



# **BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE**

**Annual report  
June 2023**

## **UCITS of BFT Investment Managers**

**Management Company:** BFT Investment Managers

**Sub-delegated accounting manager:** CACEIS FUND ADMINISTRATION FRANCE

**Depositary:** CACEIS BANK

**Statutory Auditor:** DELOITTE & ASSOCIÉS

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

## Contents

	Pages
<b>Features of the UCI</b>	<b>3</b>
<b>Activity report</b>	<b>8</b>
<b>Life of the Fund over the year in review</b>	<b>19</b>
<b>Specific information</b>	<b>20</b>
<b>Regulatory information</b>	<b>21</b>
<b>Statutory Auditor's certification</b>	<b>27</b>
<b>Annual financial statements</b>	<b>32</b>
Balance Sheet Assets	33
Liabilities	34
Off-balance sheet	35
Income Statement	36
<b>Annex to the annual financial statements</b>	<b>37</b>
Accounting methods and rules	38
Changes in net assets	42
Additional information	43
Table of results over the previous five years	54
Inventory	56
Additional information concerning the coupon tax system	59
<b>Annex(es)</b>	<b>60</b>
SFDR information	61

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

## Features of the UCI

### Classification

Euro-denominated bonds and other debt instruments

### Management objective

The Fund's management objective is to achieve an annualised net performance over the portfolio's investment horizon that is:

- 2.17% higher than that of the French government bond maturing in 10/2027 (OAT 10/2027 + 2.75%) for the I unit, after deducting operating and management fees;
- 2.27% higher than that of the French government bond maturing in 10/2027 (OAT 10/2027 + 2.75%) for the O unit, after deducting operating and management fees;
- 1.92% higher than that of the French government bond maturing in 10/2027 (OAT 10/2027 + 2.75%) for the P unit, after deducting operating and management fees;
- 2.12% higher than that of the French government bond maturing in 10/2027 (OAT 10/2027 + 2.75%) for the R unit, after deducting operating and management fees;

Furthermore, the Fund aims to reduce carbon emissions by at least 30% compared with its investment universe.

This net annualised performance objective is based on the market assumptions held by the Management Company; in the event that the default rate observed in the portfolio is higher than the implied default rate calculated on the basis of market prices, the management objective may not be achieved. In the event that a deterioration in the financial or carbon rating of issuers is worse than anticipated and leads to divestment to comply with the Fund's strategy, the reinvestment cost or less favourable market conditions may also result in the management objective not being achieved.

### Investment strategy

#### Strategies used:

The UCI qualifies as an Article 8 financial product under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "Disclosure Regulation").

Information on environmental and social characteristics can be found in the annex to this prospectus.

The principal adverse impacts of investment decisions (within the meaning of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "Disclosure Regulation")) are the negative, material or likely-to-be-material effects on sustainability factors that are caused or aggravated by or directly linked to investment decisions. Annex I of the Delegated Regulation supplementing the Disclosure Regulation lists the indicators of the principal adverse impacts.

The mandatory principal adverse impacts of Annex I of the Delegated Regulation are taken into account in the investment strategy through a combination of exclusions (normative and sector-based), integration of the ESG rating into the investment process, engagement and voting.

More detailed information on the principal adverse impacts can be found in the Management Company's Sustainable Finance Disclosure Statement available on its website: [www.bft-im.com](http://www.bft-im.com).

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# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

The Fund's investment strategy is to select euro-denominated "high-yield speculative" public or corporate bonds issued mainly by companies with registered offices in the European Union or other OECD countries.

The Fund has a carry trade strategy of investing primarily in bonds and other "high-yield speculative" debt securities and holding them until maturity.

The management team identifies the best opportunities through a quantitative filter followed by a fundamental analysis, combined with a thematic approach to reducing carbon emissions throughout the lifetime of the UCI (tonnes of CO<sub>2</sub> emitted per million euro invested).

The management strategy includes a carbon emissions reduction target for the Fund (measured in tonnes of CO<sub>2</sub> equivalent per million euro invested), which must be 30% lower than the carbon footprint of its investment universe (the investment universe being the ICE BofA BB-B Global High Yield index). To achieve this, the management team takes several steps: calculating the investment universe's carbon emissions; selecting the business sectors and the companies issuing bonds, taking into account their carbon emissions with a view to achieving its target; calculating the portfolio's final carbon emissions; and actively monitoring the issuers and the reduction target over time.

If one or more lines deteriorate and the 30% reduction threshold is no longer met, the management team must sell securities in order to return to the minimum 30% target. The minimum carbon footprint coverage rate will be 90% of the portfolio.

### Carbon footprint measurement

A company's greenhouse gas emissions (expressed as CO<sub>2</sub> equivalent) can be measured using three subsets, known as Scopes:

- Scope 1 covers direct emissions from companies (such as fuel consumption);
- Scope 2 covers indirect emissions linked to a company's activity (for example, the fuel consumption of the electricity supplier);
- Scope 3 covers indirect emissions linked to how the products sold are used (for example, the consumption of fuel by a customer's electricity supplier related to their use of the product). With the current state of available data, Scope 3 CO<sub>2</sub> emissions are incomplete, difficult to ascertain and can only be estimated. These estimates are made by the data provider. Data used to calculate the carbon footprint comes from Trucost ([www.trucost.com](http://www.trucost.com)).

Regarding greenhouse gas emissions, our scope of analysis includes the following emissions:

- Scope 1: direct emissions related to the company's activity
- Scope 2: indirect emissions from the purchase of energy (electricity, heat etc.)
- part of Scope 3 corresponding to indirect emissions related to first-tier suppliers ("Scope 3 upstream first tier"). In the absence of data provided by Trucost for a given issuer, the management is based on a carbon footprint estimate corresponding to the average carbon footprint of the issuers in its sector over the total universe of the data provided by Trucost. The sector breakdown is based on MSCI tier 2 (24 sectors to date). This approach allows us to ensure a minimum carbon footprint coverage rate of 90% of the portfolio.

The limitations of the approach:

The thematic approach does not necessarily exclude any sector of activity. All economic sectors are therefore represented in this approach and the Fund may be exposed as a result to certain controversial sectors. In order to limit the potential non-financial risks of these sectors, the Fund also applies the Amundi exclusion policy on coal and tobacco[1], as well as the Group's engagement policy. This policy aims, firstly, to enable a dialogue with companies in order to improve their ESG practices and, secondly, to better integrate their exposure to ESG risks. The use of estimated carbon emissions for some issuers implies that these issuers' carbon footprints and the overall carbon footprint of the Fund may be overestimated or underestimated. The Fund's purpose is not to reduce its footprint in absolute terms but only in relation to its investment universe.

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

Sequencing of the stages of the investment process:

The Fund is managed based on a rigorous investment process for selecting the credit quality of issuers and securities. Within the investment universe, issuers are selected and securities are diversified on the basis of:

- systematic screening of various fundamental quantitative indicators (issue size, rating, maturity, country risk, sector etc.).
- studies carried out by a team of internal experts assigned to the credit management team. These studies provide a fundamental analysis of each issuer and focus on financial analysis and the ability of issuers to repay their debts. In combination with these studies, certain ratios (solvency ratio, level of corporate debt) are assessed, making it possible to refine choices further. These two complementary steps enable managers to seek out the securities with the best risk/return profiles.
- the systematic calculation of each selected issuer's carbon footprint using the aforementioned calculation to monitor the Fund's goal of reducing carbon emissions (tonnes of CO<sub>2</sub> equivalent per million euro invested), which should be at least 30% lower than its investment universe.
- risk control tools.

Management optimises portfolio construction in terms of investment planning and risk dispersion rules. Credit risk weighting and diversification rules are applied to investments to limit the Fund's exposure to an issuer, in terms of both weighting in net assets and sector, based on criteria related to the issuer's specific features (credit and/or liquidity risk, maturity, rating etc.); market environment criteria are also taken into account. Thus, the managers build the portfolio by seeking to diversify securities (each "high-yield speculative" bond issuer will be limited to 3% of the assets).

The process of analysing and selecting securities thus falls under a bottom-up (microeconomic) approach in coordination with the credit research teams. When it is created, the Fund will be invested, as market opportunities arise, in public and/or private bonds that meet the criteria set out in the prospectus. During the subscription period, management will invest the remaining uninvested portion of the portfolio in money market instruments. Up to 100% of the Fund's net assets may be invested in such instruments during the launch and divestment periods. Once the portfolio is formed, management may be required to seize opportunities on the primary or secondary bond markets depending on their expectations of changes in issuer quality. Management will thus be able to carry out arbitrage to improve the portfolio's rate of return or its potential risk profile according to new market opportunities, or on issuers whose fundamental analysis may be called into question. However, this will take place without significantly altering the Fund's maturity characteristics. The portfolio may invest up to a maximum of 10% of its net assets in contingent convertible bonds.

The securities newly acquired during the lifetime of the Fund will aim to meet the same rating and maturity criteria as the securities acquired when the portfolio was formed. This is to maintain the overall characteristics of the portfolio. Where management deems market conditions to be unfavourable, in a fully discretionary manner, the Fund may be invested in public or private bonds of "Investment Grade" quality and/or in money market products. Depending on the state of the bond markets when the Fund reaches maturity, the Management Company will either liquidate the Fund or propose reinvestment in new bonds, subject to the approval of the AMF. During the divestment phase, up to 100% of the Fund's net assets may be invested in money market instruments. The interest rate sensitivity range within which the Fund is managed is between 0 and 7.

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- studies carried out by a team of internal experts assigned to the credit management team,
- systematic screening of various fundamental quantitative indicators,
- risk control tools. Management optimises portfolio construction in terms of investment planning and risk dispersion rules. Credit risk weighting and diversification rules are applied to investments to limit the Fund's exposure to an issuer, in terms of both weighting in net assets and sector, based on criteria related to the issuer's specific features (credit and/or liquidity risk, maturity, rating etc.); market environment criteria are also taken into account. The process of analysing and selecting securities thus falls under a bottom-up (microeconomic) approach in coordination with the credit research teams. When it is created, the Fund will be invested, as market opportunities arise, in public and/or private bonds that meet the criteria set out in the prospectus. During the subscription period, management will invest the remaining uninvested portion of the portfolio in money market instruments. Up to 100% of the Fund's net assets may be invested in such instruments. Once the portfolio is formed, management will carry out arbitrage to improve the portfolio's rate of return, as described above.

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

Depending on the state of the bond markets when the Fund reaches maturity, the Management Company will either liquidate the Fund or propose reinvestment in new bonds, subject to the approval of the AMF. During the divestment phase, up to 100% of the Fund's net assets may be invested in money market instruments.

### **Risk profile**

Your money shall be invested primarily in financial instruments selected by the Management Company. These financial instruments are subject to market fluctuations.

The main risks incurred by the unitholders are as follows:

### **Capital risk:**

investors are advised that their capital is not guaranteed and may not be returned to them. Interest-rate risk: the risk of a decline in the value of fixed-income instruments arising from fluctuations in interest rates. It is measured in terms of sensitivity. In periods when interest rates are rising strongly, the NAV may fall significantly.

### **Credit risk:**

the risk of a fall in value of the securities of a private or public issuer or default of the latter. Depending on the direction of the UCITS' transactions, a fall (in the case of a purchase) or a rise (in the case of a sale) in the value of the debt securities to which the Fund is exposed, can lead to a fall in the UCITS' net asset value. Risks associated with the use of "speculative high-yield" securities: this UCITS must be considered as in part speculative and, more particularly, intended for investors who are aware of the risks inherent in investments in securities with a low or non-existent rating. Accordingly, the use of "speculative high-yield" securities may result in a greater risk of decline in the net asset value.

### **Liquidity risk:**

in a given case where trading on the financial markets is depressed, any equity buying or selling transaction can lead to significant market fluctuations. Arbitrage-related risk: arbitrage is a technique used to take advantage of the recorded (or anticipated) price differences between markets and/or sectors and/or securities and/or currencies and/or instruments. If such arbitrages perform poorly (rise in sell transactions and/or drop in buy transactions), the net asset value of the UCITS may fall.

### **Risk associated with investments in "emerging" securities:**

the Fund may invest in bonds issued by emerging countries or companies from these countries. These bonds are less liquid than those from developed countries; as a result, holding these securities may increase the portfolio's risk level. Adverse market movements may be more abrupt and more volatile than in developed markets and the net asset value of the Fund may, as a result, decline more dramatically and more rapidly.

### **Risk associated with the use of private subordinated bonds:**

The risk related to the security's payment characteristics in the event that the issuer defaults: UCIs that are exposed to a subordinated security will not be prioritised and the repayment of capital and the payment of coupons will be considered "subordinate" to those of other creditors who hold higher-ranked bonds; therefore, the security may be repaid in part or not at all. The use of subordinated bonds may result in a greater risk of a reduction in the net asset value than the risk associated with the issuer's other bonds.

### **Specific risk associated with the use of complex subordinated bonds (contingent convertible bonds) (ancillary):**

The risks associated with the characteristics of these securities: cancellation of the coupon, partial or total reduction in the value of the security, conversion of the bond into a share. These conditions may be triggered, in whole or in part, either due to the issuer's financial ratios or by decision of said issuer or the competent supervisory authority. The occurrence of one of these risks may lead to a decline in the net asset value of the UCITS.

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

### **Equity risk (ancillary):**

the risk of a decline in value of the equities or equity indices to which the portfolio is exposed. Risk of using complex products: complex products such as derivatives may amplify changes in the net asset value of the portfolio.

### **Currency risk (residual):**

This is the risk that investment currencies lose value against the reference currency of the portfolio, the euro. Depending on the direction of the UCITS' trades, a fall (in the case of a purchase) or a rise (in the case of a sale) in the value of a currency against the euro may lead to a fall in the net asset value.

### **Counterparty risk:**

the UCITS uses temporary purchases and sales of securities and/or OTC derivative contracts, including total return swaps. These transactions, entered into with a counterparty, expose the UCITS to a risk of the counterparty defaulting and/or not executing the swap, which may have a significant impact on the UCITS' net asset value. This risk may not necessarily be offset by the collateral received.

### **Liquidity risk linked to temporary purchases and sales of securities and/or total return swaps (TRS):**

the UCITS may be exposed to trading difficulties or a temporary inability to trade certain securities in which the UCITS invests or those received as collateral, in the event of a counterparty defaulting on temporary purchases and sales of securities and/or total return swaps (TRS).

### **Legal risk:**

The use of temporary purchases and sales of securities and/or total return swaps (TRS) may create a legal risk, particularly relating to the swaps.

### **Sustainability risk:**

the risk relating to an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential negative material impact on the value of the investment.

***For additional information, please refer to the current prospectus.***

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

### Activity report

July 2022

In July, the Governing Council of the ECB initiated the normalisation of monetary policy in the eurozone after having voted for a historic 50 bps increase in key interest rates, demonstrating the central banks' determination to regain control.

