# DNCA INVEST
# BEYOND CLIMATE

EUROPEAN EQUITIES SRI

## Investment objective

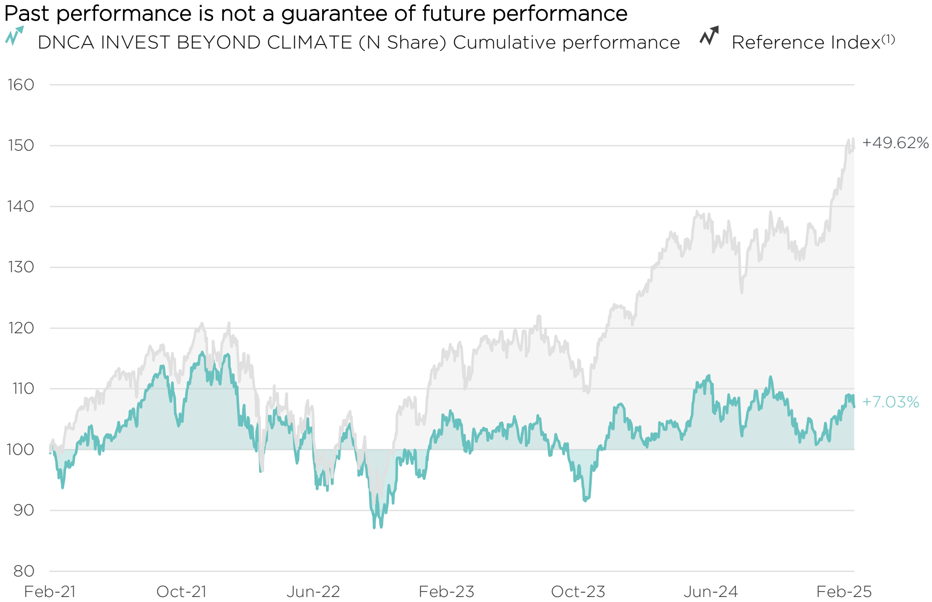
The Sub-Fund seeks to outperform of the following index denominated in Euro: Euro Stoxx NR (Bloomberg ticker: SXXT Index) calculated with dividends net of withholding taxes reinvested, over the recommend investment term. Investors' attention is drawn to the fact that the management style is discretionary and integrates environmental, social / societal and governance (ESG) criteria. The investment strategy is based on a climate strategy which combines the classic requirements of risk and financial return with the low carbon transition requirements in line with the Paris Agreement as signed on 22 April 2016 (the "Paris Agreement").
To achieve its investment objective, the investment strategy is based on active discretionary management.

## Financial characteristics

| | |
|---|---|
| NAV (€) | 106.08 |
| Net assets (€M) | 202 |
| Number of equities holdings | 33 |
| Average market cap. (€Bn) | 47 |
| Price to Earning Ratio 2025e | 14.2x |
| Price to Book 2024 | 2.1x |
| EV/EBITDA 2025e | 8.2x |
| ND/EBITDA 2024 | 2.2x |
| Free Cash Flow yield 2025e | 3.72% |
| Dividend yield 2024e | 3.43% |

## Performance (from 09/02/2021 to 28/02/2025)

Past performance is not a guarantee of future performance




(1)Euro Stoxx NR

## Annualised performances and volatilities (%)

| | 1 year | 2 years | 3 years | Since inception |
|---|---|---|---|---|
| N Share | +5.03 | +1.21 | +0.83 | +1.69 |
| Reference Index | +15.15 | +13.56 | +11.34 | +10.45 |
| N Share - volatility | 12.55 | 12.88 | 15.12 | 15.03 |
| Reference Index - volatility | 12.31 | 12.56 | 15.82 | 15.67 |

## Cumulative performances (%)

| | 1 month | 3 months | YTD | 1 year | 2 years | 3 years |
|---|---|---|---|---|---|---|
| N Share | +0.56 | +4.04 | +4.82 | +5.03 | +2.43 | +2.51 |
| Reference Index | +3.44 | +12.43 | +10.95 | +15.15 | +29.00 | +38.07 |

## Calendar year performances (%)

| | 2024 | 2023 |
|---|---|---|
| N Share | -4.90 | +12.78 |
| Reference Index | +9.26 | +18.55 |

The performances are calculated net of any fees by DNCA FINANCE.

