

OUR CONVICTIONS

JULY 2019

XI COMES FROM VENUS AND TRUMP FROM MA... UHM, FROM ANOTHER PLANET.

Any couple is a fascinating ecosystem that, from start to finish, is driven by the same mechanisms of attraction and attachment. When two people first meet, resemblance creates an attachment, but, paradoxically, attraction lies (almost) exclusively in differences! After a few weeks, months or years (check which box applies) these very differences can turn into imperfections, with "cute little idiosyncrasies" being transformed into "irritating ticks and grating obsessions". Amorous indulgence at the start gradually gives way to constant exasperation. What's more, if you are in a "remote" relationship, merely communicating with each other becomes a challenge. Without common emotional reference points, ugly arguments inevitably break out, turning into actual wars when money is involved.

Take the example of Donald and Xi. They had been joined in blissful union for more than a year, moving ahead boldly, agreeing to promising compromises. And yet, they had a big blow up in late April and let the whole world know about it. Feeling betrayed in what he wanted to be an exclusive relationship, Trump went ahead and vented his frustration on social media, triggering icy replies from his Chinese companion. And just when we thought they had broken up (negotiations) for good, the two super-presidents, backed by their proactive central banks, found the strength to make up. And this dispelled the glumness that had taken hold on the markets.

Almost nothing has changed in our scenarios. More and more disappointing macroeconomic figures, amidst an across-the-board asset rally, have raised the probability of a "global slowdown in growth" to 45%. Under this dark scenario, equities would be in for a 7.5% to 12.5% drop, depending on the region. Even so, we remain moderately optimistic in our core scenario (45%), as we believe the worst can still be avoided and growth can be stabilised. This would help ease equity markets back into an upward range of gains. Lastly, the return of traditional investors could help prolong the market rally (10%).

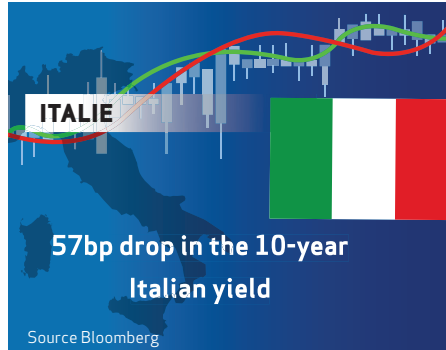
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EXPOSURE in %



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YES WE QUANT!

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Noémie Hadjadj-Gomes
Deputy Head of Research

Juliette Cohen
Strategist

UPCOMING EVENTS

**10 & 12
SEPT 2019**

CONFERENCE
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BOND MARKET - KEY INDICATORS

WHAT TO BUY WHEN CENTRAL BANKS START MESSING WITH INTEREST RATES AGAIN?

Due to the more accommodating tone of central bankers in the US and Europe in recent weeks, markets are now pricing a 10bp cut in the ECB's interest rates as early as September with 80% probability, and also expect a 25bp Fed rate cut as soon as late July.

Bond yields were pushed down further in June by the combined impact of downturns in the growth outlook and inflation expectations (due mainly to lower oil prices), rising trade tensions, and comments from the FED and the ECB.

In this context, it is becoming increasingly difficult to find positive returns, particularly on sovereign debt. The German 10-year yield is trading at the same level as EONIA, at -0.36%, and the 10-year French yield, at -0.05%. Spain and Portugal are trading in negative territory up to 6-year maturities and the 2-year Italian yield is now trading in negative territory.

Central bank dovishness (with talk of rate cuts and/or a resumption in QE) could send bond yields down even further, or at the very least, it will keep yields at current levels, pushing investors into a quest for yield on longer maturities and riskier investment grade or high yield corporate bonds. And it will add momentum to the trend towards narrower spreads and lower interest rates.