This increase, which came as a surprise compared to the institution's previous communications, was accompanied by the announcement that an instrument to protect the transmission of monetary policy (Transmission Protection Instrument – TPI) was to be established. This tool is intended to counter any risk of disorderly revaluation of peripheral sovereign spreads and to ensure the homogeneity of rising debt costs across the zone. The Federal Reserve is also maintaining a resolute tone in its fight against inflation and is continuing to increase its key rate, which stands at 2.25-2.5%, at a steady rate (+75 bps). The FOMC has acknowledged the slowdown in activity in the United States, but the dovish pivot that some observers wanted to see still seems far from happening. The inflationary pressures observed to date should be put in perspective with the general slowdown in domestic demand in the United States and the eurozone.

The preliminary estimate of GDP in Q2 2022 in the United States shows a change of -0.9% at an annualized rate. In July, the upward surprises in consumer price indices continued (+8.6% y/y in the eurozone in July, 9.1% y/y in June in the US). Overall, European domestic consumption continues to suffer from the inflationary shock that is spreading throughout the economy, eroding household income and savings, but the catch-up effects in services are acting as a countervailing force. Preliminary estimates of activity growth in the eurozone (+0.7% quarter-on-quarter change estimated in the second quarter) point to a catch-up in services, which are driving the creation of added value. The fact remains that the shock on energy and non-energy commodities caused by the invasion of Ukraine, coupled with uncertainties over Russian gas supplies, would appear to be steering the global economy into a downward spiral. Price pressures resulting from probable rationing of production quantities would persist despite depressed demand. This scenario represents a real headache for central institutions, which would be forced to maintain their restrictive stance well beyond the onset of economic contraction. In the credit cash market, spreads on the High Yield (Ice Boa HE40 index) tightened by 50 bps to 423 bps in July. The Fund's performance was up 4.81% over the month. In July, the Fund closed its position in Loxam SAS and created a new position in Telecom Italia SPA. The portfolio comprises 74 bonds. The main countries are France, Spain and Germany. The carbon footprint is below its index (-45.7%). All securities in the portfolio are denominated in euro.

August 2022

The month of August was marked by a strong repricing of investors' expectations of monetary policy tightening. The assumption of an early slowdown in tightening on the basis of worsened growth expectations has fizzled out. Sovereign yields closed at +77 bps for the Bund, +54 bps for 10-year Treasuries. There are early signs across the Atlantic that price rises have reached a peak. The downturn in CPI for July (8.5% y/y as against 9.1% in June) is "welcome" for the FED, but insufficient to anticipate any pivot. The downturn is largely attributable to the energy component, with petrol prices readjusting during the month. The high level of eurozone inflation continues to surprise. The energy shock and the geopolitical pressures that generate it are still far from over. Future contracts for gas and electricity in the zone have reached unprecedented levels, combining emergency stockpiling at high prices with infrastructure fragilities. The spread of the shock to all components of the Harmonised Index of Consumer Prices is forcing the ECB to accelerate its monetary tightening, even if this means surprising the markets and causing greater volatility. The erosion of consumer purchasing power and the fall in savings rates are not fully reflected in value-added aggregates, either in the US or in the eurozone, where second-quarter consumption is still making a positive contribution to GDP growth. Nevertheless, business surveys are pointing to a global slowdown, and the risks to global growth in 2023 are tangible. China is struggling to return to a path of sustainable growth following the reopening of its economy, the European manufacturing sector is facing soaring production costs, and the eurozone and the UK are most exposed this winter to geopolitical risk and the deadlock in the Ukraine conflict. However, this anticipated deterioration in the economic picture hides a reality that will be decisive in the short-term conduct of monetary policy: the delayed reaction of labour market aggregates. The various surveys conducted by the European Commission and the NFIB in the United States show a real shortage of skilled workers. Unemployment rates are low (3.7% in the US, 6.6% in the eurozone), leading central banks to fear a long-term wage-price spiral, which would complicate the deceleration of the underlying inflation. Central banks are therefore compelled to rebalance global supply and demand (for goods, services and labour) via those markets where excess demand



# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

produces inflationary dynamics, and they state that the macroeconomic cost to be borne (unemployment, recession) is infinitely less than that of a lasting stagflationary regime. In the credit cash market, spreads on the High Yield (Ice Boa HE40 index) tightened by 38 bps to 385 bps over August. The performance of BFT Sélection Rendement 2027 was down -0.94% over the month, and shows a decline of -9.65% since launch (3 May 2021). The Fund participated in Intesa Sanpaolo's new issue, maturing in 2027. The portfolio comprises 74 bonds. The main countries represented are France, Spain and the United States. All securities in the portfolio are denominated in euro.

### September 2022

The pace of global monetary tightening continued unabated in September. Government bond yields continued to rise (+54 bps for 10Y Treasuries, +53.6 bps for the Bund), driven by a surge in real interest rates. Central banks' resolute stance to combat inflation so that the phenomenon does not become anchored in agents' expectations is likely to come up against a pronounced environment of risk aversion. Thus, the FOMC decided to increase the Fed Funds rate by 75 bps for the third time, taking it to 3%-3.25%. The ECB has also opted to accelerate the rise in its key interest rates to 75 bps, taking the main refinancing rate to 1.25%, while the FOMC's latest projections forecast a terminal Fed Funds rate of 4.6% in 2023, before a fall in 2024. This position of the FED can be explained by the fact that the US economy is still overheating and resilient, as indicated by sustained job creation. Activity indicators (ISM) are also holding steady at expansionary levels, and inflation, although slowing for a second consecutive month, is showing an upward trend in the underlying component. The ECB, for its part, has no choice but to adhere to its restrictive stance in an inflationary environment that continues to surprise in terms of its magnitude, in which the energy shock, through higher production costs, is spreading through the economy as a whole. C. Lagarde, at the last monetary policy meeting, described the European Commission's proposal to introduce a cap on electricity prices as "welcome". The United Kingdom is the country whose price cap project, announced by the L. Truss government, is the most ambitious in this area, pending the additional budgetary measures announced by German Chancellor O. Scholz, bringing the total stimulus to 200 billion euros. Further measures could be announced as part of the draft budgets for the 2023 financial year. Fiscal stimulus remains an operational weapon for countries hit hard by the energy shock, which is threatening the terms of trade and competitiveness of certain economic sectors, particularly manufacturing. Central bank economists consider absorption of part of the inflationary shock by public deficits to be appropriate, in so far as the greater the extent to which the magnitude of the energy shock is cushioned, the greater the extent to which its spread into the economy and the inertia of the latter are limited. Production capacity is also preserved, particularly in countries with a proportionally large manufacturing sector. In the credit cash market, spreads on the High Yield (Ice Boa HE40 index) widened by 45 bps to 430 bps in September. The performance of BFT Sélection Rendement 2027 was down -4.23% over the month. The portfolio comprises 74 bonds. The main countries represented are France, Spain and Germany. All securities in the portfolio are denominated in euro.

### October 2022

The month of October was marked by a rebound in the financial markets, particularly in the last two weeks of the month, against a backdrop of lulls on the bond front. This welcome rebound came in the midst of a period in which the results reported by companies were very mixed, to say the least. Indeed, while luxury sector stocks generally reported better-than-expected results, technology stocks unsurprisingly lagged behind in this situation of economic slowdown, in which attention is focused on inflation trends. While the upsurge in prices in the United States slowed for the third month running, albeit remaining at a high level (+8.2% y/y for September), the surge in inflation in Europe continued to rise (+10.7% y/y in October). To continue its fight against inflation, the ECB, at its October meeting, decided to raise rates for a third time (75 bps) in 2022, bringing its deposit rate to 1.50%. This tug-of-war against persistently high inflation is also continuing on the other side of the Atlantic. Thus, at the beginning of November, the FED opted to increase the Fed Funds rate by 75 bps for the fourth time, taking it to 3.75%-4% – the highest level since the 2008 crisis. Officials of the US institution also announced that further rate increases should be applied in order to bring inflation down to 2%. In this context of economic uncertainty, rates have been very volatile this month. The German 10-year yield fluctuated between 1.85% and 2.40%! It closed at 2.15% (+4 bps). In the credit cash market, spreads on the High Yield (Ice Boa HE40 index) tightened by 37 bps to 393 bps in October. The performance of BFT Sélection Rendement 2027 was down 2.22% over the month. The fund participated in Cirsà's new issue, maturing in 2027. The portfolio comprises 75 bonds. The main countries represented are France, Spain and Italy. All securities in the portfolio are denominated in euro.

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

November 2022

The upsurge in markets that began in October continued into November, with uncertainties about the short-term trajectories of the central banks and the economy appearing to dissipate gradually. The deteriorated scenario hitherto envisaged by agents (widespread inflationary recession and severe, continuous tightening of financing conditions) is giving way to a scenario of low-amplitude contraction in activity in 2023 and a slowdown in monetary policy tightening, brought about by a marked deceleration in inflation. In this context, the S&P 500 returned 5.4% and the Stoxx 600 6.8%. 10-year government bond yields fell by 37 bps in the US and 21 bps in Germany. This dynamic is largely attributable to a general fall in real rates in the US and eurozone over the month. Despite encouraging inflation figures on both sides of the Atlantic, buoyed by a fall in energy prices, the slow pace of normalisation of variations in the price indices from which the volatile components (energy and food) have been excluded is causing central banks to fear a sustained inflationary regime above their targets. Reorganisation of value chains, geopolitical risks, constraints on supply (of goods, services and labour) and the resulting destruction of potential growth are prompting central institutions to remain cautious in the face of the first signs of a slowdown in price indices, particularly production indices. The reaction of companies and households to this environment and their expectations are also the key factors in ensuring that spirals are not set in motion; the inertia of labour and material shortages will determine the extent to which key rates rise, and whether they remain in restrictive territory. Demand resilience and robust employment dynamics currently militate, in a data-dependent paradigm and a meeting-by-meeting approach, in favour of a continuation of the tightening in early 2023. In the credit cash market, spreads on the High Yield (Ice Boa HE40 index) continued to tighten, by 39 bps to 354 bps, over November. The performance of BFT Sélection Rendement 2027 was up 3.67% over the month. The fund participated in Unicaja and Valeo's new issues, maturing in 2027. It also sold its Getlink, Owen Illinois and Banijay shares, maturing in 2025. It invested in a new issuer, Carmilla, maturing in 2027. It also lengthened the maturity of its exposure to Faurecia by investing in securities maturing in 2027 and selling its securities maturing in 2026. The portfolio comprises 74 bonds. The main countries represented are France, Spain and Italy. All securities in the portfolio are denominated in euro.

December 2022

December brought an end to the euphoria that had swept through the markets in the last quarter of the year. Upward dynamics – driven by a more optimistic growth scenario and a slowdown in key interest rate increases – collapsed in the face of the determination of central banks to maintain restrictive financing conditions. In this context, European and US real interest rates were significantly adjusted, dragging down the equity indices (-5.9% for the S&P500, -3.4% for the Stoxx600). The Bund yield rose by +62 bps to 2.56%, while the US 10-year yield increased by +12 bps to 3.87%. The FED closed the year with a +50 bps increase, setting the monetary tightening effort at 4.25% over 2022, coupled with a -\$400 billion reduction in its balance sheet. Further increases in 2023 are expected to slow as the impact of monetary tightening reaches domestic demand and employment. Fed Funds forecasts predict a peak of 5%-5.25% in 2023 and a reduction in 2024. For the ECB, Christine Lagarde's speech leaves little doubt as to her resolute stance against inflation, rising wages and new inflationary pressures related to energy and budgetary support for protecting consumers and businesses. Finally, China's gradual reopening seems to be a double-edged sword for the eurozone, which foresees a normalisation of its value chains but also a potential threat to its energy supplies. In the credit cash market, spreads on the High Yield (Ice BofA HE40 index) continued to tighten, by -18 bps to 336 bps, over December. Over the month, the performance of BFT Sélection Rendement 2027 was down -0.49% after rising 3.67% in November. The fund participated in Iliad's new issue, maturing in June 2027. It also sold its Lincoln Financing and Spie securities, maturing in 2024 and 2026. It invested in a new issuer, Caixa Geral Depositos, maturing in 2027. It also lengthened the maturity of its exposure to IHO Verwaltungs by investing in securities maturing in 2027 and selling its securities maturing in 2026. The portfolio comprises 74 bonds. The main countries represented are France, Spain and Italy. All securities in the portfolio are denominated in euro.

January 2023

A stream of macroeconomic data and interventions by central bank decision-makers prompted the market in January to re-weight the extreme risks in the global activity scenario, in the wake of the reopening of China's economy and the fading of fears surrounding European energy rationing over the winter. In this context, the S&P 500 and Eurostoxx 600 indices returned 6.2% and 6.7%, respectively, over the month. US and German 10-year government bond yields fell by 30 bps and 31 bps, respectively. The US economy grew at an annualised rate of 2.9% over the quarter, with restocking behaviour and household consumption making a positive contribution to that increase. The contribution of domestic demand slowed compared with the previous quarter, raising questions about the ability of households and businesses – whose real income has been

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

eroded – to maintain this dynamic of consumption and investment. These agents nevertheless benefit from healthy balance sheets inherited from the massive monetary and budgetary support provided during the pandemic. The situation on the job market points to a continuing imbalance between supply and demand. This seems a priori incompatible with the Federal Reserve's target of returning inflation to its 2% target, although a deceleration in wages is also beginning to emerge. Nonetheless, this labour shortage will serve as a significant basis for the growth of internal demand by the beginning of 2023. Although expected to contract, the eurozone economy grew by +0.1% quarter-on-quarter. As energy rationing has been avoided, the published preliminary profiles of contribution to the change in value added nevertheless point to weakening domestic demand, as the real incomes of European economies have suffered a substantial shock from the energy crisis, despite more than proactive budgetary expenditure on support. The start of the year indicates the possibility of there not being a severe recession, in so far as bases for growth remain: the job market, the normalisation of production lines enabling the manufacturing sector to respond to a full order book, and the healthy financial situation of households and businesses. In the credit cash market, spreads on the High Yield (Ice BofA HE40 index) continued to tighten, by -36 bps to 300 bps, over January. Over the month, the performance of BFT Sélection Rendement 2027 was up 2.78% in January. The fund invested in new names: Volksbank, Eutelsat, Mercialis, Aroundtown, Lufthansa and Lottomatica. In addition, it sold its Netflix, Ball and Trivium securities, maturing in 2026. The portfolio comprises 78 bonds. The main countries represented are France, Spain and Germany. All securities in the portfolio are denominated in euro.

