

Subject: Inclusion of non-financial environmental, social, and governance (ESG) criteria in the management of the Dorval Convictions Fund

Unit	Currencies	ISIN codes
R-C	EUR	FR0010557967
I-C	EUR	FR0010565457
M-C	EUR	FR0013192838
N-C	EUR	FR0013299187
Q-C	EUR	FR0013392222

Dear Sir or Madam,

You hold units in the Dorval Convictions Fund and we thank you for the trust you have placed in us.

The current management objective is to outperform the benchmark index (50% represented by the EONIA Capitalization Index 7 D (Bloomberg code: OISEONIA) and 50% represented by the EUROSTOXX 50 NR (EUR) index calculated with net dividends reinvested) (Bloomberg code: SX5T)) over an investment period of a minimum of 3 years, via a flexible allocation between equity and interest rate markets. The Fund is managed on a fully discretionary basis.

1. PLANNED CHANGE

To ensure that all your investments factor in not only potential financial performance but also the level of social responsibility of issuers that have invested in the portfolio, **Dorval Asset Management** has decided to change the management objective and investment strategy of the **Dorval Convictions Fund**.

The Fund will therefore adopt a stock-picking strategy governed by **Dorval Asset Management's** socially responsible investment (SRI) policy. The SRI refers to considering, in addition to financial analysis, non-financial SRI criteria (environmental, social, governance) in a systematic and engaging manner in investment decisions. Among these criteria, Governance is placed at the centre of the Fund's ESG analysis.

The changes pertaining to the management objective and investment policy have not required the approval of the French Financial Markets Authority.

These changes will take place automatically on 10 March 2021, at no cost to you and with no action required on your part.

2. CONSEQUENCES OF THESE CHANGES:

- Risk profile: these changes have no impact on the Fund's risk/reward profile.
 - Change to the risk/reward profile: NO
 - Increase in the risk/reward profile: NO
- Fee level: The fees for your investment remain unchanged.
 - Changes to fees: NO
 - Fee increases: NO

The Fund's security selection method has been changed to include non-financial criteria (ESG) in all stock-picking in a systematic and engaging manner. The Fund's management objective and investment strategy have been accordingly changed.

As such, from 10 March 2021, portfolio construction and management will combine both financial and non-financial approaches and be based on:

1. The determination of the rate of exposure to French and European equities,
2. The identification of investment themes deemed to be promising,
3. Stock picking within these investment themes, supplemented by stocks picked based on their own value,
4. The distribution of such stocks in the portfolio, according to a proprietary scoring methodology.

Stocks will be rated based on three analyses, each founded on a set of criteria:

5. Financial analysis,
6. Non-financial analysis,
7. Analysis of the "executives/business" tandem.

Each analysis will be reviewed at least once a year and updated along the way based on information and/or events in the life of the companies held in the portfolio.

The synthetic score derived from these three analyses will inform the picking of stocks and their weighting the Fund portfolio.

In addition, The Fund's prospectus has been updated with references to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR Regulation").

The annex presents a table comparing all changes.

3. IMPORTANT THINGS FOR INVESTORS TO REMEMBER:

We would like to remind you of the following points:

- It is necessary and important to read the Key Investor Information Document (KIID) carefully;
- If you are happy with the adjustments arising from this change, you need take no further action;
- If you have no opinion on this change, please contact your usual advisor who can provide you with any additional information that you may require regarding this operation or the growth of your investments.

The KIID and the Fund's prospectus are available:

- Registered office of the management company, Dorval Asset Management – 1 Rue de Gramont – 75002 PARIS, France

They will be sent to you within eight business days on written request.

- By email to: informations@dorval-am.com
- Or on the management company's website: www.dorval-am.com

Please do not hesitate to contact us if you require any further information. Yours faithfully,

Jean-François Baralon
Chief Executive Officer

ANNEX

▪ TABLE COMPARING THE CHANGES MADE:

	Before	After
Management objective	The management objective is to outperform the benchmark index (50% represented by the EONIA Capitalization Index 7 D (Bloomberg code: OISEONIA) and 50% represented by the EUROSTOXX 50 NR (EUR) index calculated with net dividends reinvested) (Bloomberg code: SX5T)) over an investment period of a minimum of 3 years, via a flexible allocation between equity and interest rate markets. The Fund is managed on a fully discretionary basis.	The management objective is to outperform the benchmark index (50% represented by the EONIA Capitalization Index 7 D (Bloomberg code: OISEONIA) and 50% represented by the EUROSTOXX 50 NR (EUR) index calculated with net dividends reinvested) (Bloomberg code: SX5T)) – and used solely for comparison and for calculating the performance fee that might be deducted – over an investment period of no less than five years, via a flexible allocation between equity and interest rate markets and with an environmental, social, and governance (ESG) opportunities/risks approach . The Fund is managed on a fully discretionary basis. This product promotes environmental or social characteristics but does not have as its objective a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.
Reference benchmark		The reference benchmark as defined in the Regulation 2019/2088 (article 2(22)) does not intend to be consistent with the environmental or social characteristics promoted by the fund.
Investment strategy	The investment strategy consists of the discretionary management of French and foreign diversified securities. More specifically, it involves: -Tactical and strategic allocation: The portfolio is managed actively. The asset allocation is distributed between equity markets and interest rate products, based on an economic scenario, market valuation and portfolio risk control. This asset allocation is defined by the management team responsible for the fund following a process that is broken down into 4 stages: -Determination of the rate of exposure to French and European equities; -Identification of investment themes; -Allocation by capitalisation size; -Individual selection of companies; -Thematic and individual selection of equities or equity securities Small, medium or large-cap securities are selected on the basis of the convictions of the specialised teams of managers/analysts at DORVAL ASSET MANAGEMENT.	The Fund uses active management with no restrictions, governed by the Management’s Company socially responsible investment (SRI) policy. The initial investment universe is made up of French and foreign diversified securities. Portfolio construction and management combine both financial and non-financial approaches and are based on: 1. The determination of the rate of exposure to French and European equities 2.The identification of investment themes deemed to be promising, i.e. favourably aligning with both major trends (macro-economic, social, and linked to sustainable development issues) and the economic environment (asset class valuation, market dynamics and sector context) 3.Stock-picking within these investment themes, supplemented by stocks picked based on their own value; in both cases and more so in the second, the stocks held in the portfolio meet the Management Company’s criteria as set out below 4.The allocation of such stocks in the portfolio, according to a proprietary scoring methodology, also described below The sector and geographical equilibrium, or even the “management style” of the Fund’s investment is analysed without guiding portfolio construction. The remainder of the portfolio is invested in money market products and interest rate products, in order to safeguard capital and reduce overall portfolio volatility.