Euro yields as of 28 June 2019

		1-3 Year	3-5 Year	5-7 Year	7-10 Year
Credit	A Euro Corp	0.08	0.23	0.47	0.69
	BBB Euro Corp	0.44	0.82	1.15	1.38
	Euro Corp	0.21	0.49	0.82	1.00
	Euro Financial	0.27	0.58	1.05	1.26
	BB Euro HY	1.05	1.58	2.25	
Sovereigns	Euro Gov	-0.37	-0.18	0.12	0.21
	Italy Gov	0.35	1.02	1.49	1.79
	Portugal Gov	-0.42	-0.22	0.05	0.29
	Spain Gov	-0.40	-0.24	-0.03	0.26
	German Gov	-0.73	-0.71	-0.61	-0.44
	France Gov	-0.66	-0.59	-0.38	-0.14
	Belgium Gov	-0.62	-0.54	-0.30	-0.06

Source CPRAM - Merrill Lynch

EQUITY MARKET - ANALYSIS TO FOLLOW

ARE BOTH DOWNSIDE RISK AND UPSIDE POTENTIAL LIMITED ON THE MARKETS NOW?

Investors have homed in on the equity markets so far this year because in a world where wider and wider swaths of debt are trading at negative yields, any asset offering positive returns is a cause for celebration. Moreover, Donald Trump has raised the trade war to an election issue and turned the spotlight on the central banks. No wonder everyone is obsessed by the stock markets!

Upside potential in the second half is being hindered by the trade war, which has reduced top-line visibility at exporting/importing companies to the vanishing point. However, it is also being protected by the central banks, whose dovish language – and, in this, the US has now joined Europe, Japan and China – seems to be trying to squeeze every last drop it can out of the cycle, “whatever it takes”. What could possibly derail this beautiful train from ending the year at its current levels? Well, here are a few things.

- A Fed that ends up not cutting its rates on 31 July as many investors are expecting it to do. Incidentally, we have a highly cautious view on this subject.
- Third-quarter releases that confirm that international companies will be unable to meet the top-line or bottom-line figures that were being forecast early in the year. January's wishful thinking will then be out the window, given that we are already six months into a slowdown.
- Retail and institutional investors, after being “extremely” nervous throughout the first half of the year, rush into the equity markets after summer after a normal short consolidation.

To sum up: downside risk would be about 10% assuming a failure to understand Fed policy; upside potential would be +5-10% in the event of a resolution in the trade war, with a bigger spillover into 2020!

OVERVIEW OF OUR MARKET SCENARIOS AS OF JUNE 2019

45% CENTRAL SCENARIO: THE MARKETS LEVEL OFF AFTER BUYING INTO THE FACT THAT CENTRAL BANKERS WILL PROLONG THE ECONOMIC CYCLE

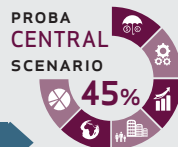
Sino-US trade talks drag out but do end up producing an agreement. There is a well-managed, orderly economic slowdown. Central banks are willing to prolong the cycle, "whatever it takes".

Base rates: down in the US (2.25%) and the euro zone (-0.50%), and unchanged in Japan (0%).

Bond yields: unchanged in the US (2%), Japan (-0.15%) and the euro zone (-0.30%).

Equities: +2.5% in the US, Japan, Europe and Latin America, +5% emerging Asia.

The EUR-USD rises to 1.15..



45% 1ST ALTERNATIVE SCENARIO: AN ECONOMIC SLOWDOWN DESPITE THE CENTRAL BANKS' BEST EFFORTS

A more severe global slowdown, driven by a tough turn in trade talks that ratchet up doubts that any agreement will be reached and/or a steep downturn in Chinese growth. Central banks' efforts are in vain.

Key rates: downward in the US (2%) and the euro zone (-0.50%), unchanged in Japan (0%).

Bond yields: down in the US (1.80%), Japan (-0.2%) and the euro zone (-0.40%).

Equities: -12.5% in emerging Asia, -10% in Japan and Latin America, and -7.5% in the US and Europe.

The EUR-USD falls to 1.12..



10% 2ND ALTERNATIVE SCENARIO: INVESTORS CAPITULATE TO RISING RISK ASSET VALUATIONS

Flows return to equity markets. The ongoing quest for returns is good news for risky assets.

Key rates: down in the US (2.25%), unchanged in Japan (0%) and the euro zone (-0.40%).

Bond yields: up in the US (2.10%), Japan (-0.1%), and the euro zone (-0.15%).

Equities: 7.5% in the US, Japan and Europe, +10% in emerging markets.

The EUR-USD moves up to 1.17.



PERFORMANCE AS OF 26.06.2019

PAST PERFORMANCE IS NO GUIDE TO FUTURE RETURNS.

