



**NEITHER BEAR NOR BULL
BUT CAMELEON**

Dorval Asset Management's Controversy Management Policy

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Asset management company with AMF accreditation GP 93-08 – public limited company with share capital of €303,025 - Paris Trade and Companies Register No. B 391 392 768



DORVAL
ASSET MANAGEMENT
FLEXIBLE PAR CONVICTION



Dorval Asset Management's Socially Responsible Investment policy (SRI) is an integral part of our fiduciary responsibility approach, as our role as a responsible investor holds us to the highest standards with our clients and partners, as well as with the companies that we invest in.

This approach is based on (i) our shareholder engagement policy, (ii) our exclusion policy, (iii) our controversy management policy and (iv) the embedding of Environmental, Social and Governance (ESG) criteria at the very heart of our full range of investment management processes.

This document outlines Dorval Asset Management's controversy management policy.

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I. Introduction

An ESG controversy can be defined as an event where a company faces accusations of negative behavior on environmental issues (pollution, waste management, etc.), social aspects (respect for human rights, labor legislation, etc.) or governance (lack of transparency, fraud, etc.). Controversies particularly involve issues that may arise in the company's relationships with its stakeholders i.e. clients, suppliers, staff, shareholders, public authorities, communities, etc.

This policy aims to define the way that Dorval Asset Management addresses controversies arising on stocks it holds in its portfolios. The policy enables the company to avoid – as far as possible – companies that fail to comply with the principles set out in its responsible investment policy and thus mitigate the idiosyncratic risk for the funds it manages.

This policy is published on Dorval Asset Management's website, and compliance with the policy is monitored by the Compliance and Internal Control department.

II. Identifying issuers covered

Dorval Asset Management draws on input from its partner MSCI as well as other potential external sources (media, brokers, etc.) to flag any controversy and obtain information on the type of event.

MSCI's ESG score for each issuer includes a controversy indicator:

- A **green** flag indicates that a company is not involved in any major controversies;
- A **yellow** flag indicates that the company is involved in severe-to-moderate level controversies;
- An **orange** flag indicates that a company has been involved in one or more recent severe structural controversies that are ongoing;
- A **red** flag indicates that a company is involved in one or more very severe controversies.

III. Managing controversies

Dorval Asset Management has set out a strategy for addressing controversies in accordance with the specific features of its management processes.

Across all its funds, Dorval Asset Management has taken on a systematic approach involving excluding stocks facing severe controversies (**red** flag) from its investment universe in a timely manner.



The European equities investment department conducts a proactive and in-depth analysis of controversies affecting stocks in the portfolio during weekly management meetings. The portfolio management team assesses the controversy, and in the space of 48 hours to 10 days it may where necessary exclude the stock from all portfolios in coordination with the Compliance and Internal Control team.

IV. Scope of application

The ban on investment in severely controversial issuers applies to all Dorval Asset Management's funds.

Any external mutual funds selected by Dorval Asset Management's investment managers are not affected.

Dorval Asset Management will inform its clients of dedicated funds and mandates and encourage them to adopt this policy.

This policy applies to all of the following public funds:

- Dorval Convictions
- Dorval Convictions PEA
- Dorval Manageurs
- Dorval Manageurs Europe
- Dorval Manageurs Euro
- Dorval Manageurs Small Cap Euro
- Dorval Manageurs SMID Cap Euro
- Dorval Global Convictions
- Dorval Global Convictions Patrimoine

V. Policy communication

All stakeholders are informed of the contents of the policy via general information published on Dorval Asset Management's website on its sector and exclusion policies.

VI. Monitoring

The Compliance and Internal Control department is responsible for monitoring compliance with this policy. The list of banned issuers is included in our front-to-back system in order to systematically prevent and disallow any investment in a company seen as displaying severe controversies.