	<p>This investment process promotes a thematic approach and the individual selection of securities (seeking out companies that are undervalued or neglected by the market).</p> <p>To do so, the managers attach specific importance to individual equity valuations, based on discounted cash flow or stock market comparison models (yields, price/earnings ratios).</p> <p>It should be noted that non-financial environmental, social and corporate governance (ESG) criteria are also included in this selection. Dorval AM’s assessments of the various ESG criteria are not necessarily an indicator of eligibility or exclusion of the security in the portfolio insofar as the fund’s managers and analysts believe that there is potential for progress and revaluation of the security.</p> <p>-Safeguarding capital and reducing volatility</p> <p>The remainder of the portfolio is invested in money market products and interest rate products, in order to safeguard capital and reduce overall portfolio volatility.</p> <p>Investors are reminded that the specific management of sub-funds in the bond and credit markets is not the ultimate purpose of the management objective.</p>	<p>Investors are reminded that the specific management of sub-funds in the bond and credit markets is not the ultimate purpose of the management objective.</p> <p>Stocks are scored based on three analyses, each founded on a set of criteria:</p> <ol style="list-style-type: none"> 1. Financial analysis 2. Non-financial analysis, 3. Analysis of the “executives/business” tandem <p>Each analysis is reviewed at least once a year and updated along the way based on information and/or events in the life of the companies held in the portfolio.</p> <p>The synthetic score derived from these three analyses makes it possible to pick stocks and their weighting in the Fund portfolio.</p> <p><u>Financial analysis</u></p> <p>From a financial standpoint, managers will focus their investments on securities whose market price does not, in their view, reflect the prospects for growth and the true value of the company. As a result, the stock selection methodology is based on a qualitative and quantitative analysis of past and prospective financial elements, based on estimates made by the management teams according to the GARP (Growth at a Reasonable Price) approach.</p> <p>The main criteria used are derived from the financial analysis and include (examples):</p> <ul style="list-style-type: none"> profit growth, Price Earnings to Growth, i.e., the PER, earnings before interest and taxes (EBIT) and/or earnings before interest, taxes, depreciation, and amortisation (EBITDA). <p>Based on these criteria, a financial score is assigned to each stock and makes it possible to determine their relative score within the portfolio. This score is one of the components of the final score of each stock held by the Fund.</p> <p><u>Non-financial analysis</u></p> <p>Environmental, social, and governance (ESG) criteria are directly integrated into the Fund’s management process via an ESG score established for each stock in the investment universe. The ESG score is used not only to define the eligible investment universe but also as the second component of the synthetic score of stocks in the construction/portfolio management phase.</p> <p>To complete these two phases, the management teams and financial and non-financial analysts determine an ESG score of each stock. The ESG score assigned to each issuer considers from more than 30 ESG issues, selected based on a set of qualitative and quantitative indicators, those that seem to be most meaningful to the Management Company. Each issue is assessed according to specific sector and geographical features, as well as the capitalisation size. The main issues selected include (non-exhaustive list):</p> <p>Environmental issues: Carbon emissions - Waste treatment - Water stress - Biodiversity and land management - Opportunities in green technologies and renewable energies</p>
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¹ Dorval Asset Management’s exclusion policy is available at the following link:

https://www.dorval-am.com/sites/dorval/files/exclusion_policy_202010_9.pdf

² Dorval Asset Management’s Controversy Management Policy is available at the following link:

https://www.dorval-am.com/sites/dorval/files/controversy_management_policy_202010_9.pdf

³ See paragraph “VI. Our Integration of the ESG dimensions” of Dorval Asset Management SRI policy

https://www.dorval-am.com/sites/dorval/files/responsible_investment_policy_20201109_9.pdf

		<p>that might on a provisional basis not be rated, including as part of an IPO.</p> <p><u>Analysis of the “executives/business” tandem</u></p> <p>The stocks in the portfolio are also picked based on a qualitative and quantitative analysis of the chief executive, management team, and governance bodies. The Management Company has identified four main categories of managers: “the successors”, “the fly-ins”, “the builders”, and “the heirs”:</p> <p>The assessment method for executives is based on the analysis of their professional experience, their managerial profile and through regular direct contact. The managers assess the executives using five criteria that measure their intrinsic qualities as well as their ability to deliver a growth surplus over time. These criteria are based on two concepts: “developer” and “manager” qualities.</p>
Risk profile		<p><u>Sustainability risk</u></p> <p>This product is subject to sustainability risks as defined in the Regulation 2019/2088 (article 2(22)) by environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Portfolio investment process includes the above mentioned ESG approach to integrate sustainability risks into the investment decision or process. The sustainability risk management policy is available on the website of the Management Company.</p>