## Risk indicator


Lower risk Higher risk

Synthetic risk indicator according to PRIIPS. 1 corresponds to the lowest level and 7 to the highest level.

| | 1 year | 3 years | Since inception |
|---|---|---|---|
| Sharpe Ratio | 0.12 | -0.11 | 0.00 |
| Tracking error | 5.82% | 6.38% | 6.82% |
| Correlation coefficient | 0.89 | 0.92 | 0.90 |
| Information Ratio | -1.74 | -1.65 | -1.28 |
| Beta | 0.91 | 0.88 | 0.87 |

**Main risks:** equity risk, risk relating to discretionary management, liquidity risk, risk of capital loss, interest-rate risk, risk related to exchange rate, credit risk, counterparty risk, ESG risk, sustainability risk

## Main positions*

| | Weight |
|---|---|
| ASML HOLDING NV (7.5) | 5.02% |
| VEOLIA ENVIRONNEMENT (6.0) | 4.54% |
| CAIXABANK SA (5.7) | 4.48% |
| INTESA SANPAOLO (6.9) | 4.44% |
| SCHNEIDER ELECTRIC SE (8.4) | 4.37% |
| SSE PLC (6.2) | 4.22% |
| KNORR-BREMSE AG (6.0) | 4.20% |
| IBERDROLA SA (6.7) | 4.11% |
| CREDIT AGRICOLE SA (6.2) | 3.99% |
| SPIE SA (6.1) | 3.97% |
| | 43.32% |

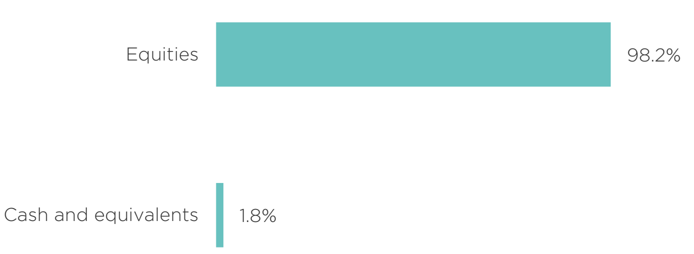
## Monthly performance contributions

**Past performance is not a guarantee of future performance**

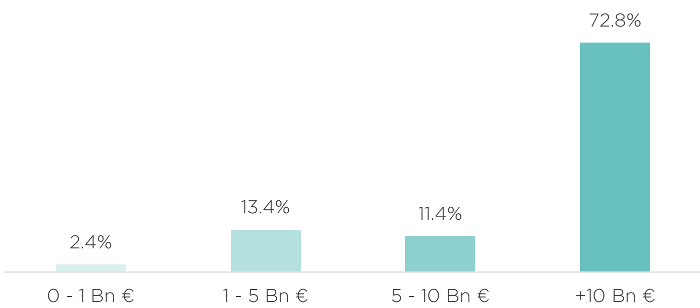
| Best | Weight | Contribution |
|---|---|---|
| CAIXABANK SA | 4.48% | +0.55% |
| INTESA SANPAOLO | 4.44% | +0.50% |
| CREDIT AGRICOLE SA | 3.99% | +0.36% |
| KNORR-BREMSE AG | 4.20% | +0.35% |
| INFINEON TECHNOLOGIES AG | 3.19% | +0.34% |

| Worst | Weight | Contribution |
|---|---|---|
| PRYSMIAN SPA | 3.77% | -0.68% |
| ARCADIS NV | 2.73% | -0.43% |
| ASML HOLDING NV | 5.02% | -0.31% |
| VAISALA OYJ- A SHS | 1.80% | -0.24% |
| SSE PLC | 4.22% | -0.23% |