### February 2023

The reassessment of inflationary risk on both sides of the Atlantic and the uncertainty as to whether the restrictive monetary stance inherent therein will be maintained pushed US and German government bond yields up by 39 bps and 36 bps respectively in February. The macroeconomic data published during the month show that, despite the continuing tightening of monetary policy, the economy remains in expansionary territory in the short term. The employment report produced by the Bureau of Labor Statistics at the beginning of the month shows that 443,000 new jobs were created in January, well above consensus expectations and pushing the unemployment rate down to 3.4%, the lowest level for over 50 years. The eurozone job market is also holding up well, at its lowest levels since the series began. Survey data in the services sector (ISM in the US and PMI in the eurozone) indicate that the sector is remaining resilient, despite the shock to real incomes suffered by agents since the onset of the surge in inflation. Inflationary pressures also persist, despite a marked fall in energy commodity prices. This is particularly the case for accommodation and rents in the USA, which are slowing down the disinflationary process, particularly in the price index which excludes the food and energy components. Nevertheless, J. Powell states that, excluding that component, the disinflationary process has begun in the United States. The total consumer price index stood at 6.5% y/y for January, decelerating for the seventh consecutive month, while the underlying reached 5.6%, the fourth consecutive month of slowdown. European inflation, as measured by the total Harmonised Index of Consumer Prices, also decelerated in February, driven by the energy component. All other components accelerated over the month, pushing the underlying to 5.6% y/y and justifying the view taken by I. Schnabel, member of the ECB Executive Board, that the eurozone is not seeing any disinflationary momentum. The trend of shortage in the goods and equipment markets, particularly in the employment market, combined with statements made by members of the FED and ECB boards, which the market considers to be a cause for concern, is contributing to the reassessment of inflation expectations. In the credit cash market, spreads on the High Yield (Ice BofA HE40 index) continued to tighten, by -14 bps to 286 bps, over February. Over the month, the performance of BFT Sélection Rendement 2027 was up 0.31% in February. The fund invested in a new issuer, Iqera. It also participated in Ford's new issue, maturing in 2027. The fund sold its Cellnex, Elis, Commerzbank and Huhtamaki securities, while the CMA CGM securities were redeemed early by their issuer. The fund is therefore no longer exposed to those names. The portfolio comprises 73 bonds. The main countries represented are France, Spain and Germany. All securities in the portfolio are denominated in euro.

### March 2023

The return of the spectre of financial instability and systemic banking stress marked the re-emergence of risk aversion on the part of investors, bringing in its wake a decrease in 10-year government bond yields by 31 bps in the US and 30 bps in Germany. This movement is attributable to a broad re-evaluation of the future key rates of the Federal Reserve. The responsiveness of the monetary and banking supervisory authorities in containing the SVB and Crédit Suisse incidents nonetheless supported the equity markets. The S&P500 posted a 3.5% increase, while the Eurostoxx fell by just 0.7%. Behind this disorderly reappraisal of asset classes, real interest rates fell by more in the US than in Europe, a sign that market participants are now anticipating an end to the tightening cycle or even earlier monetary support on the other side of the Atlantic

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

than on the continent. This episode, classified as a “non-event” by ECB chief economist P. Lane, illustrates the function of monetary institutions as banking stability authorities, whose efforts to tighten financing conditions were pushed to a cumulative 475 bps for the FED and 350 bps for the ECB at the beginning of the month. Underlying inflationary pressures continue to force central banks to take more severe action. The disinflationary process has well and truly begun in the United States, as confirmed by the CPI publications, which show an eighth consecutive month of slowdown to 6% y/y for February, with the underlying also slowing to 5.5% y/y. It is clear that this is an undesirably high level for the Fed, and the viscosity of the underlying rate means that the key rate will have to be kept higher for longer. In the eurozone, the preliminary estimate of the change in the Harmonised Index of Consumer Prices shows a net decrease to 6.6% y/y for March. However, pressures in services and the food component continue to accelerate. Communications from central banks in the midst of the banking storm are clear: they are well equipped to ensure orderly monetary tightening without jeopardising interbank liquidity, and to bring inflation back to its target. Job creation data, meanwhile, point to continuing tension in the US labour market, in which supply and demand for labour are far from balanced. The eurozone is showing a certain degree of resilience, according to the surveys of purchasing managers (PMI). The ECB therefore observes that its monetary tightening has not yet had an impact on demand. Communications from members of the Executive Board also indicate that further increases are to be expected in order to stem any price-wage spiral throughout 2022. In the credit cash market, spreads on the High Yield (Ice BofA HE40 index) widened by 35 bps to 321 bps in March. Over the month, the performance of BFT Sélection Rendement 2027 Reduction Carbone was down -0.77% in March. The fund invested in three new issuers: Ineos, Grand City and Afflelou. The fund sold its Grunenthal, Gestamp, Auchan and Rolls Royce securities. The fund is therefore no longer exposed to those names. The portfolio comprises 71 bonds. The main countries represented are France, Spain and Germany. All securities in the portfolio are denominated in euro.

## April 2023

The market remained highly attentive to fears of contagion from banking stress during April, while maintaining a certain appetite for risky assets in a period in which the results reported by companies were subdued. The S&P 500 rose by 1.5% and the Euro Stoxx by 0.9%. Government bond yields fell by 5 bps in the United States, bringing the year-to-date decrease to 48 bps, while German Bund yields rose by 2.3 bps, far from erasing the 31 bps decrease since the start of the year. The anchoring of medium- and long-term inflation expectations on the central banks' target, combined with a slowdown in credit creation and economic activity, is leading market agents to believe that the peak of monetary tightening is about to be reached. Economists are nonetheless wrestling with the question of whether the slowdown in activity measured to date is compatible with a convergence of inflation rates towards the central banks' target? Is the tightening of financing conditions for agents, amplified by the banking upheavals, particularly at regional level in the US, likely to have a sufficiently rapid material impact on demand to be consistent with the disinflation scenario brought about by a rebalancing with supply? This is the conundrum facing the Federal Reserve, which is confronted with growth for which the preliminary estimate for the first quarter of the year shows a slowdown. However, domestic demand components, with household consumption at the forefront, are not weakening. It can also be seen that there is a mismatch between advanced survey sentiment, which points to a marked slowdown in activity since the start of the year, and actual data, which show robust real monthly growth. Real incomes continue to expand, and the image of an overheating labour market completes the picture of a much more resilient economy than expected. Uncertainty over the speed at which monetary policy is transmitted remains the focal point of central banks' response function. For some time now, they have been stating that the cumulative impact of rate hikes must be taken into account when assessing the transmission of monetary policy in the light of the evolution of inflationary pressures underlying the economies. The consumer price deflator stood at 4.2% y/y for March, the seventh consecutive month of deceleration, but the indicator excluding the volatile components (energy and food) held steady at 4.6% y/y. The eurozone is experiencing similar difficulties. The Harmonised Index of Consumer Prices has been falling since October 2022, standing at 6.9% y/y according to Eurostat's preliminary estimates for April, with an underlying rate down slightly to 5.6% y/y, after 5.7% in March. In the credit cash market, spreads on the High Yield (Ice BofA HE40 index) tightened by 1 bps to 320 bps in April. Over the month, the performance of BFT Sélection Rendement 2027 Reduction Carbone was up 0.96% in April. The Fund invested in two new issuers: Hamburg Commercial Bank and CTP. It sold its Puregym securities. In addition, the Neinor securities were redeemed early by their issuer. The Fund is therefore no longer exposed to that name. The portfolio comprises 74 bonds. The main countries represented are France, Spain and Germany. All securities in the portfolio are denominated in euro.

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

## May 2023

Fears that the banking stress episode would spread faded during the month of May. The focus returned to central banks' battle against inflation and the possibility of a soft landing for economies. In a context of no tangible signs of a marked economic slowdown in the United States and endless debates about raising the federal debt ceiling, 2-year and 10-year federal government bond yields rose by 44 bps and 22 bps, respectively. Meanwhile, good surprises on the inflation front in the eurozone and Germany's entry into a technical recession kept Bund yields at -5 bps over the period, while the Eurostoxx was down 3.5%. The statements made by the Federal Reserve and the ECB at the beginning of the month initially seemed to indicate a divergence; the FED, having reached the rate for 2023, hinted at the possibility of the monetary tightening effort being put on hold. The FED is now emphasising the impact of the tightening of financing conditions on agents, amplified by the banking episode. The ECB has made it clear that the choice of a rate of increase of +25 bps should in no way be associated with a break in the restrictive movement. The Frankfurt-based institution also announced the acceleration of its balance sheet reduction through the total non-reinvestment of coupon payments under the asset purchase program (APP) from July onwards: during the second quarter, non-reinvestment was capped at 15 billion euros per month. The conundrum for the FED and the ECB is similar in nature: although the origins of the inflationary shock are distinct, its spread to the entire economy must be mitigated by a marked reduction in demand. And while the first signs of a decrease in inflation, caused in particular by volatile components and a normalisation of supply constraints, are welcome, the vitality of demand constitutes a risk in the viscous behaviour of inflation. The dynamics of consumer price indices on both sides of the Atlantic show a marked slowdown. However, the central banks are keen to defend the scenario of inflation returning to their 2% target on a sustainable basis by keeping long-term expectations anchored. As we approach the theoretical terminal rate – a rate which is restrictive enough to align supply and demand so as to maintain price dynamics around 2% – the central banks' response function is now clear. Two principles are guiding the maintaining of the restrictive stance: underlying tensions must return to a level compatible with the target, and the impact associated with the historic tightening must be finely measured to avoid too abrupt an adjustment in the real economy and the financial system. In the credit cash market, spreads on the High Yield (Ice BofA HE40 index) widened by 5 bps to 325 bps in May. Over the month, the performance of BFT Sélection Rendement 2027 Reduction Carbone was up 0.74% in May. The Fund participated in the new issues of Abanca, Raiffeisen Austria and Banca Comerciala Romana. It invested in a new name, B2 holding. It sold its Adeventa securities. The Fund is therefore no longer exposed to that name. The portfolio comprises 79 bonds. The main countries represented are France, Spain and Germany. All securities in the portfolio are denominated in euro.

## June 2023

June brings to a close a half-year in which fears of recession seem to be shifting to late 2023 or even early 2024. The resilience of developed economies – coupled with persistent inflation – is accelerating the inversion movements of the yield curves. As a result, the market is raising the levels of short-term yields, which rose by +40 bps on the US 2-year and +51 bps on the German 2-year in June. Longer-term yields rose by +16 bps for the US 10-year and +12 bps for the Bund. These movements follow good economic news and communications from central banks which, recognising the medium-term inflationary risk, are tightening their stance to varying degrees depending on the economy. The delay in the transmission of monetary policy to the real economy remains an enigma at this stage. Monetary policy meetings held over the past month have highlighted the risk that central institutions may not be being sufficiently restrictive in their fight against underlying inflation, and sufficiently restrictive to contain demand which is still benefiting from the support provided by the reopening of economies (excess savings, labour shortage, strong order books and healthy balance sheets on the part of businesses). The FOMC decided to keep the Fed Funds rate unchanged at 5%-5.25% in order to measure more accurately the cumulative impact of the tightening undertaken. The US terminal rate is now fixed at around 5.6%, according to DOTS. Christine Lagarde insisted that the ECB still had some way to go in its monetary tightening process and indicated a further +25 bps increase in key rates bringing the deposit rate to 3.5%. She suggested that further increases were planned for July and September. The situation is all the more complex in so far as divergent growth trajectories are emerging across the eurozone, where, unlike Italy, Spain and France, Germany has entered a technical recession, bringing in its wake the eurozone as a whole. The ECB forum held in Sintra showed us that the risk of “not doing enough” remains greater than the risk of “doing too much”, as expressed by C. Lagarde, J. Powell and A. Bailey, despite the potential consequences for growth. In the credit cash market, spreads on the High Yield (ICE BofA HE40 index) tightened by -23 bps to 303 bps in June. Over the month, the performance of BFT Sélection Rendement 2027 Reduction Carbone was up +0.65% in May. The Fund participated in the first issues of Nova Ljubljanska Banka and Nova Kreditna Banka. It invested in new names: CTP, Heimstaden and Mobilux. It sold its Carmila, Avis, Renault, Celanese,

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

Belden, Playtech, Grifols, Deutsche Lufthansa, Ford, Valeo and Azzurra securities. The fund is therefore no longer exposed to those names. The portfolio comprises 71 bonds. The main countries represented are France, Spain and Germany. All securities in the portfolio are denominated in euro.

Over the period under review, the performance of each of the units of the BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE portfolio and its benchmark was as follows:

- BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE unit - I in EUR: 9.98%
- BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE unit - I (C) in EUR: 9.98%
- BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE unit - P in EUR: 9.70%
- BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE unit -P (C) EUR: 9.70%
- BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE unit - R (C) in EUR: 9.92%

*Past performance is not an indication of future performance.*

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

### Main changes to the portfolio during the financial year

Securities	Changes ("Accounting currency")	
	Purchases	Sales
BFT AUREUS ISR I C	2,287,822.14	2,326,375.69
BFT AUREUS ISR PART Z C	2,814,321.09	617,550.87
IBERCAJA 5.625% 07-06-27	1,595,568.00	797,784.00
NOVA KREDITNA BANKA MARIBOR DD 7.375% 29-06-26	1,002,720.00	1,200,000.00
NOVA LJUBLJANSKA BANKA DD 7.125% 27-06-27	2,025,350.00	
AIR FR KLM 3.875% 01-07-26	927,400.00	936,250.00
LINC FI 3.625 04-23		1,862,290.00
AROUNDTOWN 0.375% 15-04-27	1,861,671.00	
VALEO 5.375% 28-05-27 EMTN	898,485.00	911,906.00
JAGUAR LAND ROVER 6.875% 15-11-26	1,806,140.00	

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

### Efficient portfolio management techniques and derivatives in EUR

#### a) Exposure obtained through efficient portfolio management techniques and derivatives

- **Exposure obtained through efficient portfolio management techniques:**

- o Securities lending:
- o Securities borrowing:
- o Reverse repurchase agreements:
- o Repurchase agreements:

- **Underlying exposure obtained through derivatives:**

- o Forward foreign exchange contracts:
- o Futures:
- o Options:
- o Swaps:

#### b) Identity of the counterparty/counterparties to efficient portfolio management techniques and derivatives

Efficient management techniques	Derivatives (*)

(\*) Except listed derivatives.



# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

### c) Financial collateral received by the UCITS to reduce counterparty risk

Types of instruments	Amount in portfolio currency
<b>Efficient management techniques</b> . Term deposits . Equities . Bonds . UCITS . Cash (*) <b>Total</b>	
<b>Derivatives</b> . Term deposits . Equities . Bonds . UCITS . Cash <b>Total</b>	

(\*) The Cash account also includes liquidity resulting from repurchase transactions.

### d) Operating income and expenses relating to efficient management techniques

Operating income and expenses	Amount in portfolio currency
. Income (*) . Other income <b>Total income</b> . Direct operating expenses . Indirect operating expenses . Other expenses <b>Total expenses</b>	

(\*) Income received on loans and reverse repurchase agreements.

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

## **Transparency of securities financing transactions and of reuse of financial instruments – SFTR Regulation – in the accounting currency of the Fund (EUR)**

During the financial year, the UCI did not conduct any transactions that fall within the scope of the SFTR regulation.

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

## Life of the Fund over the year in review

None.

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

### Specific information

#### Voting rights

The Management Company will at all times act on behalf of the unitholders and it alone is entitled to exercise the voting rights attached to the Fund units.

The Management Company's voting policy can be viewed on the website [www.bftgestion.fr](http://www.bftgestion.fr), in accordance with Article 314-100 of the AMF General Regulations.

#### Group instruments and funds

To find out about the financial instruments held in the portfolio that are issued by the Management Company or by entities within its Group, please refer to the following annual financial statement headings:

- Other information.
- Financial instruments held, issued and/or managed by the Group.

#### Global risk calculation

- Commitment method

Futures contracts are entered at their market value as off-balance sheet commitments at the settlement price. Options are converted into their underlying equivalent. OTC interest rate swaps are valued on the basis of the nominal value, plus or minus the corresponding estimation difference.

