

DNCA INVEST CREDIT CONVICTION

FLEXIBLE CREDIT

Investment objective

The Sub-Fund's investment objective is to maximize the total return from a combination of income and capital growth by investing in fixed income securities. The Sub-Fund seeks to outperform the Bloomberg Euro-Aggregate Corporate Index (Bloomberg ticker: LECPTREU Index) on the recommended investment period.

To achieve its investment objective, the investment strategy is based on active discretionary management.

Financial characteristics

NAV (€)	146.12
Net assets (€M)	545
Number of issuers	187
Average modified duration	3.90
Net modified duration	2.95
Average maturity (years)	4.58
Average yield	4.76%
Average rating	BBB-

Past performance is compared to a benchmark (FTSE MTS Global) which changed on 03/02/2022 to the Bloomberg Euro-Aggregate Corporate Index.

Performance (from 30/09/2014 to 30/09/2024)

Past performance is not a guarantee of future performance

DNCA INVEST CREDIT CONVICTION (B Share) Cumulative performance Reference Index⁽¹⁾



⁽¹⁾Bloomberg Euro Aggregate Corporate Index

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

Annualised performances and volatilities (%)

	1 year	2 years	5 years	10 years	Since inception
B Share	+10.92	+8.93	+1.17	+0.99	+2.44
Reference Index	+9.56	+6.55	-0.93	+1.34	+2.75
B Share - volatility	2.35	2.40	3.01	2.71	2.45
Reference Index - volatility	3.27	4.31	4.68	4.30	4.18

Cumulative performances (%)

	1 month	YTD	1 year	2 years	5 years	10 years
B Share	+0.75	+7.25	+10.92	+18.69	+6.01	+10.40
Reference Index	+1.23	+3.83	+9.56	+13.56	-4.56	+14.22

Calendar year performances (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
B Share	+6.56	-8.27	+0.83	-0.32	+4.60	-3.45	+3.33	+3.46	-3.07	+5.55
Reference Index	+8.19	-13.53	-3.48	+4.95	+6.59	+0.80	+0.44	+3.11	+1.67	+13.33

Risk indicator



Lower risk

Higher risk

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

	1 year	3 years	5 years	10 years
Sharpe Ratio	4.63	0.52	0.39	0.37
Tracking error	2.44%	4.45%	4.58%	4.47%
Correlation coefficient	0.67	0.43	0.36	0.25
Information Ratio	0.55	0.60	0.46	-0.08
Beta	0.48	0.26	0.23	0.16

Main risks: interest-rate risk, credit risk, risk of capital loss, convertible securities risk, perpetual bonds risk, risk related to exchange rate, liquidity risk, equity risk, distressed securities risk, risk of investing in Contingent Convertible Bonds and/or Exchangeable Bonds, specific risks associated with OTC derivative transactions, risk of investing in derivative instruments as well as instruments embedding derivatives, ESG risk, sustainability risk

Main positions⁺

	Weight
Virgin Money UK PLC 2027 FRN (4.4)	1.15%
Toyota Finance Australia Ltd 4.63% 2028 (6.1)	1.06%
Omnicom Finance Holdings PLC 3.7% 2031 (5.7)	0.96%
Redexis SA 4.38% 2031	0.95%
Altarea SCA 5.5% 2031	0.91%
HSBC Holdings PLC 2029 FRN	0.91%
Coventry Building Society 2029 FRN (6.9)	0.88%
Logicor Financing Sarl 4.63% 2028 (3.4)	0.86%
Hamburg Commercial Bank AG 6.25% 2024 (4.2)	0.85%
de Volksbank NV PERP (5.5)	0.85%
	9.37%

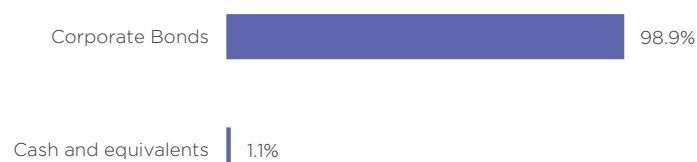
Monthly performance contributions

Past performance is not a guarantee of future performance

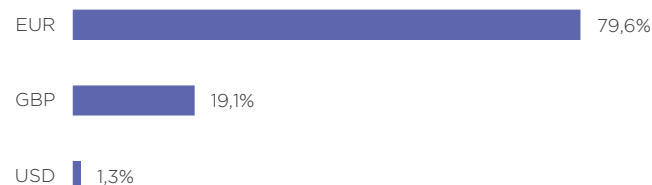
Best	Weight	Contribution
ARNDTN 3 5/8 04/10/31	0.76%	+0.03%
IAGLN 1 1/8 05/18/28	0.56%	+0.02%
ROTHLF 7.019 12/10/34	0.70%	+0.02%
TUIGR 1.95 07/26/31	0.31%	+0.02%
TOYOTA 4 5/8 03/29/28	1.06%	+0.02%