## Asset class breakdown




## Market Cap breakdown




## Sector breakdown (ICB)

| | Fund | Index |
|---|---|---|
| Utilities | 22.4% | 5.1% |
| Construction and Materials | 22.3% | 3.7% |
| Industrial Goods and Services | 19.7% | 15.6% |
| Banks | 12.9% | 13.2% |
| Technology | 11.7% | 13.7% |
| Energy | 2.6% | 4.3% |
| Insurance | 2.5% | 6.7% |
| Automobiles and Parts | 2.5% | 3.7% |
| Basic Resources | 1.5% | 0.7% |
| Cash and equivalents | 1.8% | N/A |

## Country breakdown

| | Fund | Index |
|---|---|---|
| France | 34.6% | 31.5% |
| Italy | 17.2% | 8.9% |
| Netherlands | 8.8% | 14.8% |
| Spain | 8.6% | 8.8% |
| Germany | 8.4% | 27.2% |
| Switzerland | 7.2% | - |
| Sweden | 5.9% | 0.7% |
| United Kingdom | 4.2% | 0.1% |
| Finland | 3.3% | 2.6% |
| Cash and equivalents | 1.8% | N/A |

## Changes to portfolio holdings*

In: COMPAGNIE DE SAINT GOBAIN (6) and GAZTRANSPORT ET TECHNIGA SA (6.1)

Out: EDP RENOVAVEIS SA (6.2) and NEOEN SA (5.2)

*The figure between brackets represents the issuer's 'responsibility' score. Please refer to the Internal Extra-financial analysis page for the analysis methodology.

## Portfolio managers comments

DNCA INVEST BEYOND CLIMATE FEBRUARY 2025

European equity markets continued their upward trend in February: Stoxx 600 +3.3%, EuroStoxx +3.5%. Indices were buoyed mainly by the multiple negotiations for a truce in Ukraine, the marked improvement in economic indicators, the German elections, and the publication of annual results.

Geopolitics was once again a central topic this month. The end of the Ukrainian conflict could reduce the currently high risk premium on European equities. On the economic front, the preliminary manufacturing PMI rebounded to 47.3 in February. Eurozone inflation rose slightly in January to 2.5% yoy vs. +2.4% in December. The results of the German elections are favorable for the markets, as a two-party coalition between the CDU/CSU and the SPD should rapidly facilitate the formation of a government and the launch of a stimulus plan. On the microeconomic front, annual results are in good shape, with European companies generally making encouraging statements about their growth prospects.

The outperformance of the European indices was accentuated compared with their American peers, which were down this month: S&P500 -1.4%, Nasdaq -2.8%.  US technology stocks suffered from increased competition from Chinese AI models. Donald Trump's announcement of tariffs rekindled the risk of escalating global trade tensions. The US consumer confidence index fell sharply in February, with inflation expectations rising significantly.

In January, the fund posted a performance of 0.56%, compared with 3.44% for its Euro Stoxx NT benchmark.

Over the month, the main relative outperformances of the stocks in the portfolio (versus Euro Stoxx) were : CaixaBank (Economic Transition, +38 bps, active weight +3.8%), Intesa Sanpaolo (Economic Transition, +27 bps, active weight +3.0%), Crédit Agricole (Economic Transition, +22 bps, active weight +3.5%), Knorr-Bremse (Lifestyle Transition, +21 bps, active weight +3.9%) and Infineon (Ecological and Lifestyle Transition, +18 bps, active weight +2.4%). Conversely, the worst performers in terms of performance were : Prysmian (Ecological Transition, -77 bps, active weight 4.0%), Arcadis (Ecological and Economic Transition, -52 bps, active weight +2.8%), SSE (Ecological Transition, -40 bps, active weight +4.1%), NIBE (Ecological Transition, -33 bps, active weight +3.1%) and Vaisala (Ecological Transition, -32 bps, active weight +2.3%).