	Since the 31.12.18	within 1 year	within 5 years	Level from 26.06.19	
United States	1.24 %	2.37 %	5.32 %	2.50 %	Key rate
	7.11 %	10.43 %	16.41 %	2.05 %	10-year interest rate
	10.20 %	8.09 %	26.26 %	335	High Yield US
	-0.48 %	-2.48 %	-16.28 %	1.14	Euro/dollar
	16.23 %	7.00 %	48.87 %	2.914	S&P 500
Europe	-0.20 %	-0.40 %	-1.67 %	-0.40 %	key rate
	3.55 %	7.15 %	23.07 %	-0.30 %	10-year interest rate
	7.33 %	5.01 %	21.98 %	342	High Yield Europe
	14.71 %	2.20 %	6.49 %	3.443	DJ EuroStoxx 50
Japan	5.36 %	-5.62 %	37.74 %	21 087	Nikkei 225

SCENARIO FORECASTS in %

	CENTRAL 45 % proba.	ALTERNATIVE 1 45 % proba.	ALTERNATIVE 2 10 % proba.
Key rate	2.25 % ▼	2.00 % ▼	2.25 % ▼
10-year interest rate	2.00 % ▼	1.80 % ▼	2.10 % ▼
High Yield US	315 ▼	375 ▼	290 ▼
Euro/dollar	1.15 ▲	1.12 ▼	1.17 ▲
S&P 500	2.50 % ▲	-7.50 % ▼	7.50 % ▲
key rate	-0.50 % ▼	-0.50 % ▲	-0.40 % ►
10-year interest rate	-0.30 % ▼	-0.40 % ▼	-0.15 % ▲
High Yield Europe	315 ▼	360 ▼	290 ▼
DJ EuroStoxx 50	2.50 % ▲	-7.50 % ▼	7.50 % ▲
Nikkei 225	2.50 % ▲	-10.00 % ▼	7.50 % ▲

Source CPR AM



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QUANTITATIVE EQUITIES

YES WE QUANT!

WHY ARE YOU TURNING TOWARD ESG IN YOUR QUANTITATIVE EQUITY RANGE?

Integrating environmental, social and governance challenges is key in our development strategy. In accordance with Groupe Amundi's ambitions, we continue to steer towards 100% ESG in all our strategies by the end of 2021.

Nowadays, financial stability cannot be divorced from a commitment to sustainability, and we have a responsibility in selecting investments for our portfolios. Applying our multi-factor stock-picking approach to an ESG universe by risks gives us better control over all facets of our portfolios' risk-reward. Hence, we are taking ESG challenges on board without altering the targeted returns of each of our funds.

We are confident that there exists a correlation between ESG and companies' long-term operating performance and that ESG will therefore become an undeniable source of added value. This conviction is reflected in growing interest from our retail and institutional clients, for whom sustainable investment is becoming standard practice or even a priority.

Naturally, we have extended our ESG approach to our entire historical quantitative equity range, with its six multi-factor portfolios in the CPR Actions France, CPR Europe, CPR Euroland, CPR USA, CPR Japan et CPR Global Equity ESG.

HOW IS THE ESG UNIVERSE DETERMINED?

All ESG ratings (both quantitative and qualitative) that we use are supplied by Amundi's extra-financial research staff. Each month, we meet with them to review changes in their ratings in our clients' investment universe, based




on extra-financial data from external providers, including MSCI, Vigeo, ISS, and Eekom for ESG notes, RepRisk and Factiva for controversies, and Ethics for cluster bombs. It is on this basis that we apply our risk-based ESG approach.

To lay out the contours of our investment universe we exclude the lowest-rated shares at two levels in order to limit ESG risk in portfolios.

- The first level consists in excluding companies with the lowest global ESG rating, which is a weighted average of 15 extra-financial criteria common to all sectors, plus 21 that are specific to certain sectors.
- The second level of exclusion from this pre-screened universe involves the lowest-rated companies while this time factoring in a selection of five ESG criteria (the most "material" ones) from among the 15 that are in common with all sectors and that relate to each individual region, i.e., the US, Japan, Europe, Asia, and Emerging Markets. This regional view of ESG practices is in accordance with our wish to take into account the various regulations and cultures surrounding sustainable investment.