Worst	Weight	Contribution
WLNFP 0 07/30/26	Out	-0.01%
ALTFP 5 1/2 10/02/31	0.91%	+0.00%
AMSSW 10 1/2 03/30/29	0.21%	+0.00%
LAGFNC 3 1/2 06/08/28	0.36%	+0.00%
ENIIM 2.95 09/14/30	0.19%	+0.00%

Asset class breakdown



Currency breakdown



Country breakdown

	Fund	Index
United Kingdom	17.1%	8.1%
France	12.0%	20.4%
Spain	9.8%	6.1%
Germany	9.6%	13.8%
USA	7.5%	17.4%
Netherlands	6.4%	7.1%
Italy	6.3%	5.4%
Austria	5.3%	1.5%
Luxembourg	3.3%	1.4%
Australia	2.9%	1.8%
Czech Republic	2.5%	0.3%
Belgium	2.3%	2.0%
Greece	2.2%	0.1%
Sweden	2.1%	3.5%
Poland	2.0%	0.1%
Ireland	1.9%	0.9%
Portugal	1.7%	0.4%
Switzerland	0.8%	3.1%
Denmark	0.7%	1.7%
Japan	0.5%	1.8%
Norway	0.5%	0.7%
Canada	0.4%	0.8%
Hungary	0.3%	0.1%
Slovenia	0.3%	0.1%
Romania	0.3%	0.1%
Latvia	0.2%	-
Finland	0.1%	0.9%
Other Countries	-	0.8%
Cash and equivalents	1.1%	N/A

Sector breakdown (ICB)

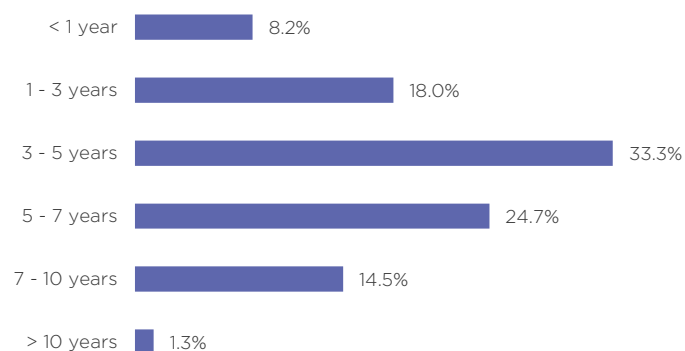
	Fund	Index
Banks	41.4%	29.0%
Real Estate	12.3%	5.2%
Insurance	7.5%	3.9%
Industrial Goods and Services	6.6%	8.7%
Consumer Products and Services	4.7%	2.4%
Telecommunications	3.6%	5.4%
Automobiles and Parts	3.2%	5.3%
Energy	3.1%	4.0%
Travel and Leisure	3.1%	1.3%
Utilities	2.6%	7.3%
Financial Services	2.2%	5.8%
Media	1.9%	1.2%
Personal Care, Drug and Grocery	1.3%	1.4%
Food, Beverage and Tobacco	1.3%	5.5%
Basic Resources	1.1%	0.8%
Construction and Materials	1.0%	2.1%
Retail	1.0%	0.2%
Health Care	0.4%	6.4%
Chemicals	0.4%	2.2%
Technology	0.3%	2.0%
Govies	-	0.0%
Cash and equivalents	1.1%	N/A

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

Bonds portfolio composition and indicators

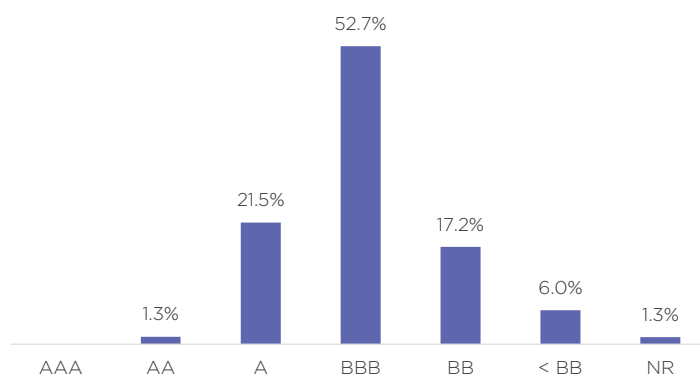
	Weight	Maturity (yrs)	Modified duration	Yield	Number of lines
Fixed rate bonds	49.32%	4.96	4.29	4.34%	140
Floating-rate bonds	25.55%	3.89	3.29	4.39%	75
Hybrid bonds	19.74%	4.66	3.77	6.72%	55
Convertible bonds	4.31%	3.93	3.68	2.89%	12
Total	98.92%	4.58	3.90	4.76%	282