- Global risk calculation method: The Fund uses the commitment method to calculate the Fund's overall risk on financial contracts.

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

### Regulatory information

#### Procedure for selecting brokers and counterparties

As part of its collective and individual management activity, BFT Investment Managers must comply with the obligation to act in the best interests of its clients and the UCIs that it manages. Due to its status as a portfolio management company, BFT Investment Managers is not a member of the markets, but transmits orders on behalf of UCIs and managed mandates to authorised market intermediaries.

BFT Investment Managers, a subsidiary of the Amundi Group, has entrusted all of its order transmission and execution activities to Amundi Intermédiation as part of a contract for the provision of services. Amundi Intermédiation is an establishment that is authorised by the Prudential Supervision Authority (Autorité de Contrôle Prudentiel, ACP) as an investment company to provide trading and order reception/transmission investment services to third parties covering all financial instruments provided for in Article L. 211-1 of the French Monetary and Financial Code.

The selection of intermediaries is carried out in mutual consultation between Amundi Intermédiation and BFT Investment Managers during the annual meeting of a Selection committee attended by, among others, the Head of Compliance of BFT Investment Managers. The resulting selection list is subject to revision at least once a year.

All measures are taken so that the execution of orders is carried out in the best interest of the customer and favours market integrity by taking account of criteria set out such as transaction security, price, liquidity, speed, cost, etc. depending on their relative importance in various types of orders transmitted by our managers.

BFT Investment Managers has drawn up a “selection of intermediaries and order transmission policy” which describes measures taken to ensure that orders are processed in the best interests of customers. This document can be viewed on the website of BFT Investment Managers: [www.bft-im.com](http://www.bft-im.com)

#### Report on intermediary fees

In accordance with Article 314-82 of the AMF General Regulations, unitholders can view the report on intermediary fees for the financial year ended at [www.bft-im.com](http://www.bft-im.com).

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

### Remuneration policy

#### **Personnel remuneration policy and practices of the Management Company**

The remuneration policy implemented within BFT Investment Managers complies with the remuneration provisions set out in Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (hereinafter the “AIFM Directive”), and in Directive 2014/91/EU of 23 July 2014 (hereinafter the “UCITS V Directive”). These rules, concerning the remuneration structures, practices and policies of the Management Company, are primarily intended to help strengthen the sound, effective and expert management of the risks affecting both the Management Company and the managed funds.

In addition, the remuneration policy complies with Regulation (EU) 2019/2088 (“SFDR”), integrating sustainable development risk and ESG criteria into Amundi’s control plan, with responsibilities divided between the first level of controls carried out by the management teams and the second level of controls carried out by the risk teams, which can verify compliance with the ESG objectives and constraints of a fund at any time.

This policy is part of the remuneration policy of the Amundi Group, reviewed each year by its Remuneration Committee. At its meeting of 1 February 2022, the Remuneration Committee verified the application of the policy to the 2021 financial year and its compliance with the principles of the AIFM and UCITS V Directives, and approved the policy applicable to the 2022 financial year.

The implementation of the Amundi remuneration policy was subject, in 2022, to an internal, central and independent evaluation, carried out by Amundi Internal Audit.

#### **1.1 Amount of remuneration paid by the Management Company to its personnel**

Over the 2022 financial year, the total amount of remuneration (including deferred and non-deferred fixed and variable remuneration) paid by BFT Investment Managers to all its personnel (48 employees as at 31 December 2022) amounted to 6,276,477 euros. This is broken down as follows:

- Total fixed remuneration paid by BFT Investment Managers over the year: 4,551,493 euros, representing 73% of the total remuneration paid by the Management Company to all its personnel, was paid in the form of fixed remuneration.
- Total deferred and non-deferred variable remuneration paid by BFT Investment Managers over the year: 1,724,984 euros, representing 27% of the total remuneration paid by the Management Company to all its personnel, was paid in this form. All personnel are eligible for the variable remuneration scheme.

Furthermore, no carried interest was paid for the year.

Due to the small number of “executives and senior executives” (four employees as at 31 December 2022) and of “decision-making managers” whose activities have a significant impact on the risk profile of the managed funds (four employees as at 31 December 2022), the total remuneration (deferred and non-deferred fixed and variable) paid to these categories of personnel is not published.

#### **1.2 Effects of the remuneration policy and practices on the risk profile and on the management of conflicts of interest**

The Amundi Group has created a remuneration policy and implemented remuneration practices that comply with the most recent legislative, regulatory and doctrinal changes issued by the regulatory authorities for all of its management companies.

The Amundi Group has also defined its Identified Staff, which comprises all employees of the Amundi Group who exercise decision-making power on the management companies or the managed funds and who therefore may have a significant impact on performance or on the risk profile.

The variable remuneration allocated to the Amundi Group staff is determined by combining the evaluation of the performance of the employee concerned, that of the operational unit to which they belong, and the overall Group results. This evaluation of individual performance takes account of both quantitative and qualitative criteria, as well as compliance with the rules on the sound management of risks.

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

The criteria taken into account for the evaluation of performance and the allocation of variable remuneration depend on the nature of the function performed:

### 1. Portfolio selection and management functions

#### *Quantitative criteria:*

- RI/Sharpe over 1, 3 and 5 years
- Gross/absolute/relative performance of investment strategies (based on GIPS composites) over 1, 3 and 5 years, primarily 1 year perspective, adjusted for long term (3, 5 years)
- 1, 3 and 5 year RI/Sharpe based risk performance
- Competitive rankings through Morningstar rankings
- Net new money/request for proposals, successful mandates
- Performance fees
- Where relevant, ESG assessment of funds according to various rating agencies (Morningstar, CDP, etc.)
- Compliance with the "beat the benchmark" ESG approach, the ESG exclusion policy and the climate transition index.

#### *Qualitative criteria:*

- Adherence to risk, compliance, and ESG policy and legal rules
- Quality of management
- Innovation/product development
- Cross-functionality and sharing of best practices
- Commercial commitment, including the ESG component in commercial actions
- ESG:
  - Compliance with ESG policy and participation in the net-zero offering
  - Integration of ESG in investment processes
  - Ability to promote and disseminate ESG knowledge internally and externally
  - Participating in the expansion of the ESG offering and in ESG innovation
  - Ability to reconcile the combination of risk and ESG (risk and ESG-adjusted return).

### 2. Commercial functions

#### *Quantitative criteria:*

- Net inflow, particularly in terms of ESG and impact products
- Revenues
- Gross inflow
- Developing the customer base and retaining its loyalty; product range
- Number of commercial actions per year, in particular in the area of prospecting,
- Number of clients contacted about their net-zero strategy.

#### *Qualitative criteria:*

- Adherence to risk, compliance, and ESG policy and legal rules
- Joint consideration of the interests of Amundi and clients
- Securing/developing business
- Client satisfaction
- Quality of management
- Cross-functionality and sharing of best practices
- Entrepreneurship
- Ability to explain and promote ESG policies and Amundi solutions.

### 3. Support and audit functions

With regard to audit functions, the evaluation of performance and the allocation of variable remuneration are independent of the performance of the business sectors that they audit.

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

The criteria normally taken into account are as follows:

- Mainly criteria linked to the achievement of their own objectives (risk control, audit quality, implementation of projects, improvement of tools and systems, etc.)
- When financial criteria are used, these are focused mainly on the management and optimisation of expenses.

The performance criteria outlined above, and particularly those applied to the Identified Staff in charge of management, form part of the broader context of compliance with the regulations applicable to the managed funds and the investment policy of the Management Company's investment committee.

In addition, the Amundi Group has implemented, for all of its personnel, measures aimed at aligning remuneration with performance and long-term risks, and at limiting the risk of conflicts of interest.

These measures include:

- implementation of a deferral scale, in compliance with the requirements of the AIFM and UCITS V Directives.
- the deferred portion of the variable remuneration payable to employees that are Identified Staff is paid in instruments fully index-linked to the performance of a representative basket of funds.
- vesting of the deferred portion is linked to the financial situation of Amundi, the continuity of the employee's employment within the Group, and their sound and expert management of risks throughout the acquisition period.

### **Compliance of the Fund with the criteria relative to the Environmental, Social and Governance (ESG) objectives**

BFT Investment Managers applies targeted exclusion rules that form the basis of its fiduciary responsibility. They are applied to all our active management strategies, and consist in excluding companies that do not comply with our ESG policy, international conventions and internationally recognised frameworks, or national regulatory frameworks. These targeted exclusions are applied subject to compliance with the applicable laws and regulations, except where otherwise contractually agreed for dedicated products or services.

BFT Investment Managers thus excludes the following activities:

Any direct investment in companies involved in the manufacture, trade, or stockpiling of, or services relating to, anti-personnel mines and cluster munitions, in compliance with the Ottawa and Oslo Conventions.

Companies that produce, stock or market chemical, biological and depleted uranium weapons.

Companies that seriously and repeatedly contravene one or more of the Ten Principles of the Global Compact, without credible corrective action.

Such issuers are rated G on BFT Investment Managers' scale. In addition, BFT Investment Managers implements targeted sector exclusions specific to the coal and tobacco industries. These sector exclusions apply to all active management strategies in respect of which BFT Investment Managers has full discretion in portfolio management.

### **Coal policy**

BFT Investment Managers excludes:

- Companies that develop or are planning to develop new thermal coal capacity across the entire value chain (producers, extractors, power plants, transport infrastructure).

Companies deriving more than 25% of their turnover from thermal coal extraction.

- Companies whose annual thermal coal extraction is 100 MT or more, without any intention of reducing it.
- All companies whose turnover related to the extraction of thermal coal and the production of electricity from thermal coal exceeds 50% of their total sales, without analysis.
- All coal-fired power generation and coal mining companies with a threshold between 25% and 50% and a deteriorated energy transition score.



# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

### Application in passive management:

#### • Passive ESG funds

All ESG ETFs and index-tracking funds apply BFT Investment Managers' coal sector exclusion policy wherever possible (with the exception of highly concentrated indices).

#### • Passive non-ESG funds

The fiduciary duty in passive management is to reproduce an index as faithfully as possible.

The portfolio manager thus has limited room for manoeuvre, and must meet contractual targets to achieve a passive exposure fully in line with the requested reference benchmark.

Consequently, BFT Investment Managers' index-tracking funds and ETFs that replicate standard (non-ESG) reference benchmarks cannot apply systematic sector exclusions.

However, in the context of securities which are excluded from the "thermal coal policy" in BFT Investment Managers' active investment universe but could be present in passive non-ESG funds, BFT Investment Managers has strengthened its voting and commitment actions which could result in a vote "against" the management of the companies concerned.

### Tobacco policy

Since 2018, BFT Investment Managers has limited the ESG ratings of companies in the tobacco sector to E, on a scale from A to G (with G-rated companies being excluded) in order to take account of public health concerns, as well as human rights violations, poverty, environmental consequences, and the considerable economic cost associated with tobacco, estimated at over 1,000 billion dollars a year worldwide, according to estimates by the World Health Organization. The purpose of that limitation is to penalise investment in that type of company, which must be offset by investment in more virtuous companies. The policy of BFT Investment Managers applies to the entire tobacco sector, including suppliers, cigarette manufacturers and distributors.

In May 2020, BFT Investment Managers became a signatory to the Tobacco-Free Finance pledge, thereby reinforcing its tobacco exclusion policy. BFT Investment Managers thus applies the following rules:

- Exclusion rules: companies that manufacture complete tobacco products are excluded (application threshold: revenue exceeding 5%).

- Limit rules: companies involved in the manufacture, supply and distribution of tobacco are limited to an ESG rating of E (ranging from A to G) (application threshold: revenue exceeding 10%).

Further information on how BFT Investment Managers takes ESG criteria into account is available on its website:

<https://www.bft-im.fr/institutionnels/Developpement-Durable/Notre-engagement-en-investissement-responsable>.

*\* Active management: excluding index-linked funds and ETFs constrained by their reference benchmark.*

### SFDR and Taxonomy Regulations

#### Article 8 – under the Taxonomy

In accordance with its investment objective and policy, the Fund promotes environmental characteristics as defined in Article 6 of the Taxonomy Regulation. It may partially invest in economic activities which contribute to one or more environmental objectives laid down in Article 9 of the Taxonomy Regulation. However, the Fund does not currently make any commitment with regard to a minimum proportion.

The Taxonomy aims to identify economic activities that are considered environmentally sustainable. The Taxonomy identifies these activities according to their contribution to six broad environmental objectives: (i) climate change mitigation, (ii) climate change adaptation, (iii) sustainable use and protection of water and marine resources, (iv) transition to the circular economy (waste, prevention and recycling), (v) pollution prevention and control, (vi) protection and restoration of biodiversity and ecosystems.

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

For the purpose of establishing the environmental sustainability of an investment, an economic activity is considered environmentally sustainable if it makes a substantial contribution to one or more of the six environmental objectives, does not significantly harm one or more of the environmental objectives (“do no significant harm” or “DNSH” principle), is carried out in accordance with the minimum safeguards set out in Article 18 of the Taxonomy Regulation, and complies with the technical review criteria that have been established by the European Commission under the Taxonomy Regulation.

In accordance with the current state of the Taxonomy Regulation, the Management Company currently ensures that investments do not significantly undermine any other environmental objective by implementing exclusionary policies in relation to issuers with controversial environmental and/or social and/or governance practices.

Notwithstanding the above, the “do no significant harm” (DNSH) principle applies only to the underlying investments that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Although the Fund may already hold investments in economic activities which qualify as sustainable activities without being currently committed to a minimum proportion, the Management Company will do everything within its power to disclose this proportion of investments in sustainable activities as soon as reasonably possible upon entry into force of the Regulatory Technical Standards (RTS) for the content and format of disclosures in accordance with Articles 8(4), 9(6) and 11(5) of the Disclosure Regulation, as amended by the Taxonomy Regulation.

This commitment will be achieved in a progressive and continuous manner, integrating the requirements of the Taxonomy Regulation into the investment process as soon as reasonably possible. This will lead to a minimum degree of portfolio alignment with sustainable activities, information which will be made available to investors at that time.

In the meantime, the degree of alignment with sustainable activities will not be made available to investors.

As soon as all the data are fully available and the relevant calculation methodologies have been finalised, the description of the extent to which the underlying investments are in sustainable activities will be made available to investors. This information, along with information on the proportion of enabling and transitional activities, will be specified in a later version of the prospectus.

### Article 8 – under the SFDR

Pursuant to Article 50 of the SFDR Delegated Regulation (Level 2), information on the attainment of the environmental or social characteristics promoted by the financial product is available in the annex to this report.

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

**Statutory Auditor's certification of the annual financial statements**

# BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

Mutual Fund

Management Company:  
BFT Investment Managers

90, boulevard Pasteur  
75015 Paris

## Statutory Auditor's report on the annual financial statements

Financial year ended 30 June 2023

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To the unitholders of the BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE FUND,

### Opinion

In performance of the auditing assignment entrusted to us by the Management Company, we have carried out the audit of the annual financial statements of the undertaking for collective investment BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE, constituted in the form of a French Mutual Fund (FCP), relating to the financial year ended 30 June 2023, as attached to this report.