Our (absolute) exclusion methodology helps up to obtain a homogenous ESG investment universe for both equity or credit universes, while allowing for regional features. Here's one example close to home: imagine having to sweat out a meeting with a Japanese company because the air-conditioning is being kept at 26° to reduce energy use, and then, after the meeting, popping out to a little place around the corner that serves whale meat for lunch...

QUANTITATIVE EQUITIES

	EURO/EUROPE	NORTH AMERICA	JAPAN	ASIA EX-JAPAN	EMERGING
E 	Energy & GHG	Energy & GHG Water Biodiversity & waste	-	Biodiversity & waste	Biodiversity & waste
S 	Health & Security	-	Health & Security Labor-management relations	Human resources Clients/Suppliers Local communities	Health & Security Local communities
G 	Executive Board Audit & control Shareholder Rights	Executive Board Audit & control	Executive Board Shareholder Rights Ethics	Shareholder Rights	Shareholder Rights Ethics

Source CPRAM

HOW ARE SECURITIES SELECTED IN THE ESG UNIVERSE?

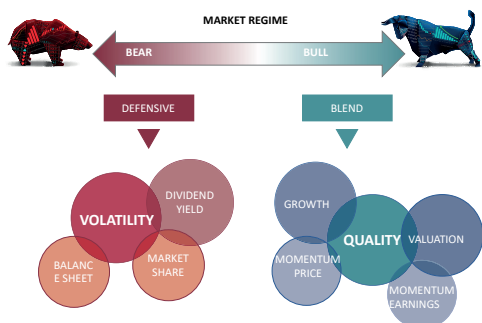
Within our investable universe, we select securities in two different ways, based on whether the market is Stressed or non-Stressed.

A stressed market is one on which there have been concomitant tensions on both equity and credit markets in the past year.

When the market is stressed, our multi-factor stock-picking strategy is defensive, with factors such as volatility, dividend payout, or balance sheet solidity.

When the market is Non-Stressed, our strategy is aggressive, with factors such as valuation, return on equity, or revenue growth.

We therefore have a flexible approach that adjusts to each market paradigm. These paradigms are relatively stable over time, and our indicator is “strategic” and not “tactic”. The goal is to avoid trouble-spots and protect relative performance during the most volatile phases and thus to control the risk of underperformance. All shares in our investment universe are exposed to various selection factors to vary degrees, depending on their profile.



We use the APT (Sungard) risk model to construct diversified portfolios (with about 150 stocks), with smaller bets on sectors and countries in order to focus on selecting those stocks that are most exposed to defensive/aggressive factors, depending on market scenarios. Our goal is to maximise performance generated by our stocks' factor exposure within a controlled risk framework.

HAVE YOU ADJUSTED YOUR REPORTING?

Not only have we adjusted our reporting on the value of our risk-based ESG approach and on how it works, we have also developed an additional ESG report to go with our traditional performance report on the Quantitative ESG range.

In addition to performances, traditional reports on sector and geographical exposures, and fund events during the month, our ESG reporting breaks down as follows:

- The total percentage of stocks excluded from the index and the contribution of five material criteria in the fund's region;
- The overall average rating of the portfolio and of its benchmark index;
- The carbon footprint and other carbon data of the portfolio and its benchmark, in accordance with Article 173, which we have set up for all our Quantitative Equity funds, regardless of AuM.



Noémie Hadjadj-Gomes
Deputy Head of Research



Juliette Cohen
Strategist

FOCUS - RESEARCH & STRATEGY

CLIMATE CHANGE: WHAT DOES IT MEAN FOR INSURERS?

CPR AM launched a dedicated climate change fund in late 2018 called CPR Invest - Climate Action.

Climate change is a major challenge for us all, particularly for the financial system which is central to sustainable finance.

We wanted to find out more with Juliette Cohen, strategist, and Noémie Hadjadj-Gomes, deputy head of research, who told us about the challenges facing the insurance industry because of climate change.

