | 35,000.00 | 1,172,325.00 | EUR | 1.22 |
| DE0005557508 | DEUTSCHE TELEKOM AG-NOM | PROPRE | 200,000.00 | 3,727,600.00 | EUR | 3.87 |
| FR0010908533 | EDENRED | PROPRE | 30,000.00 | 1,526,400.00 | EUR | 1.58 |
| ES0127797019 | EDP RENOVAVEIS | PROPRE | 50,000.00 | 1,029,000.00 | EUR | 1.07 |
| FR0000121667 | ESSILOR LUXOTTICA SA | PROPRE | 20,000.00 | 3,384,000.00 | EUR | 3.51 |
| FR0011726835 | GAZTRANSPORT ET TECHNIGAZ | PROPRE | 10,000.00 | 998,000.00 | EUR | 1.03 |
| DE0006048432 | HENKEL KGAA VZ PFD | PROPRE | 18,500.00 | 1,202,870.00 | EUR | 1.25 |
| ES0144580Y14 | IBERDROLA SA | PROPRE | 350,000.00 | 3,825,500.00 | EUR | 3.97 |
| IT0000072618 | INTESA SANPAOLO SPA | PROPRE | 1,500,000.00 | 3,117,000.00 | EUR | 3.23 |
| BE0003565737 | KBC GROUPE | PROPRE | 30,000.00 | 1,802,400.00 | EUR | 1.87 |
| NL0011794037 | KONINKLIJKE AHOLD DELHAIZE | PROPRE | 100,000.00 | 2,684,000.00 | EUR | 2.78 |
| NL0000009827 | KONINKLIJKE DSM NV | PROPRE | 10,000.00 | 1,143,000.00 | EUR | 1.19 |
| FR0000121014 | LVMH MOET HENNESSY LOUIS VUITTON SE | PROPRE | 10,000.00 | 6,799,000.00 | EUR | 7.05 |
| DE0007100000 | MERCEDES BENZ GROUP AG | PROPRE | 40,000.00 | 2,456,000.00 | EUR | 2.55 |
| DE0008430026 | MUENCHENER RUECKVERSICHERUNGS AG-NOM | PROPRE | 7,500.00 | 2,280,000.00 | EUR | 2.36 |

| Asset Code | Asset Description | Holding Status | Nominal | Market Value | Quotation Ccy | % TNA |
|---|---|---|---|---|---|---|
| FI0009013296 | NESTE CORPORATION | PROPRE | 30,000.00 | 1,290,600.00 | EUR | 1.34 |
| FR0000130577 | PUBLICIS GROUPE | PROPRE | 25,000.00 | 1,485,500.00 | EUR | 1.54 |
| GB00B2B0DG97 | RELX PLC | PROPRE | 50,000.00 | 1,292,000.00 | EUR | 1.34 |
| ES0173516115 | REPSOL | PROPRE | 100,000.00 | 1,485,000.00 | EUR | 1.54 |
| FR0000121972 | SCHNEIDER ELECTRIC SA | PROPRE | 30,000.00 | 3,921,600.00 | EUR | 4.07 |
| DE0007236101 | SIEMENS AG-NOM | PROPRE | 32,000.00 | 4,148,480.00 | EUR | 4.30 |
| FR0000130809 | SOCIETE GENERALE A | PROPRE | 60,000.00 | 1,408,800.00 | EUR | 1.46 |
| NL00150001Q9 | STELLANTIS NV | PROPRE | 150,000.00 | 1,990,500.00 | EUR | 2.06 |
| NL0000226223 | STMICROELECTRONICS NV | PROPRE | 50,000.00 | 1,649,750.00 | EUR | 1.71 |
| FI0009005961 | STORA ENSO OYJ-R | PROPRE | 100,000.00 | 1,315,000.00 | EUR | 1.36 |
| DE000SYM9999 | SYMRISE | PROPRE | 10,000.00 | 1,016,500.00 | EUR | 1.05 |
| BE0003739530 | UCB SA | PROPRE | 15,000.00 | 1,103,400.00 | EUR | 1.14 |
| BE0974320526 | UMICORE SA | PROPRE | 20,000.00 | 686,400.00 | EUR | 0.71 |
| FR0013326246 | UNIBAIL RODAMCO SE REITS | PROPRE | 15,000.00 | 729,450.00 | EUR | 0.76 |
| NL0015000IY2 | UNIVERSAL MUSIC GROUP NV | PROPRE | 50,000.00 | 1,125,500.00 | EUR | 1.17 |
| FR0000124141 | VEOLIA ENVIRONNEMENT | PROPRE | 80,000.00 | 1,920,000.00 | EUR | 1.99 |
| FR0000125486 | VINCI SA | PROPRE | 40,000.00 | 3,731,600.00 | EUR | 3.87 |
| Total Equities | | | | 96,315,725.00 | | 99.87 |
| **UCITS** | | | | | | |
| FR0010017731 | ALLIANZ SECURICASH SRI I | PROPRE | 1.556 | 186,536.05 | EUR | 0.19 |
| Total UCITS | | | | 186,536.05 | | 0.19 |
| Total Securities | | | | 96,502,261.05 | | 100.07 |
| Cash | | | | | | |
| **CURRENT ACCOUNTS + SUSPENSE ACCOUNTS** | | | | | | |
| | Banque CHF SGP | PROPRE | 37.35 | 37.82 | CHF | 0.00 |
| | Banque DKK SGP | PROPRE | 384.50 | 51.70 | DKK | 0.00 |
| | Banque EUR SGP | PROPRE | -23,963.60 | -23,963.60 | EUR | -0.02 |
| | Banque GBP SGP | PROPRE | 603.85 | 680.59 | GBP | 0.00 |
| | Banque SEK SGP | PROPRE | 89.55 | 8.05 | SEK | 0.00 |
| Total CURRENT ACCOUNTS + SUSPENSE ACCOUNTS | | | | -23,185.44 | | -0.02 |

| Asset Code | Asset Description | Holding Status | Nominal | Market Value | Quotation Ccy | % TNA |
|---|---|---|---|---|---|---|
| **MANAGEMENT FEES** | | | | | | |
| | PrComGestAdm | PROPRE | -2,092.18 | -2,092.18 | EUR | -0.00 |
| | PrComGestAdm | PROPRE | -3.42 | -3.42 | EUR | -0.00 |
| | PrComGestAdm | PROPRE | -1,007.22 | -1,007.22 | EUR | -0.00 |
| | PrComGestDep | PROPRE | -2,424.54 | -2,424.54 | EUR | -0.00 |
| | PrComGestDep | PROPRE | -0.03 | -0.03 | EUR | -0.00 |
| | PrComGestDep | PROPRE | -9.22 | -9.22 | EUR | -0.00 |
| | PrComGestFin | PROPRE | -27,866.96 | -27,866.96 | EUR | -0.03 |
| | PrComGestFin | PROPRE | -111.69 | -111.69 | EUR | -0.00 |
| | PrComGestFin | PROPRE | -7,058.75 | -7,058.75 | EUR | -0.01 |
| Total MANAGEMENT FEES | | | | -40,574.01 | | -0.04 |
| Total Cash | | | | -63,759.45 | | -0.07 |
| **Total E.T.H.I.C.A.** | | | | **96,438,501.60** | | **100.00** |