Among the main movements, we initiated a line in Gaztransport and Techniga (Industrials) and Saint Gobain (Building Materials), and continued to strengthen our position in Siemens Energy (Utilities), recently added to our portfolio. These moves were partly financed by reductions in Vaisala (Industries/Measuring Instruments) and Iberdrola (Utilities), and by the exit from EDPR (Utilities) and Neoen (Utilities).

At the end of the month, the portfolio comprised 33 stocks. The fund's main convictions revolve around the following stocks: ASML (Ecological Transition & Lifestyle, > 4.5%), Veolia Environnement (Ecological Transition, > 4.5%), Caixabank (Economic Transition, > 4.5%), Intesa Sanpaolo (Economic Transition, > 4.0%) and SSE (Ecological Transition, > 4.0%).

Although the attractiveness of the USA (equities, credit, dollar) is undeniable in an asset allocation for 2025, pessimism about European equities, the result of the political and economic environment of the Franco-German couple among others, has led to historic valuation discounts for the old continent. The Trump administration's initial measures on tariffs and budget cuts, with the dismissal of numerous civil servants, have raised doubts about US growth. The rebalancing that began at the start of the year could therefore continue over the coming months, to the benefit of the European stock market. On the economic front, the German engine is currently the main source of hope. The German coalition is proposing a major stimulus plan, mainly involving increased spending on defense (a theme not invested in the portfolio) and infrastructure. In terms of risks, and despite the recent downturn, inflation (and its impact on monetary policy) should continue to be the focus of attention at the start of the year, as should the US administration's initial decisions.

Text completed on 10/03/2025.


Léa
Dunand-Chatellet

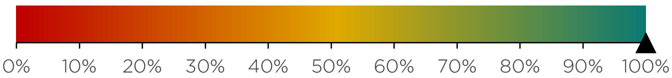

Romain
Avice


Matthieu
Belondrade, CFA


Florent
Eyroulet

## Internal extra-financial analysis

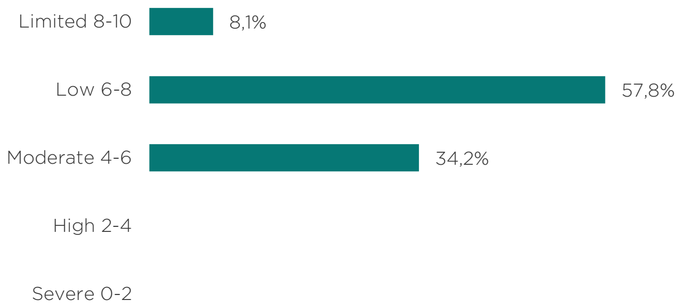
### ABA coverage rate+(100%)