We certify that the annual financial statements are, in conformity with French accounting rules and principles, accurate and consistent and give a true and fair view of the results of transactions during the previous fiscal year as well as the financial position and assets and liabilities of the Fund at the end of the fiscal year.

### Basis of opinion on the annual financial statements

#### Audit framework

We have conducted our audit in accordance with the standards of professional practice applicable in France. We believe that the evidence collected in our audit provides a reasonable basis for our opinion.

Our responsibilities pursuant to these standards are set out in the "Statutory auditor's responsibilities relating to the audit of annual financial statements" section of this report.

## **Independence**

We carried out our audit assignment in accordance with the rules of independence provided for in the French Commercial Code and the French Code of Ethics for Statutory Auditors, for the period from 1 July 2022 to the date of issue of our report.

## **Justification of our assessments**

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you that the assessments which, according to our professional judgement, were the most important for the audit of the annual financial statements for the financial year, concerned the appropriateness of the accounting principles applied, the reasonableness of the significant estimates made and the overall presentation of the financial statements.

The assessments were made as part of our audit of the annual financial statements, taken as a whole, and therefore contributed to the formation of our opinion expressed in the first part of this report. We do not express an opinion on items in the annual financial statements taken individually.

## **Specific controls**

We also performed specific controls required by the laws and regulations, in accordance with the professional auditing standards applicable in France.

We have no comments to make regarding the fair presentation of the annual financial statements and their consistency with the information provided in the management report drawn up by the Management Company.

## **Responsibilities of the Management Company relating to the annual financial statements**

It is the Management Company's responsibility to prepare annual financial statements that give a true and fair view, in accordance with French accounting rules and principles, and to implement the internal controls it deems necessary for the preparation of annual financial statements that do not include any material misstatement, whether due to fraud or error.

When preparing the annual financial statements, it is the Management Company's responsibility to assess the Fund's ability to continue as a going concern, to present in said financial statements, where applicable, the necessary information relating to its viability as a going concern, and to apply the going concern accounting policy unless it intends to wind up the Fund or to cease trading.

The annual financial statements were prepared by the Management Company.

## **Responsibilities of the statutory auditor relating to the audit of the annual financial statements**

It is our responsibility to draft a report on the annual financial statements. Our aim is to obtain reasonable assurance that the annual financial statements taken as a whole do not contain any material misstatement. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit performed in accordance with the standards of professional practice will systematically detect any material misstatement. Misstatements may arise from fraud or error and are considered material where it can reasonably be expected that, taken individually or together, they may influence the economic decisions made by account users based thereon.

As specified by Article L.823-10-1 of the French Commercial Code, our mission is to certify the financial statements, but not to guarantee the viability or the quality of the management of your Fund.

In connection with an audit conducted in accordance with the professional standards applicable in France, the statutory auditor exercises its professional judgement throughout this audit. In addition:

- it identifies and assesses the risks that the annual financial statements may contain material misstatement, whether due to fraud or error, sets out and implements the audit procedures intended to counter these risks, and collates the items that it deems sufficient and appropriate to justify its opinion. The risk of non-detection of a material misstatement due to fraud is higher than that of a material misstatement due to an error, since fraud may involve collusion, forgery, voluntary omissions, misrepresentation or the circumvention of internal control processes;
- it becomes familiar with the internal control processes relevant to the audit so as to set out audit procedures that are appropriate to the circumstances, and not to express an opinion on the effectiveness of the internal control processes;
- it assesses the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management Company, as well as the information provided in their regard in the annual financial statements;
- it assesses the appropriateness of the application by the Management Company of the going concern accounting policy and, based on the evidence gathered, whether or not there is significant uncertainty relating to events or circumstances that may affect the Fund's ability to continue as a going concern. This assessment is based on the items collated up to the date of its report, on the understanding that subsequent events or circumstances may affect its viability as a going concern. If it concludes that there is significant uncertainty, it will draw the attention of readers of the report to the information provided in the annual financial statements about this uncertainty or, if this information is not provided or is not relevant, it will issue a certification with reservations or a refusal to certify;

- it assesses the overall presentation of the annual financial statements and whether they reflect the transactions and underlying events so as to provide a true and fair view thereof.

Paris La Défense, 6 October 2023

The Statutory Auditor  
Deloitte & Associés

[Signature]  
Stéphane COLLAS

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

## Annual financial statements



# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

### Balance Sheet Assets as at 30/06/2023 in EUR

	30/06/2023	30/06/2022
<b>NET FIXED ASSETS</b>		
<b>DEPOSITS</b>		
<b>FINANCIAL INSTRUMENTS</b>	<b>76,873,624.86</b>	<b>70,687,682.85</b>
<b>Equities and similar securities</b>		
Traded on a regulated or similar market		
Not traded on a regulated or similar market		
<b>Bonds and similar securities</b>	<b>74,641,230.13</b>	<b>70,649,395.53</b>
Traded on a regulated or similar market	74,641,230.13	70,649,395.53
Not traded on a regulated or similar market		
<b>Debt securities</b>		
Traded on a regulated or similar market		
Transferable debt securities		
Other debt securities		
Not traded on a regulated or similar market		
<b>Undertakings for collective investment</b>	<b>2,232,394.73</b>	<b>38,287.32</b>
General-purpose UCITS and AIFs intended for non-professional investors and equivalent funds from other countries	2,232,394.73	38,287.32
Other funds intended for non-professional investors and equivalents from other EU member states		
General-purpose professional investment funds and equivalent funds from other EU member states and listed special purpose vehicles		
Other professional investment funds and equivalent funds from other EU member states and unlisted special purpose vehicles		
Other non-European funds		
<b>Temporary securities transactions</b>		
Receivables representing securities received under repurchase agreements		
Receivables representing loaned securities		
Borrowed securities		
Securities assigned under repurchase agreements		
Other temporary transactions		
<b>Forward financial instruments</b>		
Transactions on a regulated or similar market		
Other transactions		
<b>Other financial instruments</b>		
<b>RECEIVABLES</b>	<b>1,923,288.30</b>	<b>32,937.50</b>
Forward foreign exchange transactions		
Other	1,923,288.30	32,937.50
<b>FINANCIAL ACCOUNTS</b>	<b>218,513.32</b>	<b>2,383,731.48</b>
Cash	218,513.32	2,383,731.48
<b>TOTAL ASSETS</b>	<b>79,015,426.48</b>	<b>73,104,351.83</b>

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

## Liabilities as at 30/06/2023 in EUR

	30/06/2023	30/06/2022
<b>SHAREHOLDERS' EQUITY</b>		
Capital	76,369,633.17	70,377,659.69
Undistributed prior capital gains and losses (a)		
Retained earnings (a)	56.01	
Net capital gains and losses for the financial year (a, b)	-2,737,808.21	-634,110.34
Net profit/loss for the financial year (a, b)	3,957,950.35	3,305,498.18
<b>TOTAL SHAREHOLDERS' EQUITY*</b>	<b>77,589,831.32</b>	<b>73,049,047.53</b>
<i>* Amount corresponding to net assets</i>		
<b>FINANCIAL INSTRUMENTS</b>		
Disposals of financial instruments		
Temporary securities transactions		
Payables representing securities assigned under repurchase agreements		
Payables representing borrowed securities		
Other temporary transactions		
Forward financial instruments		
Transactions on a regulated or similar market		
Other transactions		
<b>PAYABLES</b>	<b>1,425,595.16</b>	<b>55,304.30</b>
Forward foreign exchange transactions		
Other	1,425,595.16	55,304.30
<b>FINANCIAL ACCOUNTS</b>		
Bank overdrafts		
Loans		
<b>TOTAL LIABILITIES</b>	<b>79,015,426.48</b>	<b>73,104,351.83</b>

(a) Including accruals

(b) Less interim dividend payments made for the year

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

### Off-balance sheet items at 30/06/2023 in EUR

	30/06/2023	30/06/2022
<b>HEDGING TRANSACTIONS</b>		
Commitments on regulated or similar markets		
Over-the-counter market commitments		
Other commitments		
<b>OTHER TRANSACTIONS</b>		
Commitments on regulated or similar markets		
Over-the-counter market commitments		
Other commitments		

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

### Income statement at 30/06/2023 in EUR

	30/06/2023	30/06/2022
<b>Income from financial transactions</b>		
Income from deposits and financial accounts	8,208.08	
Income from equities and similar securities		
Income from bonds and similar securities	4,283,223.60	1,574,038.03
Income from debt securities		
Income from temporary sales and purchases of securities		
Income from financial futures		
Other financial income		
<b>TOTAL (1)</b>	<b>4,291,431.68</b>	<b>1,574,038.03</b>
<b>Expenses for financial transactions</b>		
Expenses on temporary purchases and disposals of securities		
Expenses on financial futures		
Expenses on financial debt	2,112.61	4,981.70
Other financial expenses		
<b>TOTAL (2)</b>	<b>2,112.61</b>	<b>4,981.70</b>
<b>PROFIT OR LOSS ON FINANCIAL TRANSACTIONS (1 - 2)</b>	<b>4,289,319.07</b>	<b>1,569,056.33</b>
Other income (3)		
Management fees and provisions for depreciation(4)	371,109.12	169,157.85
<b>NET PROFIT/(LOSS) FOR THE YEAR (L. 214-17-1) (1 - 2 + 3 - 4)</b>	<b>3,918,209.95</b>	<b>1,399,898.48</b>
Adjustment of income for the fiscal year (5)	39,740.40	1,905,599.70
Advances on profit paid in respect of the fiscal year (6)		
<b>PROFIT/(LOSS) (1 - 2 + 3 - 4 + 5 - 6)</b>	<b>3,957,950.35</b>	<b>3,305,498.18</b>

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

**Annex to the annual financial statements**

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

### 1. Accounting methods and rules

The annual financial statements are presented in the form stipulated by ANC Regulation No 2014-01, as amended.

General accounting principles apply:

- a true and fair view, comparability, business continuity,
- lawfulness, accuracy,
- prudence,
- consistency in accounting methods from one fiscal year to the next.

Income from fixed income securities is recorded using the accrued interest method.

Securities entering and leaving the portfolio are recognised excluding costs.

The reference currency of the portfolio is the euro.

The duration of the financial year is 12 months.

#### **Asset valuation rules**

Financial instruments are recognised according to the historical cost method, and are entered on the balance sheet at their current value, which is determined according to the last known market value, or by any external means, or through the use of financial models where no market value is available.

Differences between the current values used to calculate the net asset value and the historical costs of the marketable securities when booked in the portfolio are recognised in "Estimation Differences" accounts.

Investments that are not in the portfolio currency are valued in accordance with the principle described below, and then converted into the portfolio currency based on the foreign exchange rates on the valuation date.

#### ***Deposits:***

Deposits with a residual term of three months or less are valued using the straight-line method.

#### ***Equities, bonds, and other securities traded on a regulated or similar market:***

To calculate the net asset value, equities and other securities traded on a regulated or equivalent market are valued on the basis of the day's final market price.

Bonds and similar securities are valued on the basis of the closing price supplied by various financial service providers. Interest income accruing on bonds and similar securities is calculated up to the net asset value date.

#### ***Equities, bonds, and other securities not traded on a regulated or similar market:***

Securities that are not traded on a regulated market are valued under the Management Company's responsibility using methods based on their asset value and yield, taking into account the prices agreed in recent significant transactions.

#### ***Negotiable debt securities:***

Negotiable debt securities and similar securities that are not the subject of significant transactions are valued on an actuarial basis, using the reference rate described below, plus a difference representing the intrinsic value of the issuer, where applicable:

- negotiable debt securities with a duration of 1 year or less: Interbank rate in euros (Euribor);
- negotiable debt securities with a maturity of over 1 year: Short-term Treasury note (BTAN – Bons du Trésor à intérêts Annuels Normalisés) rates or short-term treasury note equivalent (OAT – Obligations Assimilables du Trésor) rates for longer durations.

Negotiable debt securities with a residual term of three months or less may be valued using the straight-line method.

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

Treasury notes are valued at the market rate, provided daily by Banque de France or the Treasury Securities Specialists.

### ***UCIs held:***

Units or shares of UCIs will be valued at the last known net asset value.

### ***Temporary securities transactions:***

Securities received under repurchase agreements are posted as assets under the heading "Receivables representing securities received under repurchase agreements" for the amount stated in the contract, plus any accrued interest receivable.

Securities assigned under repurchase agreements are posted in long portfolios at their current value. Payables on securities assigned under repurchase agreements are entered in the short portfolio at the contracted value, plus any accrued interest payable.

Lent securities are measured at their current value and are posted as assets under the heading "Receivables representing securities lent" at their current value plus any accrued interest receivable.

Borrowed securities are posted as assets under the heading "Borrowed securities" for the amount stated in the contract, and as liabilities under the heading "Liabilities representing borrowed securities" for the amount stated in the contract plus any accrued interest due.

### ***Financial futures:***

#### **Financial futures traded on a regulated or similar market:**

Financial futures traded on regulated markets are valued at the day's settlement price.

#### **Financial futures not traded on a regulated or similar market:**

#### ***Swaps:***

Interest rate and/or currency swaps are measured at their market value based on the price calculated by discounting the future interest income flows at market interest and/or foreign exchange rates. This price is adjusted for credit risk.

Index swaps are valued on an actuarial basis, using a reference rate provided by the counterparty.

Other swaps are measured at market value or at a value estimated according to the procedures approved by the Management Company.

#### ***Off-balance sheet commitments:***

Futures contracts are recorded as off-balance sheet commitments at their market value on the basis of the price used in the portfolio.

Options are converted into their underlying equivalent.

Commitments for swap agreements are shown at their nominal value, or at an equivalent amount in the absence of a nominal value.

#### **Management fees**

Management and operating fees cover all fees relating to the UCI: financial, administrative and accounting management, custodian, distribution, and audit fees, etc.

These fees are charged to the UCI's income statement.

Management fees do not include transaction fees. For more information about the fees charged to the UCI, please see the prospectus.

They are recorded pro rata temporis each time the net asset value is calculated.

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

These fees cover all the charges invoiced directly to the UCITS, excluding transaction charges. Transaction fees include intermediary fees (i.e. brokerage fees, stock market taxes, etc.) and turnover fees, if any, may be charged, notably by the Depositary and the Management Company.

The following fees may be charged on top of management and administration fees:

performance fees. These reward the Management Company when the UCITS exceeds its objectives. They are therefore charged to the UCITS;  
transaction fees invoiced to the UCITS;  
fees related to the temporary purchases and sales of securities.

Fees charged to the UCITS			
P1 — P2	Financial management fees	Net assets	I-C units: 0.60% maximum, incl. taxes
	Administrative fees external to the Management Company		I-C/D units: 0.60% maximum, incl. taxes
O-C units: 0.60% maximum, incl. taxes			
O-C/D units: 0.60% maximum, incl. taxes			
P-C units: 0.90% maximum, incl. taxes			
P-C/D units: 0.90% maximum, incl. taxes			
R-C units: 0.60% maximum, incl. taxes			
P3	Maximum indirect fees (fees and management fees)		Net assets
	Turnover fees Accruing to the Management Company  *****  Received by the Depositary	Deducted from each transaction or operation	Maximum transaction rate: Derivative transactions: invoiced at €13 including tax per forward contract and €4 including tax per option. Proportional fee of between 0% and 0.10%, depending on the instrument (securities, currencies etc.)  ***** None
P5	Performance fees	None	I-C units: None
			I-C/D units: None
			O-C units: None
			O-C/D units: None
			P-C units: None
			P-C/D units: None
			R-C units: None
R-C/D units: None			



# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

The following costs may be added to the fees invoiced to the UCITS, as listed above:  
 exceptional legal costs associated with the recovery of the UCITS' debts;  
 costs related to fees payable by the Management Company to the AMF in connection with its management of the UCITS.

