

CARBON REPORT

SEXTANT GRAND LARGE

Inventory of
30/11/2019



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Carbon Report

> Scope of data concerning greenhouse gas (GHG) emissions



Data for this report was provided by Trucost, a consultancy that specialises in assessing issuers in terms of greenhouse gas emissions.

Carbon intensity is based on direct emissions of GHG (scope 1) and the main indirect emissions (« First tier indirect ») of issuers.

> Calculation methodology

Carbon intensity of the portfolio is calculated as follows:

$$\text{Carbon intensity per million euros of sales} = \sum (\text{Carbon intensity of each security} \times \text{weight of each security analysed})$$

The carbon intensity of a security is a function of its carbon emissions in tons of CO₂ and its sales in millions of euros. Therefore, carbon intensity is expressed in tons of CO₂ per million euros of sales.

An issuer's contribution is the product of the carbon intensity of the security and the weight of the security (within the scope analysed).

> Benchmark

For the carbon report, portfolio performance are compared with those of a benchmark.

For this portfolio, the benchmark is:

- A comparable sample of European mid and large capitalisations present in the Trucost data base.

> Scope of analysis of the Sextant Grand Large portfolio

Details of the coverage rate can be found on page 5 of the report.

Source: S&P Trucost Limited © Trucost 2019

The present analysis is intended only for informational purposes and should not be considered an incitation to buy or sell securities. This report is based on information collected by EthiFinance and Trucost's specific methodology for assessing carbon emissions of issuers. The information used is based on sources that EthiFinance considers reliable. This carbon report cannot be circulated without our permission. EthiFinance cannot be held responsible for any consequences arising from its use.

CARBON ANALYSIS OF THE PORTFOLIO

Assessing the carbon intensity of the portfolio



Scope of analysis:

Actual coverage rate: 68.5%
(Detail of the calculation in appendix, p.5)

Source: S&P Trucost Limited ©
Trucost 2019

Outperformance of 20%
(vs -13% in N-1)

Index
344*

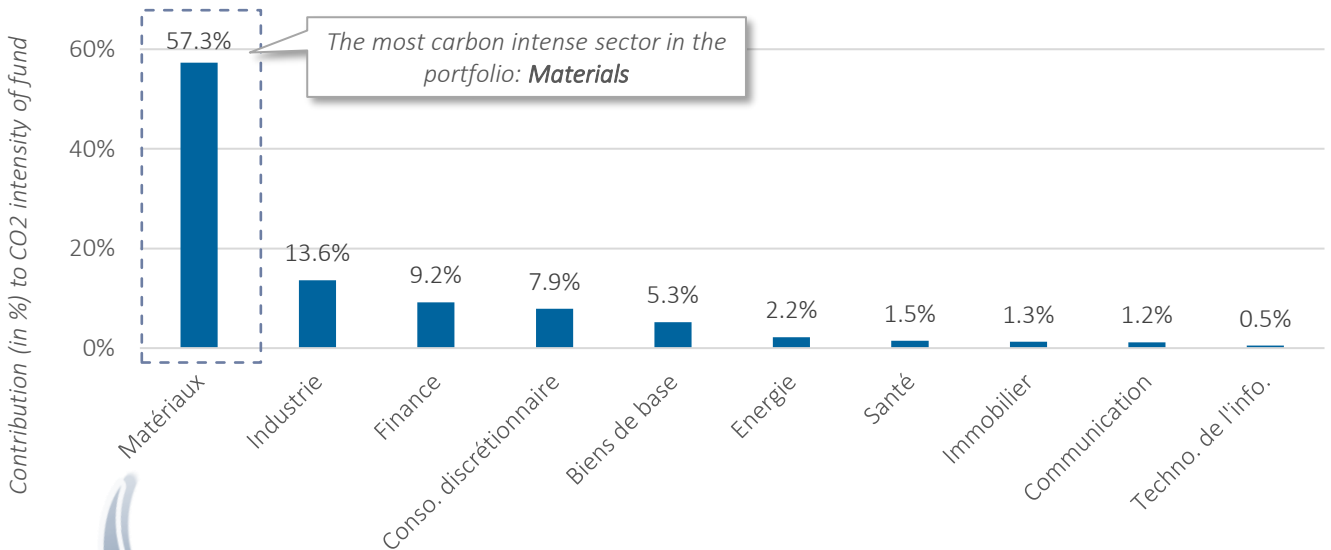
European Mid/Large Caps
vs 339 in N-1

CO2 intensity
**Sextant
Grand Large
275.4***

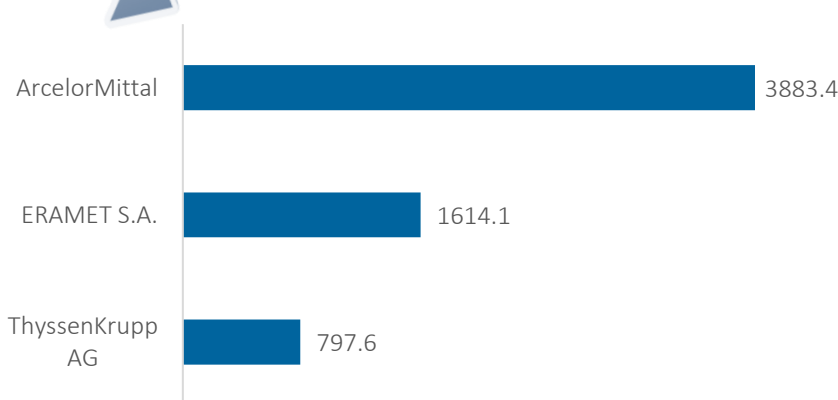
Portfolio on 30/11/2019
vs 385 in N-1

*tons of CO₂e / million euros of sales

Sector contributions to portfolio (%)



Main contributeurs in the portfolio's most carbon-intensive sector



Total CO₂ intensity (t CO₂e / m euros of sales)

Note on the methodology:

The chart shows the three largest contributors to the most CO₂-intense sector in the fund.