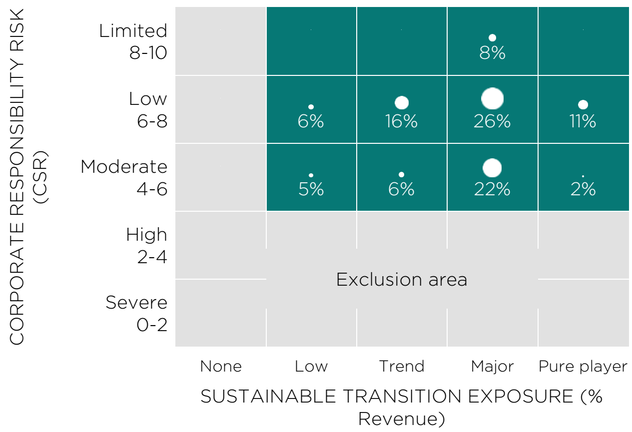

### Average Responsibility Score: 6.4/10

### Selectivity universe exclusion rate

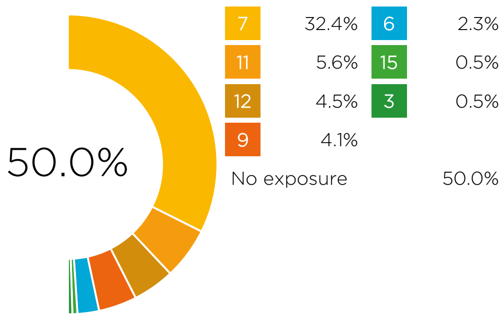

### Responsibility risk breakdown(1)



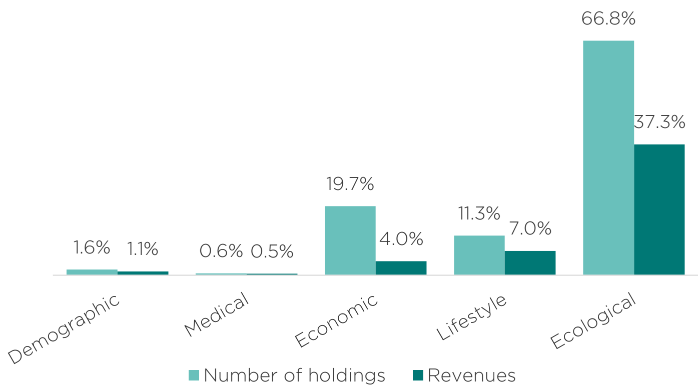

### Transition/CSR exposure(2)




### SDG's exposure(3) (% of revenues)




### Sustainable transitions exposure(4)




### Analysis methodology

We develop proprietary models based on our expertise and conviction to add tangible value in the selection of portfolio securities. DNCA's ESG analysis model, Above & Beyond Analysis (ABA), respects this principle and offers a rating that we control the entire construction. Information from companies is the main input to our rating. The methodologies for calculating ESG indicators and our responsible investor and engagement policy are available on our website by clicking here.

(1) The rating out of 10 integrates 4 risks of responsibility: shareholder, environmental, social and societal. Whatever their sector of activity, 24 indicators are evaluated, such as social climate, accounting risks, suppliers, business ethics, energy policy, quality of management.

(2) The ABA Matrix combines the Responsibility Risk and the Sustainable Transition exposure of the portfolio. It allows us to It allows companies to be mapped using a risk/opportunity approach.

(3) 1 No poverty. 2 Zero hunger. 3 Good health and well-being. 4 Quality education. 5 Gender equality. 6 Clean water and sanitation. 7 Clean and affordable energy. 8 Decent work and economic growth. 9 Industry, innovation and infrastructure. 10 Reduced inequalities. 11 Sustainable cities and communities. 12 Sustainable consumption and production. 13 Tackling climate change. 14 Aquatic life. 15 Terrestrial life. 16 Peace, justice and effective institutions. 17 Partnerships to achieve the goals.

(4) 5 transitions based on a long-term perspective of the financing of the economy allow the identification of activities with a positive contribution to sustainable development and to measure the exposure of companies in terms of turnover as well as exposure to the UN Sustainable Development Goals.

+The coverage rate measures the proportion of issuers (equities and corporate bonds) taken into account in the calculation of the extra-financial indicators. This measure is calculated as a % of the net assets adjusted for cash, money market instruments, derivatives and any vehicle outside the scope of "listed equities and corporate bonds".