## Allocation of distributable income

### Definition of distributable income

Distributable income consists of:

#### **Income:**

The net profit for the fiscal year is equal to the sum of interest income, arrears, bonuses and awards, dividends, directors' fees, as well as all income arising from the securities that make up the Fund's portfolio, plus the income from amounts available on a temporary basis and minus management fees and interest on loans. Any retained earnings are added to it, while the balance of income accruals is either added to or deducted from it.

#### **Capital gains and losses:**

Realised capital gains, net of fees, less any realised capital losses, net of fees, recorded during the financial year plus net capital gains of the same type recorded during previous financial years which have not been distributed or accumulated, plus or minus the balance of capital gains accruals.

### Allocation of distributable sums

<i>Unit(s)</i>	<i>Allocation of net profit</i>	<i>Allocation of net realised capital gains or losses</i>
BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit IC	Accumulation	Accumulation
BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit ICD	Accumulation and/or Distribution and/or Postponement at the discretion of the Management Company	Accumulation and/or Distribution and/or Postponement at the discretion of the Management Company
BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit PC	Accumulation	Accumulation
BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit PCD	Accumulation and/or Distribution and/or Postponement at the discretion of the Management Company	Accumulation and/or Distribution and/or Postponement at the discretion of the Management Company
BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit RC	Accumulation	Accumulation

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

### 2. Changes in net assets as at 30/06/2023 in EUR

	30/06/2023	30/06/2022
<b>NET ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>73,049,047.53</b>	
Subscriptions (including subscription fees accruing to the UCI)	16,700,254.47	82,941,541.04
Redemptions (less redemption fees accruing to the UCI)	-18,853,134.97	-1,921,024.48
Capital gains realised on deposits and financial instruments	127,976.92	18,939.56
Capital losses realised on deposits and financial instruments	-2,743,857.40	-621,435.02
Capital gains realised on financial futures		
Capital losses realised on financial futures		
Transaction fees	-71,386.18	-425.12
Exchange rate differences		
Changes in the valuation differential for deposits and financial instruments	5,589,755.98	-8,768,452.78
<i>Valuation differential year N</i>	-3,178,696.80	-8,768,452.78
<i>Valuation differential for financial year N-1</i>	8,768,452.78	
Changes in the valuation differential for forward financial instruments		
<i>Valuation differential year N</i>		
<i>Valuation differential for financial year N-1</i>		
Prior year distribution on net capital gains and losses		
Prior year distribution on income	-127,034.98	
Net income for the year before accruals	3,918,209.95	1,399,898.48
Interim dividend payment(s) made during the year on net capital gains and losses		
Interim dividend(s) paid during the year on income		
Other items		5.85 (*)
<b>CLOSING NET ASSETS</b>	<b>77,589,831.32</b>	<b>73,049,047.53</b>

(\*) 30/06/2022: 05/05/2022 merger balancing payment of €5.85.

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

## 3. Additional information

### 3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC TYPE

	Amount	%
<b>ASSETS</b>		
<b>BONDS AND SIMILAR SECURITIES</b>		
VAR/REV rate bonds traded on a regulated or equivalent market	5,832,972.90	7.52
Fixed-rate bonds traded on a regulated or equivalent market	68,808,257.23	88.68
<b>TOTAL BONDS AND SIMILAR SECURITIES</b>	<b>74,641,230.13</b>	<b>96.20</b>
<b>DEBT SECURITIES</b>		
<b>TOTAL DEBT SECURITIES</b>		
<b>LIABILITIES</b>		
<b>DISPOSALS OF FINANCIAL INSTRUMENTS</b>		
<b>TOTAL DISPOSALS OF FINANCIAL INSTRUMENTS</b>		
<b>OFF-BALANCE SHEET</b>		
<b>HEDGING TRANSACTIONS</b>		
<b>TOTAL HEDGING TRANSACTIONS</b>		
<b>OTHER TRANSACTIONS</b>		
<b>TOTAL OTHER TRANSACTIONS</b>		

### 3.2. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY INTEREST RATE TYPE

	Fixed rate	%	Floating rate	%	Adjustable rate	%	Other	%
<b>ASSETS</b>								
Deposits								
Bonds and similar securities	68,808,257.23	88.68			5,832,972.90	7.52		
Debt securities								
Temporary securities transactions								
Financial accounts							218,513.32	0.28
<b>LIABILITIES</b>								
Temporary securities transactions								
Financial accounts								
<b>OFF-BALANCE SHEET</b>								
Hedging transactions								
Other transactions								

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

### 3.3. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY RESIDUAL MATURITY(\*)

	< 3 months	%	[3 months–1 year]	%	[1 - 3 years]	%	[3 - 5 years]	%	> 5 years	%
<b>ASSETS</b>										
Deposits										
Bonds and similar securities					12,205,554.27	15.73	58,921,458.37	75.94	3,514,217.49	4.53
Debt securities										
Temporary securities transactions										
Financial accounts	218,513.32	0.28								
<b>LIABILITIES</b>										
Temporary securities transactions										
Financial accounts										
<b>OFF-BALANCE SHEET</b>										
Hedging transactions										
Other transactions										

(\*) Interest rate futures are shown according to the maturity of the underlying.

### 3.4. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY LISTING CURRENCY (NON-EURO)

	Currency 1		Currency 2		Currency 3		Currency N Other(s)	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>								
Deposits								
Equities and similar securities								
Bonds and similar securities								
Debt securities								
UCIs								
Temporary securities transactions								
Receivables								
Financial accounts								
<b>LIABILITIES</b>								
Disposals of financial instruments								
Temporary securities transactions								
Payables								
Financial accounts								
<b>OFF-BALANCE SHEET</b>								
Hedging transactions								
Other transactions								

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

### 3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Type of debit/credit	30/06/2023
<b>RECEIVABLES</b>		
	Sales with deferred settlement	1,846,732.82
	Coupons and cash dividends	76,555.48
<b>TOTAL RECEIVABLES</b>		<b>1,923,288.30</b>
<b>PAYABLES</b>		
	Purchases with deferred settlement	1,353,263.57
	Fixed management fees	44,187.11
	Other payables	28,144.48
<b>TOTAL PAYABLES</b>		<b>1,425,595.16</b>
<b>TOTAL PAYABLES AND RECEIVABLES</b>		<b>497,693.14</b>

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

## 3.6. SHAREHOLDERS' EQUITY

### 3.6.1. Number of securities issued or redeemed

	Number of units	Amount
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit I-C</b>		
Units subscribed during the year	2,655.873	2,471,280.83
Units redeemed during the year	-19,439.980	-17,823,903.29
Net balance of subscriptions/redemptions	-16,784.107	-15,352,622.46
Number of units outstanding at the end of the financial year	47,359.407	
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit I-C/D</b>		
Units subscribed during the year	8.202	7,045.49
Units redeemed during the year	-191.175	-162,569.96
Net balance of subscriptions/redemptions	-182.973	-155,524.47
Number of units outstanding at the end of the financial year	7,046.450	
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit P-C</b>		
Units subscribed during the year	153,659.851	14,162,479.12
Units redeemed during the year	-8,076.407	-746,507.26
Net balance of subscriptions/redemptions	145,583.444	13,415,971.86
Number of units outstanding at the end of the financial year	260,209.437	
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit P-C/D</b>		
Units subscribed during the year		
Units redeemed during the year	-1,006.917	-98,193.09
Net balance of subscriptions/redemptions	-1,006.917	-98,193.09
Number of units outstanding at the end of the financial year	9,743.064	
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit R-C</b>		
Units subscribed during the year	638.000	59,449.03
Units redeemed during the year	-225.000	-21,961.37
Net balance of subscriptions/redemptions	413.000	37,487.66
Number of units outstanding at the end of the financial year	1,818.000	

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

## 3.6.2. Subscription and/or redemption fees

	Amount
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit I-C</b> Total subscription and/or redemption fees received Subscription fees received Redemption fees received	
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit I-C/D</b> Total subscription and/or redemption fees received Subscription fees received Redemption fees received	
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit P-C</b> Total subscription and/or redemption fees received Subscription fees received Redemption fees received	
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit P-C/D</b> Total subscription and/or redemption fees received Subscription fees received Redemption fees received	
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit R-C</b> Total subscription and/or redemption fees received Subscription fees received Redemption fees received	

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

## 3.7. MANAGEMENT FEES

	30/06/2023
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit I-C</b> Warranty fees Fixed management fees Percentage of fixed management fees Retrocessions of management fees	229,789.41 0.45
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit I-C/D</b> Warranty fees Fixed management fees Percentage of fixed management fees Retrocessions of management fees	28,553.30 0.45
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit P-C</b> Warranty fees Fixed management fees Percentage of fixed management fees Retrocessions of management fees	104,949.19 0.70
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit P-C/D</b> Warranty fees Fixed management fees Percentage of fixed management fees Retrocessions of management fees	6,927.93 0.70
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit R-C</b> Warranty fees Fixed management fees Percentage of fixed management fees Retrocessions of management fees	889.29 0.50

## 3.8. COMMITMENTS RECEIVED AND GIVEN

	30/06/2023
Guarantees received by the UCI - incl. capital guarantees  Other commitments received Other commitments given	



# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

### 3.9. OTHER INFORMATION

#### 3.9.1. Current value of financial instruments under a repurchase agreement

	30/06/2023
Securities received under repurchase agreements	
Borrowed securities	

#### 3.9.2. Current value of financial instruments constituting guarantee deposits

	30/06/2023
Financial instruments given as collateral and kept under the original item	
Financial instruments received as collateral and not recorded on the balance sheet	

#### 3.9.3. Financial instruments held, issued and/or managed by the Group

	ISIN code	Name	30/06/2023
Equities			
Bonds			695,664.03
	FR0013533999	CA 4.0% PERP	695,664.03
Negotiable debt securities			
UCIs			2,232,394.73
	FR0014006F17	BFT AUREUS ISR PART Z C	2,232,394.73
Forward financial instruments			
<b>Total Group securities</b>			<b>2,928,058.76</b>

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

## 3.10. STATEMENT OF APPROPRIATION OF DISTRIBUTABLE SUMS

### Statement of appropriation of the share of distributable sums related to net profit

	30/06/2023	30/06/2022
<b>Amounts still to be allocated</b>		
Retained earnings	56.01	
Net profit	3,957,950.35	3,305,498.18
Interim dividend payments for the financial year		
<b>Total</b>	<b>3,958,006.36</b>	<b>3,305,498.18</b>

	30/06/2023	30/06/2022
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit I-C</b>		
<b>Allocation</b>		
Distribution		
Retained earnings for the year		
Accumulation	2,348,098.96	2,782,075.29
<b>Total</b>	<b>2,348,098.96</b>	<b>2,782,075.29</b>

	30/06/2023	30/06/2022
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit I-C/D</b>		
<b>Allocation</b>		
Distribution	162,702.53	123,117.07
Retained earnings for the year	43.23	30.78
Accumulation	176,161.25	
<b>Total</b>	<b>338,907.01</b>	<b>123,147.85</b>
<b>Information concerning units eligible for distribution of dividends</b>		
Number of units	7,046.450	7,229.423
Distribution per unit	23.09	17.03
<b>Tax credit</b>		
<b>Tax credit attached to the distribution of net profit</b>		

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

	30/06/2023	30/06/2022
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit P-C</b>		
<b>Allocation</b>		
Distribution		
Retained earnings for the year		
Accumulation	1,212,969.49	391,707.20
<b>Total</b>	<b>1,212,969.49</b>	<b>391,707.20</b>

	30/06/2023	30/06/2022
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit P-C/D</b>		
<b>Allocation</b>		
Distribution	14,614.60	7,417.49
Retained earnings for the year		28.70
Accumulation	34,158.12	
<b>Total</b>	<b>48,772.72</b>	<b>7,446.19</b>
<b>Information concerning units eligible for distribution of dividends</b>		
Number of units	9,743.064	10,749.981
Distribution per unit	1.50	0.69
<b>Tax credit</b>		
<b>Tax credit attached to the distribution of net profit</b>		

	30/06/2023	30/06/2022
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit R-C</b>		
<b>Allocation</b>		
Distribution		
Retained earnings for the year		
Accumulation	9,258.18	1,121.65
<b>Total</b>	<b>9,258.18</b>	<b>1,121.65</b>

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

## Statement of appropriation of the share of distributable sums pertaining to net capital gains and losses

	30/06/2023	30/06/2022
<b>Amounts still to be allocated</b>		
Undistributed previous capital gains and losses		
Net capital gains and losses for the year	-2,737,808.21	-634,110.34
Interim dividend payments on net capital gains or losses for the year		
<b>Total</b>	<b>-2,737,808.21</b>	<b>-634,110.34</b>

	30/06/2023	30/06/2022
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit I-C</b>		
<b>Allocation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-1,599,494.20	-466,753.10
<b>Total</b>	<b>-1,599,494.20</b>	<b>-466,753.10</b>

	30/06/2023	30/06/2022
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit I-C/D</b>		
<b>Allocation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-230,795.29	-59,707.26
<b>Total</b>	<b>-230,795.29</b>	<b>-59,707.26</b>

	30/06/2023	30/06/2022
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit P-C</b>		
<b>Allocation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-866,338.53	-98,534.49
<b>Total</b>	<b>-866,338.53</b>	<b>-98,534.49</b>

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

	30/06/2023	30/06/2022
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit P-C/D</b>		
<b>Allocation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-34,814.38	-8,087.12
<b>Total</b>	<b>-34,814.38</b>	<b>-8,087.12</b>

	30/06/2023	30/06/2022
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit R-C</b>		
<b>Allocation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-6,365.81	-1,028.37
<b>Total</b>	<b>-6,365.81</b>	<b>-1,028.37</b>

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

## 3.11. Table of results and other characteristics of the entity over the last five financial years

	30/06/2022	30/06/2023
<b>Total net assets in EUR</b>	<b>73,049,047.53</b>	<b>77,589,831.32</b>
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit I-C in EUR</b>		
Net assets	55,867,571.63	45,364,699.79
Number of securities	64,143.514	47,359.407
Net asset value per unit	870.9777	957.8814
Accumulation per unit on net gains and losses	-7.27	-33.77
Accumulation per unit on income	43.37	49.58
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit I-C/D in EUR</b>		
Net assets	6,200,096.25	6,513,398.85
Number of securities	7,229.423	7,046.450
Net asset value per unit	857.6197	924.3518
Accumulation per unit on net gains and losses	-8.25	-32.75
Distribution per unit on income	17.03	23.09
Tax credit per unit		
Accumulation per unit on income		25.00
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit P-C in EUR</b>		
Net assets	9,856,726.05	24,546,613.94
Number of securities	114,625.993	260,209.437
Net asset value per unit	85.9903	94.3340
Accumulation per unit on net gains and losses	-0.85	-3.32
Accumulation per unit on income	3.41	4.66