ArcelorMittal, Eramet and ThyssenKrupp are the Materials groups that make the largest contributions to carbon intensity of the fund.

Issuers are ranked according to their overall CO₂ intensity (t eqCO₂ / m euros of sales).

CARBON ANALYSIS OF THE PORTFOLIO

The 5 most CO2-intense issuers in the portfolio

Issuer	Sector	Contribution to CO2-intensity of portfolio	Total CO2-intensity of the issuer	Average total CO2-intensity of peers*
ArcelorMittal	Materials	63.5	3883.4	1349.0
ERAMET S.A.	Materials	39.7	1614.1	1349.0
Berkshire Hathaway Inc.	Finance	24.5	465.6	26.8
ThyssenKrupp AG	Materials	19.8	797.6	1349.0
Vicat SA	Materials	18.1	6913.9	1349.0

Total

60% of the portfolio's carbon intensity

* Average total CO2-intensity of the sector in the Benchmark

Focus on the most CO2-intense issuers in the portfolio



ArcelorMittal, a key player in the global steel sector, was created in 2007 when Mittal Steel and Arcelor merged. In 2018, the group was the world's largest steel producer with 210,000 employees and operations in about 60 countries. In ArcelorMittal's materiality matrix, GHG emission is one of the six major challenges facing the group and its stakeholders.

ArcelorMittal aims to be carbon neutral by 2050 and has reduced its carbon intensity by 6% since 2007 (objective: -8% by 2020). It is currently finalising targets for reduction of its 2030 carbon footprint. In 2018, total CO2 emissions amounted to 203 million tons of which 194MT for the steel activity, in line with a global tendency to plateau since 2012.

In its research to find ways of reducing CO2 emissions, the group focuses on three technological avenues: use of clean energy, use of circular carbon-based energy sources, and use of fossil combustibles with capture and storing of carbon. Projects are currently testing these technologies (eg: Torero, IGAR, Carbon2Value). For example, the IGAR project, which has cost €20m, captures and reinjects carbon from blast furnaces. This reduces the need for iron ore and lowers carbon emissions. However, the group remains vague about the policy deployed to reduce emissions on each technological lever identified.

ArcelorMittal responded to the Carbon Disclosure Project (CDP) questionnaire and was rated a B for climate change in 2018 (vs C in 2017). The group was thus not among the 139 companies that made the « A list ».

5 largest positions of the portfolio

Issuer	Sector	Contribution to CO2-intensity of portfolio	Total CO2 intensity of issuer	Average total intensity of peers*
Berkshire Hathaway Inc.	Finance	24.5	465.6	26.8
ILIAD SA	Communication	0.8	16.9	46.1
Rocket Internet SE	Discretionary consumption	2.9	78.5	117.9
Bollore	Industry	2.0	58.8	196.9
Casino Guichard-Perrachon	Food retail	1.8	52.9	343.9

CARBON ANALYSIS OF PORTFOLIO - APPENDIX

Coverage rate of carbon analysis

Analysable outstandings correspond to non-index outstandings, unit trusts and underlying funds, management fees, general overheads, commissions etc.

	% outstandings
Outstandings analysed	58.1
Uncovered outstandings	26.8
<i>Sub-total analysable outstandings</i>	<i>84.8</i>
Non-analysable outstandings	15.2
Total	100

Coverage rate = analysed outstandings/analysable outstandings = 68.5%

List of non-analysable positions

Position	% of fund	Position	% of fund
Union Moneplus IC2	4.4	FWD EUR / USD - 180M	0.0
BFT Aureus C	0.0	FWD EUR / GBP -9M	0.0
S Bond Picking (Z)	0.5	FWD EUR / GBP -30M	-0.1
Tocqueville Gold-N	0.9	Cash / Other	8.9
Ixios Gold F	0.4	Total	15.2

List of uncovered positions

Issuer	% fund	Issuer	% fund	Issuer	% fund
Accentro RE	0.5	Cajamar T2	0.5	NCP/CDN Caisse d'épargne	7.6
BT Agrial Finance	0.5	Cibus	1.7	Novo Banco Senior	0.0
BT Axereal	0.0	Clear media	0.7	Pico Far East	0.5
BT Banque Calédo. d'Invest.	1.0	Cofinoga	0.2	RelyOn Nutec	0.2
BT Bellon	1.0	Colombia telecomunicacio	0.5	Secom Joshinetsu	0.4
BT Fimalac	0.7	GP Investments	0.5	SME Credit Realisation Fund LT	1.1
BT Fromagerie BEL	0.5	Groupe Crit	0.1	Tai Cheung Holdings	0.4
BT Pierre Fabre	0.6	Haw Par	1.0	USB Realty	1.0
BT Savencia	0.9	Hunter Douglas NV	0.5	Virgin Media GBP	0.6
Caisses Crédit Agricole	2.6	Loxam	0.3	Vivion	0,5