CLIMATE CHANGE HAS BECOME A BIG TOPIC FOR INSURERS

The February 2019 edition of the emerging risk barometer designed by the FFA (French Federation of Insurance Companies) shows that insurers consider global warming to be the 2nd-biggest risk for the next 5 years. European insurers may be less exposed to this risk than their US peers or reinsurers, but climate change remains a major issue for the insurance industry, especially as it affects its liabilities and assets alike. The ACPR (Autorité de Contrôle Prudentiel et de Résolution)¹ says 55% of the French insurers that responded to its survey on "French insurers facing climate change risk" have an internal definition of climate risk and 60% have a climate risk analysis process for some or all of their assets and/or liabilities. Most French insurers have adopted the 3 broad risk categories defined by the Governor of the Bank of England, Mark Carney, in a speech given in 2015 on "Breaking the Tragedy of the Horizon": physical risks, transition risks and liability risks.

On the liability side, insurers are affected directly by the physical risks and increased cost of claims resulting from climate change. This of course includes major disasters such as storms and hurricanes; however, we must not

forget the less spectacular but more frequent floods and episodes of severe drought that often hit European countries. Aon's 2018 report entitled "Weather, Climate & Catastrophe" is very revealing: the average cost of each weather event over the past 10 years amounted to €213 billion compared with €180 billion for the period spanning 1980-2017. The economic cost of weather events in the Europe-Africa region totalled \$34 billion in 2018, only \$10 billion of which was covered by insurance.

Exhibit 5B: EMEA Economic Losses by Peril



A lot of questions are being raised because of the increased frequency of such disasters but also their increased cost. First of all, there is the question of how to assess climate risks so that insurance cover can be priced appropriately and to secure the insurance industry's long-term viability. When it comes to assessing an insurer's exposure to climate risk, therefore, it is essential to factor in the geographical location of the businesses and individuals it insures. Geographers, meteorologists and climatologists might have to work closely with actuaries to help fine-tune such risk assessments. US and Canadian insurers have joined forces to set up an Actuaries Climate Index (ACI), the purpose of which is to provide an objective indicator of the frequency of extreme weather events with the aim of pricing insurance cover or diversifying a commitment

1- The French body responsible for supervising the banking and insurance sectors

All comments and analyses reflect CPR AM's view of market conditions and its evolution, according to information known at the time. As a result of the simplified nature of the information contained in this document, that information is necessarily partial and incomplete and shall not be considered as having any contractual value.

This document has not been drafted in compliance with the regulatory requirements aiming at promoting the independence of financial analysis or investment research. CPRAM is therefore not bound by the prohibition to conclude transactions of the financial instruments mentioned in this document. Any projections, valuations and statistical analyses herein are provided to assist the recipient in the evaluation of the matters described herein. Such projections, valuations and analyses may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results. Accordingly, such projections, valuations and statistical analyses should not be viewed as facts and should not be relied upon as an accurate prediction of future events.

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portfolio. Depending on the user's requirements, the index can be broken down by region or by type of event.

Climate change also raises the question of how to encourage the public authorities and insurers to prevent and protect against climate change so that risk management can be improved. It is particularly important to spread out losses between the private and public sectors. In France, the natural catastrophes regime is jointly financed by the farming industry and the public authorities. Other types of aid have been introduced across Europe through the European Agricultural Fund for Rural Development (EAFRD), which helps to compensate farmers for economic losses resulting from environmental incidents above a certain amount. Last of all, there is the question of the insurability of certain risks, as the cost of insurance may be prohibitive for policyholders while claims may prove too costly for insurers. A Ministry of Agriculture report from 2017² says just 26% of cultivated area is covered by comprehensive climate risk insurance and 35% by crop hail insurance. Climate contingencies cost at least €1.5 billion per year, i.e. between 2% and 3% of the annual value of France's agricultural output. The FFA estimates that claims resulting from Hurricane Irma, the costliest natural disaster ever in the history of French insurance, cost on average about 75,000 euros!

Climate change is a big issue for property and casualty insurers due to the physical risks it poses, but it also affects life insurers because of its impact on the health and mortality of policyholders.