## Principal Adverse Impacts

| PAI | Unit | Fund Coverage | Fund Value | Ref. Index Coverage | Ref. Index Value |
|---|---|---|---|---|---|
| PAI Corpo 1_1 - Tier 1 GHG emissions | T $CO_2$ | 98% | 12,611 | | |
| | 31/12/2024 | 97% | 12,814 | | |
| | 29/12/2023 | 95% | 19,008 | 100% | 48,298 |
| PAI Corpo 1_2 - Tier 2 GHG emissions | T $CO_2$ | 98% | 2,980 | | |
| | 31/12/2024 | 97% | 3,152 | | |
| | 29/12/2023 | 95% | 5,179 | 100% | 9,995 |
| PAI Corpo 1_3 - Tier 3 GHG emissions | T $CO_2$ | 98% | 93,608 | | |
| | 31/12/2024 | 97% | 75,064 | | |
| | 29/12/2023 | 95% | 89,186 | 100% | 367,773 |
| PAI Corpo 1T - Total GHG emissions | T $CO_2$ | 98% | 109,199 | | |
| | 31/12/2024 | 97% | 91,031 | | |
| | 29/12/2023 | 95% | 112,337 | 100% | 414,800 |
| PAI Corpo 1T_SC12 - Total GHG emissions (Scope 1+2) | T $CO_2$ | 98% | 15,591 | | |
| | 31/12/2024 | 97% | 15,966 | | |
| PAI Corpo 2 - Carbon footprint | T $CO_2$/EUR M invested | 98% | 548 | 100% | 598 |
| | 31/12/2024 | 97% | 464 | 100% | 601 |
| | 29/12/2023 | 95% | 407 | 100% | 627 |
| PAI Corpo 3 - GHG intensity | T $CO_2$/EUR M sales | 98% | 825 | 100% | 971 |
| | 31/12/2024 | 97% | 789 | 100% | 978 |
| | 29/12/2023 | 95% | 773 | 100% | 941 |
| PAI Corpo 4 - Share of investments in companies active in the fossil fuel sector | | 98% | 0% | 100% | 0% |
| | 31/12/2024 | 97% | 0% | 100% | 0% |
| | 29/12/2023 | 13% | 0% | 11% | 0% |
| PAI Corpo 5_1 - Share of non-renewable energy consumption | | 0% | 0.0% | 0% | 0.0% |
| | 31/12/2024 | 97% | 58.9% | 100% | 60.0% |
| PAI Corpo 5_2 - Share of non-renewable energy production | | 0% | 0.0% | 0% | 0.0% |
| | 31/12/2024 | 13% | 54.7% | 7% | 62.6% |
| PAI Corpo 6 - Energy consumption intensity by sector with high climate impact | GWh/EUR M sales | 98% | 0.7 | 100% | 0.6 |
| | 31/12/2024 | 97% | 0.8 | 100% | 0.6 |
| PAI Corpo 7 - Activities with a negative impact on biodiversity-sensitive areas | | 98% | 0.1% | 100% | 0.1% |
| | 31/12/2024 | 97% | 0.1% | 100% | 0.1% |
| | 29/12/2023 | 0% | 0.0% | 1% | 0.0% |
| PAI Corpo 8 - Water discharges | T Water Emissions | 3% | 0 | 3% | 0 |
| | 31/12/2024 | 5% | 0 | 3% | 0 |
| | 29/12/2023 | 4% | 909 | 2% | 12,853 |
| PAI Corpo 9 - Hazardous or radioactive waste ratio | T Hazardous Waste/EUR M invested | 94% | 3.3 | 99% | 0.7 |
| | 31/12/2024 | 94% | 3.1 | 99% | 0.7 |
| | 29/12/2023 | 58% | 0.3 | 61% | 0.8 |
| PAI Corpo 10 - Violations of UNGC and OECD principles | | 98% | 0.0% | 100% | 0.0% |
| | 31/12/2024 | 97% | 0.0% | 100% | 0.0% |
| | 29/12/2023 | 95% | 0.0% | 100% | 0.0% |
| PAI Corpo 11 - Lack of UNGC and OECD compliance processes and mechanisms | | 98% | 0.0% | 100% | 0.0% |
| | 31/12/2024 | 97% | 0.0% | 100% | 0.0% |
| | 29/12/2023 | 95% | 0.1% | 99% | 0.1% |
| PAI Corpo 12 - Unadjusted gender pay gap | | 77% | 9.1% | 67% | 10.1% |
| | 31/12/2024 | 75% | 8.5% | 71% | 10.3% |
| | 29/12/2023 | 32% | 6.2% | 32% | 12.3% |
| PAI Corpo 13 - Gender diversity in governance bodies | | 98% | 43.4% | 100% | 42.4% |
| | 31/12/2024 | 97% | 42.9% | 100% | 42.5% |
| | 29/12/2023 | 95% | 41.9% | 100% | 41.9% |
| PAI Corpo 14 - Exposure to controversial weapons | | 98% | 0.0% | 100% | 0.0% |
| | 31/12/2024 | 97% | 0.0% | 100% | 0.0% |
| | 29/12/2023 | 95% | 0.0% | 100% | 0.0% |
| PAI Corpo OPT_1 - Water use | $m^3$/EUR M sales | 0% | 0 | 0% | 0 |
| | 31/12/2024 | 57% | 614 | 74% | 521 |
| | 29/12/2023 | 7% | 3 | 8% | 0 |
| PAI Corpo OPT_2 - Water recycling | | 13% | 0.1% | 7% | 0.2% |
| | 31/12/2024 | 14% | 0.1% | 8% | 0.1% |
| | 29/12/2023 | 7% | 0.0% | 7% | 0.0% |
| PAI Corpo OPT_3 - Investments in companies with no policy for preventing accidents at work | | 98% | 0.0% | 100% | 0.0% |
| | 31/12/2024 | 97% | 0.0% | 100% | 0.0% |
| | 29/12/2023 | 35% | 0.5% | 29% | 0.5% |