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

## 3.11. Table of results and other characteristics of the entity over the last five financial years

	30/06/2022	30/06/2023
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit P-C/D in EUR</b>		
Net assets	997,742.53	984,607.91
Number of securities	10,749.981	9,743.064
Net asset value per unit	92.8134	101.0573
Accumulation per unit on net gains and losses	-0.75	-3.57
Distribution per unit on income	0.69	1.50
Tax credit per unit		
Accumulation per unit on income		3.50
<b>BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit R-C in EUR</b>		
Net assets	126,911.07	180,510.83
Number of securities	1,405.000	1,818.000
Net asset value per unit	90.3281	99.2908
Accumulation per unit on net gains and losses	-0.73	-3.50
Accumulation per unit on income	0.79	5.09

# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

### 3.12. Detailed inventory of financial instruments in EUR

Security name	Currency	Quantity No. or nominal val.	Current value	% Net Assets
<b>Bonds and similar securities</b>				
<b>Bonds and similar securities traded on a regulated or equivalent market</b>				
<b>GERMANY</b>				
CECONOMY AG 1.75% 24-06-26	EUR	1,200,000	941,630.19	1.22
CHEPLAPHARM ARZNEIMITTEL GMBH 3.5% 11-02-27	EUR	800,000	739,455.63	0.96
CT INVESTMENT 5.5% 15-04-26	EUR	1,400,000	1,323,950.80	1.70
HAMBURG COMMERCIAL BANK AG 0.5% 22-09-26	EUR	500,000	417,163.31	0.53
SCHAEFFLER VERWALTUNG ZWEI GMBH 3.875% 15-05-27	EUR	2,100,000	1,913,081.20	2.47
VERTICAL MID 4.375% 15-07-27	EUR	1,200,000	1,100,707.17	1.42
ZF FINANCE 2.75% 25-05-27 EMTN	EUR	1,300,000	1,164,885.90	1.50
<b>TOTAL GERMANY</b>			<b>7,600,874.20</b>	<b>9.80</b>
<b>AUSTRIA</b>				
VILKSBANK WIEN AG 2.75% 06-10-27	EUR	1,800,000	1,783,977.72	2.30
<b>TOTAL AUSTRIA</b>			<b>1,783,977.72</b>	<b>2.30</b>
<b>CROATIA</b>				
RAIFFEISENBANK AUSTRIA DD 7.875% 05-06-27	EUR	700,000	720,956.74	0.93
<b>TOTAL CROATIA</b>			<b>720,956.74</b>	<b>0.93</b>
<b>SPAIN</b>				
ABANCA CORPORACION BANCARIA 5.5% 18-05-26	EUR	500,000	500,723.54	0.65
BANC DE 5.625% 06-05-26 EMTN	EUR	1,700,000	1,706,841.18	2.20
BANCO NTANDER 4.125% PERP	EUR	800,000	606,665.28	0.78
IBERCAJA 5.625% 07-06-27	EUR	800,000	800,928.21	1.03
LORCA TELECOM BONDCO SAU 4.0% 18-09-27	EUR	1,500,000	1,390,248.54	1.79
NH HOTELES GROUP 4.0% 02-07-26	EUR	400,000	382,610.48	0.49
UNICAJA BAN 7.25% 15-11-27	EUR	1,500,000	1,576,064.45	2.03
VIA CELERE DERROLLOS INMOBILIARIOS 5.25% 01-04-26	EUR	1,000,000	944,609.29	1.22
<b>TOTAL SPAIN</b>			<b>7,908,690.97</b>	<b>10.19</b>
<b>FRANCE</b>				
AIR FR KLM 8.125% 31-05-28	EUR	1,700,000	1,775,546.99	2.29
ALAIN AFFLELOU 4.25% 19-05-26	EUR	800,000	772,541.62	0.99
CA 4.0% PERP	EUR	800,000	695,664.03	0.89
ELIOR GROUP SCA 3.75% 15-07-26	EUR	1,600,000	1,355,599.10	1.75
EUTELT 2.25% 13-07-27	EUR	1,000,000	853,889.15	1.10
FORVIA 2.75% 15-02-27	EUR	1,900,000	1,728,745.99	2.23
GOLDSTORY SASU 5.375% 01-03-26	EUR	1,900,000	1,874,531.38	2.41
ILIAD 5.375% 14-06-27	EUR	1,100,000	1,091,928.83	1.41
KAPLA E3R+5.5% 15-07-27	EUR	900,000	928,865.93	1.20
KAPLA HOLDING 3.375% 15-12-26	EUR	600,000	548,077.85	0.71
LOUVRE BIDCO SAS E3R+6.5% 15-02-27	EUR	800,000	733,452.48	0.94
LOXAM SAS 5.75% 15-07-27	EUR	2,000,000	1,842,009.24	2.37
MERCIALYS 4.625% 07-07-27	EUR	400,000	393,010.87	0.51
MOBILUX FINANCE SAS 4.25% 15-07-28	EUR	1,100,000	970,977.26	1.26



# UCITS BFT SELECTION RENDEMENT 2027

## REDUCTION CARBONE

### 3.12. Detailed inventory of financial instruments in EUR

Security name	Currency	Quantity No. or nominal val.	Current value	% Net Assets
PARTS EUROPE E3R+4.0% 20-07-27	EUR	1,100,000	1,121,609.85	1.45
PICARD GROUPE 3.875% 01-07-26	EUR	900,000	831,708.77	1.07
<b>TOTAL FRANCE</b>			<b>17,518,159.34</b>	<b>22.58</b>
<b>IRELAND</b>				
EIRCOM FINANCE 2.625% 15-02-27	EUR	400,000	356,054.56	0.46
<b>TOTAL IRELAND</b>			<b>356,054.56</b>	<b>0.46</b>
<b>ITALY</b>				
DOBANK 3.375% 31-07-26	EUR	2,100,000	1,803,662.56	2.33
INTE 4.75% 06-09-27 EMTN	EUR	100,000	104,353.56	0.13
INTESA SANPAOLO SPA	EUR	750,000	775,710.98	1.00
LOTTOMATICA 9.75% 30-09-27	EUR	1,400,000	1,580,455.08	2.04
SAIPEM FINANCE INTL BV 3.375% 15-07-26	EUR	500,000	490,881.20	0.63
TELECOM ITALIA SPA EX OLIVETTI 2.375% 12-10-27	EUR	800,000	696,766.68	0.90
UNICREDIT 4.45% PERP EMTN	EUR	800,000	634,523.75	0.82
WEBUILD 3.875% 28-07-26	EUR	1,800,000	1,725,849.31	2.22
<b>TOTAL ITALY</b>			<b>7,812,203.12</b>	<b>10.07</b>
<b>LUXEMBOURG</b>				
AEDAS HOMES OPCO SLU 4.0% 15-08-26	EUR	1,400,000	1,315,412.99	1.70
AROWNTOWN 0.375% 15-04-27	EUR	2,500,000	1,801,528.46	2.32
CIRSA FINANCE INTL SARL 10.375% 30-11-27	EUR	1,500,000	1,659,122.54	2.14
CULLINAN HOLDCO SCSP 4.625% 15-10-26	EUR	1,900,000	1,633,011.25	2.10
GRAND CITY PROPERTIES 1.5% 22-02-27	EUR	1,100,000	917,828.79	1.18
HT TROPLAST 9.25% 15-07-25	EUR	900,000	956,240.47	1.23
INPOST 2.25% 15-07-27	EUR	1,500,000	1,321,447.94	1.70
VIVION INVESTMENTS 3.5% 01-11-25	EUR	700,000	499,019.05	0.65
<b>TOTAL LUXEMBOURG</b>			<b>10,103,611.49</b>	<b>13.02</b>
<b>NORWAY</b>				
B2HOLDING A E3R+6.9% 22-09-26	EUR	500,000	489,355.94	0.63
<b>TOTAL NORWAY</b>			<b>489,355.94</b>	<b>0.63</b>
<b>NETHERLANDS</b>				
CTP NV 0.625% 27-09-26 EMTN	EUR	1,600,000	1,300,481.12	1.67
DUFYR ONE BV 2.0% 15-02-27	EUR	900,000	794,013.55	1.02
HEIMSTADEN BOSTAD AB 1.375% 03-03-27	EUR	1,200,000	908,831.83	1.17
NE PROPERTY BV 3.375% 14-07-27	EUR	300,000	279,676.56	0.36
NOBIAN FINANCE BV 3.625% 15-07-26	EUR	200,000	172,628.45	0.23
QPARK HOLDING I BV 2.0% 01-03-27	EUR	500,000	432,251.52	0.56
TEVA PHAR FIN 1.875% 31-03-27	EUR	1,100,000	943,855.93	1.22
<b>TOTAL NETHERLANDS</b>			<b>4,831,738.96</b>	<b>6.23</b>
<b>ROMANIA</b>				
BANCA COMERCIALA ROMANA 7.625% 19-05-27	EUR	1,700,000	1,755,664.50	2.25
RCS RDS SA 3.25% 05-02-28	EUR	700,000	602,996.57	0.78
<b>TOTAL ROMANIA</b>			<b>2,358,661.07</b>	<b>3.03</b>

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

## 3.12. Detailed inventory of financial instruments in EUR

Security name	Currency	Quantity No. or nominal val.	Current value	% Net Assets
<b>UNITED KINGDOM</b>				
HSBC HOLDINGS PLC 6.0% PERP	EUR	600,000	606,387.17	0.79
INEOS QUATTRO FINANCE 1 3.75% 15-07-26	EUR	1,800,000	1,622,180.86	2.09
JAGUAR LAND ROVER 6.875% 15-11-26	EUR	1,900,000	1,906,454.94	2.46
VICTORIA 3.625% 24-08-26	EUR	2,000,000	1,680,993.68	2.16
<b>TOTAL UNITED KINGDOM</b>			<b>5,816,016.65</b>	<b>7.50</b>
<b>SLOVENIA</b>				
NOVA KREDITNA BANKA MARIBOR DD 7.375% 29-06-26	EUR	400,000	403,314.90	0.52
NOVA LJUBLJANSKA BANKA DD 7.125% 27-06-27	EUR	2,000,000	2,036,532.47	2.62
<b>TOTAL SLOVENIA</b>			<b>2,439,847.37</b>	<b>3.14</b>
<b>SWEDEN</b>				
DOMETIC GROUP AB 3.0% 08-05-26	EUR	1,800,000	1,695,302.41	2.18
INTRUM AB 3.0% 15-09-27	EUR	1,000,000	704,354.69	0.91
INTRUM AB 3.5% 15-07-26 EMTN	EUR	800,000	610,935.59	0.79
INTRUM AB 4.875% 15-08-25	EUR	700,000	586,849.44	0.76
VERISURE HOLDING AB 9.25% 15-10-27	EUR	1,200,000	1,303,639.87	1.68
<b>TOTAL SWEDEN</b>			<b>4,901,082.00</b>	<b>6.32</b>
<b>TOTAL Bonds and similar securities traded on a regulated or equivalent market</b>			<b>74,641,230.13</b>	<b>96.20</b>
<b>TOTAL Bonds and similar securities</b>			<b>74,641,230.13</b>	<b>96.20</b>
<b>Undertakings for collective investment</b>				
<b>General-purpose UCITS and AIFs intended for non-professional investors and equivalent funds from other countries</b>				
<b>FRANCE</b>				
BFT AUREUS ISR PART Z C	EUR	22.028	2,232,394.73	2.88
<b>TOTAL FRANCE</b>			<b>2,232,394.73</b>	<b>2.88</b>
<b>TOTAL General-purpose AIFs and UCITS intended for non-professionals and equivalent funds from other countries</b>			<b>2,232,394.73</b>	<b>2.88</b>
<b>TOTAL Undertakings for collective investment</b>			<b>2,232,394.73</b>	<b>2.88</b>
<b>Receivables</b>			<b>1,923,288.30</b>	<b>2.48</b>
<b>Payables</b>			<b>-1,425,595.16</b>	<b>-1.84</b>
<b>Financial accounts</b>			<b>218,513.32</b>	<b>0.28</b>
<b>Net assets</b>			<b>77,589,831.32</b>	<b>100.00</b>

BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit P-C/D	EUR	9,743.064	101.0573
BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit I-C/D	EUR	7,046.450	924.3518
BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit I-C	EUR	47,359.407	957.8814
BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit R-C	EUR	1,818.000	99.2908
BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit P-C	EUR	260,209.437	94.3340

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

## Additional information concerning the coupon tax system

Coupon breakdown: BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit I-C/D

	OVERALL NET	CURRENCY	UNIT NET	CURRENCY
Income subject to compulsory non-definitive withholding tax	162,702.531	EUR	23.09	EUR
Shares giving entitlement to an allowance and subject to the compulsory, non-definitive withholding tax				
Other income not giving entitlement to an allowance and subject to the compulsory, non-definitive withholding tax				
Non-reportable, non-taxable income				
Amount distributed on gains and losses				
TOTAL	162,702.531	EUR	23.09	EUR

Coupon breakdown: BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE - Unit P-C/D

	OVERALL NET	CURRENCY	UNIT NET	CURRENCY
Income subject to compulsory non-definitive withholding tax	14,614.596	EUR	1.50	EUR
Shares giving entitlement to an allowance and subject to the compulsory, non-definitive withholding tax				
Other income not giving entitlement to an allowance and subject to the compulsory, non-definitive withholding tax				
Non-reportable, non-taxable income				
Amount distributed on gains and losses				
TOTAL	14,614.596	EUR	1.50	EUR

# UCITS BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE

**Annex(es)**

**Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** BFT SELECTION RENDEMENT 2027 REDUCTION CARBONE  
**Legal entity identifier:** 969500WVLR0CK2PLD832

## Environmental and/or social characteristics

**Did this financial product have a sustainable investment objective?**



**No**



It made **sustainable investments with an environmental objective:** \_



It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of **35.22%** of sustainable investments



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



**with a social objective**



It made **sustainable investments with a social objective:**  
\_\_\_\_\_



It promoted E/S characteristics, but **did not make any sustainable investments**

**To what extent were the environmental and/or social characteristics promoted by this financial product met?**



During the period, the product promoted environmental and/or social characteristics by aiming for an ESG score higher than the ESG score of the investment universe represented by **ICE BOFA BB-B GLOBAL HIGH YIELD INDEX**. To determine the ESG rating of the product and the investment universe, the ESG performance is assessed on an ongoing basis by comparing the average performance of a security against the security issuer's sector, with respect to each of the three ESG characteristics of environment, social and governance. The investment universe is a broad market universe that neither assesses nor includes components on the basis of environmental

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

and/or social characteristics, and is therefore not intended to be consistent with the characteristics promoted by the Fund. No ESG reference benchmark has been designated.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***How did the sustainability indicators perform?***

Amundi has developed its own internal ESG rating process based on the “best-in-class” approach. Ratings are adapted to each sector in order to assess the dynamics in which the companies operate.

The sustainability indicator used is the product’s average ESG rating which must be higher than the ESG rating of its investment universe.

At the end of the period:

- The weighted average ESG rating of the portfolio is: **0.23 (C-)**.
- The weighted average ESG rating of the reference universe is: **-0.25 (D)**.