INSURERS ARE FACTORING CLIMATE CHANGE INTO THEIR INVESTMENTS

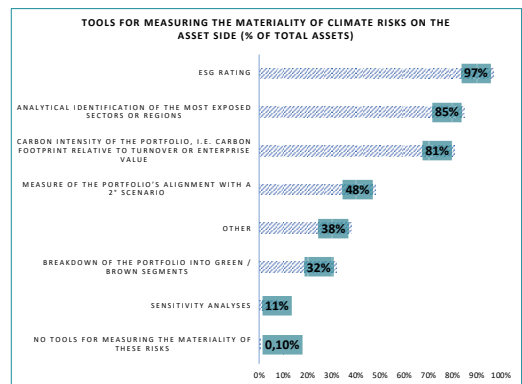
The ACPR reckons that insurers face similar issues as banks or asset managers when it comes to incorporating climate change risks into their investment policies. French insurers invest only marginally in countries facing a physical risk (less than 1% of their investments). However, the ACPR estimates that 10% of investments made by French insurers are in industries exposed to risks relating to the transition to a low-carbon economy.

Insurers began incorporating climate risk into their balance sheet assets by taking non-financial and ESG criteria into account when selecting their investments. This may have prompted them to withdraw investments from certain industries that emit particularly large amounts of greenhouse gases (transport, energy, building, etc.). Some 97% of the insurers that responded to the ACPR survey now use ESG ratings.

They then also incorporated transition risks and liability risks for certain companies exposed to climate change or involved in global warming. Risk assessment is today a more precise science, and most insurers (81%) assess the climate risk of investments they make with respect to their carbon footprint.

The next step will be for banks and insurers to support efforts to finance the transition to a low-carbon economy. Investments by European insurers totalled €10,226 billion at end-2018 (source EIOPA³), i.e. around 64% of Europe's GDP. The insurance industry therefore has a major role to play in financing the climate transition.

Regulations currently governing the financial industry do not encourage it to invest in efforts to tackle climate change.



The ACPR points out that governance of climate change risks has improved greatly in recent years, driven largely by regulations. However, although most insurers have internal tools in place to measure and report on their climate risk exposure based on past measurements, too few of them have adopted forward-looking models to assess the impact of climate change on their balance sheets in the future.

REGULATIONS ARE ON THE WAY...

In France, the first development on the regulatory front came with article 173 of the 2015 Energy Transition Act, forcing institutional investors and asset managers to be transparent about their investment policies and climate risk management processes since 2017.

2- Risk management in agriculture: a challenge and an emergency - January 2017.

3- European Insurance in Figures - 2018

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Central banks are becoming increasingly involved and active in tackling climate change. Back in 2015, Mark Carney, Governor of the Bank of England, warned investors about the potential losses that could result from global warming in his speech on “Breaking the Tragedy of the Horizon” (referring to the fact that climate risks cover a longer-term horizon than the investment horizons of most financial operators).

During the One Planet Summit held in December 2017, the Bank of France launched the NGFS (Network for Greening the Financial System), the aim of which is to develop and spread best practices in the governance and management of climate risks, and to define the role that central banks and supervisory authorities can play in financing the energy transition.

Benoît Coeuré, a member of the ECB’s Executive Board, already mentioned reforming collateral rules in late 2018, and François Villeroy de Galhau, Governor of the Bank of France, recently used the expression “we are at war” to describe efforts to tackle climate change and also referred to plans to reform collateral rules. The aim would be to incorporate climate risk into valuations of collateral assets, with the distinction between “green” and “brown” assets potentially taken from the European Commission’s proposed green taxonomy. Note that this taxonomy applies to business activities, hence the need for companies to report accordingly. The Governor of the Bank of France has also suggested incorporating climate risk into economic forecasting models, noting that global warming could slash 10% off the world’s GDP by 2100 unless greenhouse gas emissions are brought under control, according to the OECD.

As far as investment funds are concerned, different labels exist to distinguish the “greenest” investments, such as the French TEEC/Greenfin label. They refer primarily to restrictions on certain industries like coal (which many investors already apply), nuclear energy, fossil fuels, etc.

As regards the insurance industry, the aim of the Solvency 2 Directive is to help insurance companies assess and manage the whole range of risks they face more effectively, be it on the liability side or the asset side. So it ought to factor in climate risks! The EIOPA has been examining the issue for several months now and recently launched a consultation to incorporate so-called sustainability (ESG and climate) risks into Solvency 2. The consultation includes an initial technical proposal drafted from a review of the data collected in early 2019 from over

150 insurance companies. It also includes a very detailed list of questions about how to actually incorporate ESG and climate risks into Solvency 2 via an assessment of assets and liabilities, the establishment of ORSA risk scenarios, investment policies and cost of capital calculations, especially for the catastrophe risk and market risk modules of the standard formula and internal models. The European Commission expects the EIOPA to deliver its final opinion on how to factor in these elements by late September 2019 as part of its ongoing sustainable finance action plan.