Source : MSCI

It should be noted that DNCA Finance changed its non-financial data provider in October 2023 from monitoring negative externalities by the Scope Rating provider to monitoring performance indicators (PAI) by the MSCI provider.
This change of supplier and indicator typology prevents DNCA Finance from producing a 3-year ESG performance comparison. DNCA Finance Committed to produce this historical data from the data available in December 2023.

## Administrative information

Name: DNCA INVEST Beyond Climate
ISIN code (Share N): LU2254337475
SFDR classification: Art.9
Inception date: 23/12/2020
Investment horizon: Minimum 5 years
Currency: Euro
Country of domicile: Luxembourg
Legal form: SICAV
Reference Index: Euro Stoxx NR
Valuation frequency: Daily
Management company: DNCA Finance

Portfolio Managers:
Léa DUNAND-CHATELLET
Romain AVICE
Matthieu BELONDRADE, CFA
Florent EYROULET

Minimum investment: None
Subscription fees: - max
Redemption fees: -
Management fees: 1.30%
Ongoing charges as of 31/12/2023: 1.46%
Performance fees: 20% of the positive performance net of any fees above the index: Euro Stoxx NR

Custodian: BNP Paribas - Luxembourg Branch
Settlement: T+2
Cut off: 12:00 Luxembourg time

## Legal information

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Past performance is not a reliable indicator of future performance.

The award of this label to an UCI does not mean that it meets your own sustainability objectives or that the label corresponds to the requirements of future national or European regulations. For more information on this subject, please visit : www.lelabelisr.fr and www.lelabelisr.fr/comment-investir/fonds-labellises

Sub-fund of DNCA INVEST Investment company with variable capital (SICAV) under Luxembourg law in the form of a Société Anonyme - domiciled at 60 Av. J.F. Kennedy - L-1855 Luxembourg. It is authorised by the Commission de Surveillance du Secteur Financier (CSSF) and subject to the provisions of Chapter 15 of the Law of 17 December 2010.