Amundi’s seven ESG ratings used to determine the ESG score range from A (the best score in the investment universe) to G (the worst score). In Amundi’s ESG rating scale, securities appearing on the exclusion list correspond to a score of G.

For corporate issuers, ESG performance is broadly assessed according to the relevant criteria by comparison with the average performance for their business sector, by combining the three ESG aspects:

- the environmental aspect: this examines the issuer’s ability to mitigate its direct and indirect impact on the environment by limiting its energy consumption, reducing its greenhouse gas emissions, combating resource depletion and protecting biodiversity;
- the social aspect: this measures how an issuer operates on the basis of two distinct concepts: the issuer’s strategy for developing its human capital and its respect for human rights in general;
- the governance aspect: this assesses the issuer’s ability to lay the foundations for an effective corporate governance framework and to generate value over the long term.

The ESG rating methodology applied by Amundi is based on 38 criteria that are either generic (common to all companies regardless of their line of business) or sector specific, weighted by sector and considered in terms of their impact on reputation, operational efficiency and regulations in respect of the issuer. Amundi’s ESG ratings may be expressed globally based on the three E, S and G aspects or individually based on any of the environmental or social factors.

● ***...and compared to previous periods?***

The above sustainability indicators have not been compared with those of previous periods, as the regulation was not yet in force.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Sustainable investments sought to invest in companies that meet two criteria:

1. they follow best environmental and social practices; and
2. they do not generate products or services that are harmful to the environment or society.

The definition of a “best-performer” company is based on Amundi’s proprietary methodology aiming to measure a company’s ESG performance. To be considered a “best-performer”, a company must be scored the highest among the top three ratings (A, B or C, on a rating scale from A to G) in its sector on a least one major environmental or social factor. Some major environmental and social factors are identified at the sector level. These factors are identified through Amundi’s ESG analysis framework which combines non-financial data and qualitative analysis of related sector and sustainability themes. Factors identified as material account for more than 10% of the overall ESG score. For the energy sector for example, the material factors are: emissions and energy, biodiversity and pollution, health and safety, local communities and human rights.

To contribute to the above objectives, the investee company must not have significant exposure to activities that are incompatible with those criteria (e.g. tobacco, weapons, gambling, coal, aviation, meat production, fertiliser and pesticide production, manufacture of single-use plastics).

The sustainability of an investment is assessed at the investee company level. For external UCIs, the criteria for determining the sustainable investments that these underlying UCIs may hold and their objectives depend on each management company’s own approach.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

To ensure that sustainable investments do not cause significant harm, Amundi used two filters:

- The first “DNSH” (“Do No Significant Harm”) filter or principle is based on monitoring the mandatory indicators for the Principal Adverse Impacts in Annex 1, Table 1 of Delegated Regulation (EU) 2022/1288 where reliable data are available (e.g. the greenhouse gas or GHG intensity of investee companies) through a combination of indicators (e.g. carbon intensity) and specific rules or thresholds (e.g. the investee company’s carbon intensity is not in the bottom decile for the sector). Amundi already takes into account specific indicators for the Principal Adverse Impacts in its exclusion policy as part of Amundi’s Responsible Investment Policy (e.g. exposure to controversial weapons). These exclusions, which apply in addition to the tests detailed above, cover the following topics: exclusions on controversial weapons, violations of UN Global Compact principles, coal and tobacco.
- In addition to specific sustainability factors covered by the first filter, Amundi has defined a second filter which does not take the mandatory indicators for the Principal Adverse Impacts above into account, in order to verify that a company does not perform poorly from an environmental or social standpoint compared to other companies within its sector. This corresponds to an environmental or social score of E or higher on Amundi’s ESG rating scale.

For external UCIs, taking into account the “do no significant harm” principle and the impact of sustainable investments depends on the methodologies of each underlying UCI management company.

– ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

As detailed above, the indicators for adverse impacts were taken into account in the first DNSH (Do No Significant Harm) filter:

this is because the latter is based on monitoring the mandatory indicators for the Principal Adverse Impacts set out in Table 1 of Annex I to Delegated Regulation (EU) 2022/1288 where reliable data is available through a combination of the following indicators and specific rules or thresholds:

- a CO2 intensity that is not in the bottom decile of companies in the sector (only applies to high-intensity sectors), and
- a board diversity that is not in the bottom decile of companies in its sector, and
- the absence of any controversy regarding working conditions and human rights, and
- the absence of any controversy regarding biodiversity and pollution.

Amundi already takes into account the specific Principal Adverse Impacts in its exclusion policy as part of its Responsible Investment Policy. These exclusions, which are applied in addition to the tests detailed above, cover the following topics: exclusions on controversial weapons, violations of UN Global Compact principles, coal and tobacco.

– ***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Yes. The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights were incorporated into Amundi's ESG rating methodology. The proprietary ESG rating tool evaluates issuers using data available from data providers. For example, the model includes a dedicated criterion called "Community engagement and human rights". This is applied to all sectors together with other human rights criteria, including socially responsible supply chains, working conditions and industrial relations. In addition, controversy monitoring is carried out at least once a quarter and includes companies that have been flagged for human rights violations. When controversies arise, analysts assess the situation and assign a score to the controversy (using an exclusive, proprietary scoring methodology) to determine the best course of action. Controversy scores are updated quarterly to keep track of trends and remediation efforts.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*





## How did this financial product consider principal adverse impacts on sustainability factors?

The mandatory indicators of the Principal Adverse Impacts provided for in Table 1 of Annex I to Delegated Regulation (EU) 2022/1288 are taken into account through the implementation of exclusion policies (norm-based and sector-based), the integration of ESG ratings within the investment process, engagement and voting policies:

- **Exclusion:** Amundi has defined rules for norm-based exclusions by activity and sector, covering some of the main sustainability indicators listed in the Disclosure Regulation.
- **Integration of ESG factors:** Amundi has adopted the minimum ESG integration standards applied by default to its actively managed open-ended funds (exclusion of G-rated issuers and best weighted average ESG score above the applicable reference benchmark). The 38 criteria used in Amundi's ESG rating approach have also been designed to take into account the key impacts on sustainability factors, as well as the quality of mitigation.
- **Engagement:** engagement is an ongoing, targeted process aimed at influencing the activities or behaviour of companies. The aim of engagement can be divided into two categories: engaging with an issuer to improve how it integrates the environmental and social aspects, and engaging with an issuer to improve its impact on environmental, social and human rights issues or other sustainability issues of importance to society and the global economy.
- **Voting:** Amundi's voting policy is based on a holistic analysis of all the long-term issues that could influence value creation, including material ESG issues (Amundi's voting policy is available on its website).
- **Controversy monitoring:** Amundi has developed a controversy monitoring system that uses three external data providers to systematically monitor controversies and their level of severity. This quantitative approach is reinforced by an in-depth assessment of each severe controversy by ESG analysts and a periodic review of any developments. This approach is applied to all Amundi funds.

For more information on how mandatory indicators of the Principal Adverse Impacts are used, please refer to the SFDR Regulation Statement available at [www.amundi.fr](http://www.amundi.fr).



## What were the top investments of this financial product?

<b>Largest investments</b>	<b>Sector</b>	<b>% Assets</b>	<b>Country</b>
BFT AUREUS ISR - Z (C)	Funds	2.87%	FRA
NOVAU VAR 06/27 Euro Medium Term Notes (EMTNs)	Finance	2.62%	SVN

The list includes the investments making up the largest proportion of the financial product's investments over the reference period, i.e. from **01/07/2022 to 30/06/2023**

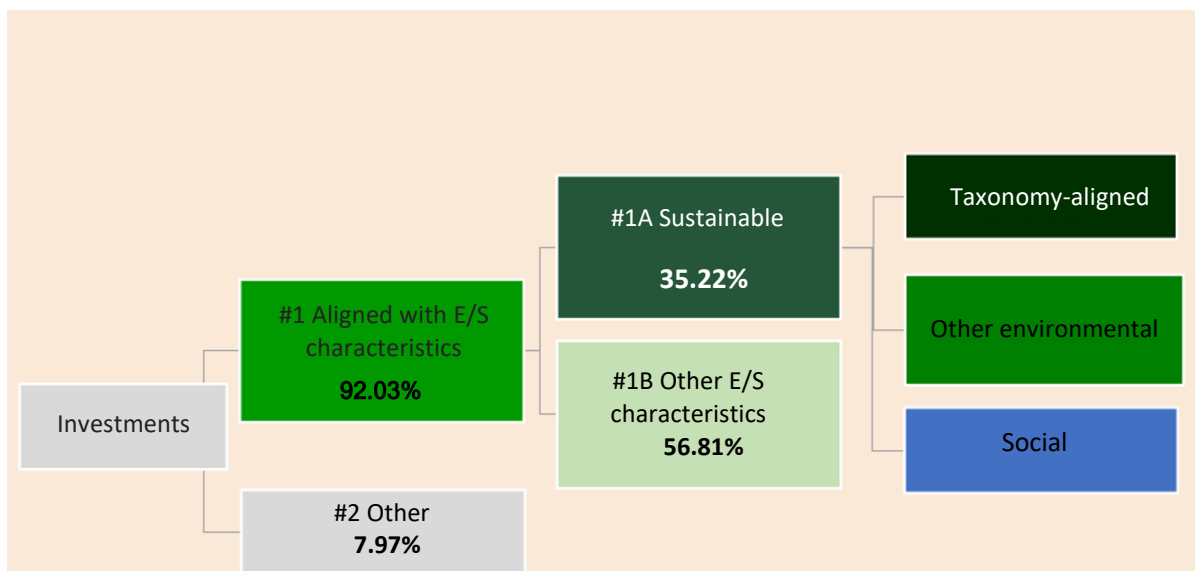
IHOVER FRN 05/27 REGS	Consumer cyclical	2.46%	DEU
TTMTIN 6.875% 11/26 REGS	Consumer cyclical	2.45%	GBR
THOEUR 5.375% 03/26 REGS	Consumer cyclical	2.41%	FRA
LOXAM 5.75% 07/27	Industry	2.37%	FRA
DOBIM 3.375% 07/26 REGS	Finance	2.33%	ITA
ARNDTN 0.375% 04/27 EMTN	Finance	2.32%	DEU
VOWIBA VAR 10/27	Finance	2.30%	AUT
AFFP 8.125% 05/28	Industry	2.28%	FRA
BCRBK VAR 05/27 EMTN	Finance	2.26%	ROM
IPGIM 3.875% 07/26	Industry	2.22%	ITA
EOFP 2.75% 02/27	Consumer cyclical	2.22%	FRA
SABSM 5.625% 05/26	Finance	2.20%	ESP
DOMSS 3% 05/26 Euro Medium Term	Consumer non-cyclical	2.18%	SWE



## What was the proportion of sustainability-related investments?

- *What was the asset allocation?*

**Asset allocation** describes the share of investments in specific assets.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **In which economic sectors were the investments made?**

<b>Sector</b>	<b>% Assets</b>
<i>Finance</i>	36.49%
<i>Consumer cyclical</i>	23.56%
<i>Industry</i>	19.59%
<i>Consumer non-cyclical</i>	7.16%
<i>Communication services</i>	6.42%
<i>Funds</i>	2.87%
<i>Energy</i>	2.73%
<i>Real estate</i>	0.87%
<i>Cash</i>	0.30%



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Reliable data concerning Taxonomy (including activities related to fossil gas and nuclear energy) were not available during the period.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**

Yes:

In fossil gas

In nuclear energy

No

Taxonomy-aligned activities are expressed as a share of:

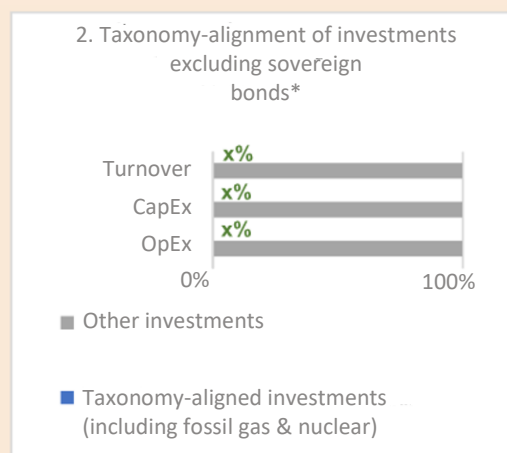
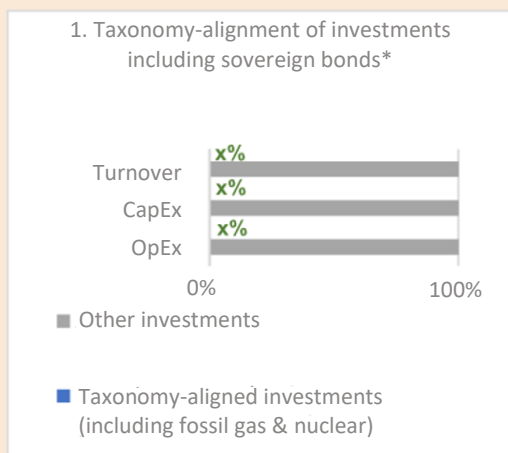
- **turnover** reflecting the share of revenue from green activities of investee companies;

- **capital expenditure** (CapEx) showing the green investments made by investee companies, for a transition to a green economy;

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.**



**Data not yet available.**

\* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.


**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **What was the share of investments made in transitional and enabling activities?**

No reliable data on “transitional and enabling” activities were available during the period.

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

No reliable data on the European taxonomy were available during the previous reference periods.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



### **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The product does not commit to a minimum share of sustainable investments with an environmental objective.



### **What was the share of socially sustainable investments?**

The product does not commit to a minimum share of socially sustainable investments.



### **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

Cash and/or other instruments held to manage liquidity and portfolio risks were included in the “#2 Other” category. Instruments not covered by an ESG analysis may also include securities for which the data needed to measure the attainment of environmental or social characteristics were not available. Moreover, no minimum environmental or social guarantees have been defined.



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

Sustainability indicators are made available in the portfolio management system, so as to enable the portfolio managers to instantly assess the impact of their investment decisions on the portfolio.

These indicators are integrated into Amundi’s control framework, with responsibilities being divided between the first level of controls performed by the investment teams themselves and the second level of controls performed by the risk teams, who monitor compliance with the environmental or social characteristics promoted by the product on an ongoing basis.

In addition, Amundi’s responsible investment policy defines an active approach to commitment that encourages dialogue with investee companies, including those in this portfolio. The annual commitment report, available at <https://legroupe.Amundi.com/documentation-esg>, provides detailed information on this commitment and its results.



### **How did this financial product perform compared to the reference benchmark?**

This product does not have an ESG reference benchmark.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How does the reference benchmark differ from a broad market index?***

This product does not have an ESG reference benchmark.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

This product does not have an ESG reference benchmark.

- ***How did this financial product perform compared to the reference benchmark?***

This product does not have an ESG reference benchmark.

- ***How did this financial product perform compared with the broad market index?***

This product does not have an ESG reference benchmark.



## **BFT Investment Managers**

A *société anonyme* (public limited company) with share capital of 1,600,000 euros

Portfolio Management Company authorised by the AMF under No. GP 98 026

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