Climate risk management and Solvency 2 have a lot in common, as shown in the table below:

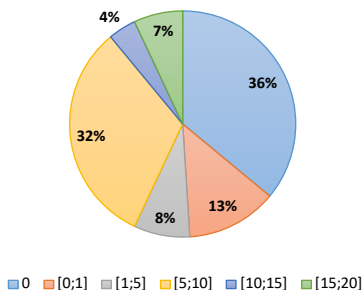
Scope	Climate risk management	Solvency 2
	Assets / Liabilities	Assets / Liabilities
Risk quantification	Measurement of carbon footprint, loss ratio, etc.	Pillar 1: SCR calculation
Governance	Define and establish an official role for governance bodies in managing climate risks Define a climate risk management strategy (appropriate definition of this risk and incorporation into the company’s overall strategy) Stress scenarios	Pillar 2, primarily ORSA
Reporting	Transparency requirements with regard to ESG and climate risks, i.e. article 173	Pillar 3: risk disclosure
Links with asset managers	Awareness is essential	Appropriation is essential

Expectations are particularly high where governance is concerned. Just as the ACPR had said it was disappointed with the first ORSA exercises, it mentions in its study that the climate risk management strategy needs to be defined more precisely. For instance, it recommends adopting quantified targets or targets expressed in relation to the national low-carbon strategy or those set by the Paris Agreement, so that measures taken can be monitored along with their effectiveness over time. It also mentions that carbon footprint and claim-to-premium ratios are very useful measurements when assessing risk but that they are inadequate to develop forward-looking models.

There might be doubts about whether the resources allocated to climate risk management will be on a par with those put towards implementing Solvency 2... The ACPR survey shows that this is by no means the case today as very limited human resources are dedicated to managing climate risks and 36% of insurers say they do not have any specially dedicated staff at all!

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Staff dedicated to managing climate change risk



Source ACPR

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This is an increasingly regulated issue, and the Paris stock exchange announced this week that an observatory is being set up to monitor commitments made by financial operators in terms of green and sustainable finance. A public report will be produced annually, under the joint authority of the ACPR and AMF and with the participation of industry associations.

CPR Invest - Climate Action is a compartment of CPR Invest, a Luxembourg SICAV (open-ended investment company).

Key Information

SHARE CLASS	E - Acc LU1902444154	I - Acc LU1902443933	A - Acc LU1902443420
Investor type	"Early Bird" institutional investors, first subscribers at fund inception until a certain threshold or a certain period is reached	Institutional investors	All investors
Minimum 1st subscription	€100 000€		1 fraction of share
Max. subscription fee	5,00%		
Max. redemption fee	None		
Max. management fee p.a. (incl. tax)	0,50%	0,70%	1,40%
Max. administration fee p.a.	0,30%		
Performance fees*	15% of the performance above the one of reference asset over one year, incl. tax, within the limit of 2% of net assets. Calculation date: January 1 st – December 31 st		

RISKS**	
Risk of capital loss	Yes
Equity risk	Yes
Foreign exchange risk	Yes
Counterparty risk	Yes
Liquidity risk	Yes



Synthetic information to be completed by the consultation of the legal documents for the fund. Any subscription is made on the basis of the most recent Key Investor Information Document (KIID) which contained essential information regarding the fund. Not all share classes or units and, as the case may be, share categories are registered for sale in all countries. Investors may contact CPR Asset Management for further information.

* A detailed explanation of the performance fees or variable fees is provided in the KIID and prospectus which are available upon request at CPR Asset Management or on the website www.cpr-am.com. ** Please consult the KIID or the prospectus for a comprehensive explanation of all fees and risks related to the fund. *** Synthetic Risk and Reward Indicator (SRR) corresponds to the risk and reward profile as per the KIID and may change over time. The lowest level of risk does not mean "risk free".

All comments and analyses reflect CPR AM's view of market conditions and its evolution, according to information known at the time. As a result of the simplified nature of the information contained in this document, that information is necessarily partial and incomplete and shall not be considered as having any contractual value.

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