DNCA Finance is a limited partnership (Société en Commandite Simple) approved by the Autorité des Marchés Financiers (AMF) as a portfolio management company under number GP00-030 and governed by the AMF's General Regulations, its doctrine and the Monetary and Financial Code. DNCA Finance is also a Non-Independent Investment Advisor within the meaning of the MIFID II Directive. DNCA Finance - 19 Place Vendôme-75001 Paris - e-mail: dnca@dnca-investments.com - tel: +33 (0)1 58 62 55 00 - website: www.dnca-investments.com

Any complaint may be addressed, free of charge, either to your usual contact (within DNCA Finance or within a delegate of DNCA Finance), or directly to the Head of Compliance and Internal Control (RCCI) of DNCA Finance by writing to the company's head office (19 Place Vendôme, 75001 Paris, France). In the event of persistent disagreement, you may have access to mediation. The list of out-of-court dispute resolution bodies and their contact details according to your country and/or that of the service provider concerned can be freely consulted by following the link https://finance.ec.europa.eu/consumer-finance-and-payments/retail-financial-services/financial-dispute-resolution-network-fin-net/members-fin-net-country_fr.

A summary of investors' rights is available in English at the following link: https://www.dnca-investments.com/en/regulatory-information

The Sub-Fund has as its objective sustainable investment within the meaning of Article 9 of SFDR. The Sub-Fund aims to align the economy on a path of at least 2 degrees. This objective is materialized by an average decrease of the portfolio carbon intensity of at least 2,5% each year by comparing the carbon intensity of each consolidated company in the Sub-Fund with the carbon intensity of the previous year. In addition, the investment strategy is oriented towards a contributive economy to the climate issues resulting in avoided $CO_2$ emissions greater than the induced $CO_2$ emissions (scope 1 and 2).

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.

If the portfolio investment process can incorporate ESG approach, the portfolio's investment objective is not primarily to mitigate this risk. The sustainability risk management policy is available on the website of the Management Company.

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.

## Glossary

Beta. Measures the average extent to which a fund moves relative to the broader market. The beta of a market is 1. A fund with a beta of more than 1 moves on average to a greater extent than the market. A fund with a beta of less than 1 moves on average to a lesser extent. If beta is a minus number, it is likely that the stock and the market move in opposite directions.
Correlation coefficient. The correlation coefficient is a measure of correlation. It is used to determine the relationship between two assets over a given period. A positive coefficient means that the two assets move in the same direction. Conversely, a negative coefficient means that the assets move in the opposite direction. The correlation or decorrelation can be more or less strong and varies between -1 and 1.
Dividend yield. Annual dividends per share / Price per share
EV (Enterprise Value). Market value of common stock + market value of preferred equity + market value of debt + minority interest - cash and investments.
ND/EBITDA (Net Debt / EBITDA). A measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. The net debt to EBITDA ratio is a debt ratio that shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.
P/B. The Price to Book Ratio is the ratio of the market value of equity (market capitalisation) to its book value. It is used to compare the market valuation of a company with its book value.
P/CF (Share price/Cash Flow per Share). The price-to-cash-flow ratio is an indicator of a stock's valuation.
PER (Price Earnings Ratio). A company's share price divided by the amount of profits it makes for each share in a 12-month period. PE ratios are normally calculated on the base of all the profit made in the period, whether or not the profit is paid out to shareholders in that period.
ROE (Return On Equity). The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.
Sharpe Ratio. A way of measuring the historical risk-adjusted return on an investment. It is the average previous return minus the risk-free return, divided by the standard deviation (a measure of risk that looks at the diversion of actual returns from expected returns).
Sharpe Ratio. The Sharpe ratio measures the excess return over the risk-free money rate of an asset portfolio divided by the standard deviation of that return. It is therefore a measure of the marginal return per unit of risk. It is used to measure the performance of managers with different risk policies.
Tracking error. Tracking Error is a measure of how closely an investment portfolio follows the index against which it is benchmarked. It is the difference in the return earned by a portfolio and the return earned by the benchmark against which the portfolio is constructed. For example, if a bond portfolio earns a return of 5.15% during a period when the portfolio's benchmark (say, for example, the Lehman Brothers Index) produces a return of 5.06%, the tracking error is .09%, or 9 basis points.

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