Maturity breakdown



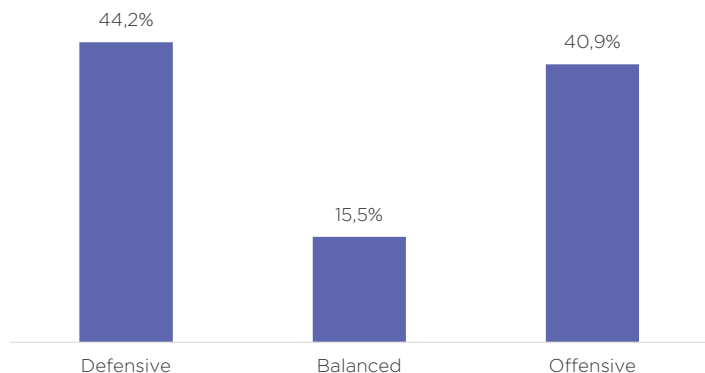
Bonds portfolio (base 100)

Rating breakdown



Bonds portfolio (base 100)

Breakdown by strategy



Breakdown by Seniority

	Weight
Senior	68.90%
Subordinated	25.71%
<i>Bank Additional Tier 1</i>	10.67%
<i>Insurance Restricted Tier 1</i>	5.64%
<i>Corporate Hybrids</i>	3.23%
<i>Bank Tier 2</i>	2.96%
<i>Insurance Tier 2</i>	1.68%
Convertibles	4.31%
Other	1.08%

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

Changes to portfolio holdings*

In: Accor SA PERP (4.2), AccorInvest Group SA 6.38% 2028, Air Baltic Corp AS 14.5% 2026, Alpha Bank SA 2029 FRN, Alpha Services and Holdings SA PERP, Altea SCA 5.5% 2031, Apicil Prevoyance 5.38% 2034, Arkema SA 3.5% 2034 (4.3), Banco BPM SpA 2030 FRN (4.7), Banco de Credito Social Cooperativo SA 2029 FRN (6.5), Banco de Sabadell SA 5% 2029 (5.5), Banco Santander SA 2029 FRN (3.6), Bank Millennium SA 2026 FRN (4.7), Bank Millennium SA 2028 FRN (4.7), Bank of Ireland Group PLC PERP (6.7), BAWAG Group AG PERP (4), BMW International Investment BV 4.75% 2030 (5.8), BP Capital Markets BV 3.36% 2031 (3.2), Bunzl Finance PLC 3.38% 2032, CPI Property Group SA 6% 2032 (2.3), Credit Agricole SA 2029 FRN (6.2), Daimler Truck International Finance BV 3.13% 2028 (3.2), Eurobank SA 2029 FRN (5.2), Hamburg Commercial Bank AG 3.5% 2028 (4.2), HSBC Holdings PLC 2029 FRN, IGT Lottery Holdings BV 4.25% 2028 (4.2), Miller Homes Group Finco PLC 2024 FRN (5.1), MTU Aero Engines AG 3.88% 2031 (5.7), Nationwide Building Society PERP (5.5), NE Property BV 4.25% 2032, Norddeutsche Landesbank-Girozentrale 3.63% 2029, P3 Group Sarl 4% 2032, Piraeus Bank SA 2028 FRN (4), Piraeus Financial Holdings SA 2030 FRN, Powszechna Kasa Oszczednosci Bank Polski SA 2026 FRN (5.5), Proximus SADP PERP, Snam SpA PERP (7.1), Stryker Corp 3.38% 2032 (5.6) and Unicaja Banco SA 2028 FRN (3)

Out: Alstom SA PERP (4.7), Arkema SA PERP (4.3), Banca IFIS SpA 6.13% 2027 (5.5), Banco BPM SpA 6% 2026 (4.7), BMW International Investment BV 3.13% 2030 (5.9), Booking Holdings Inc 3.5% 2029 (4.4), BPER Banca SPA 2028 FRN (5.2), Burberry Group PLC 5.75% 2030 (6.2), Carrier Global Corp 4.5% 2032 (4.3), Coty Inc 3.88% 2025 (4.5), Coty Inc 4.5% 2026 (4.5), Coty Inc 5.75% 2025 (4.5), Credito Emiliano Holding SpA 2025 FRN (5), Credito Emiliano SpA 2028 FRN (5), Crelan SA 5.38% 2025 (4), Cullinan Holdco Scsp 4.63% 2026 (4.3), DNB Bank ASA 2028 FRN (4.7), EC Finance PLC 3% 2026 (4.7), Eni SpA 3.88% 2034 (5.2), Eni SpA 5.5% 2034 (5.2), Forvia SE 2.75% 2027 (5.5), Iliad Holding SASU 8.5% 2029 (5), KBC Group NV 2030 FRN (5.6), KBC Group NV PERP (5.6), Kerry Group Financial Services Unltd Co 2.38% 2025 (4.7), Legal & General Group PLC PERP, Legrand SA 3.5% 2034 (8.6), Mediobanca Banca di Credito Finanziario SpA 2029 FRN (6.7), Nederlandse Gasunie NV 0.38% 2031, Neoen SA 2.88% 2027 CV (5.1), Nexity SA 0.88% 2028 CV (6.8), Nordea Bank Abp 2025 FRN, Nykredit Realkredit AS 3.88% 2027, Oracle Corp 3.13% 2025 (5.1), Orano SA 4% 2030 (4.4), Orano SA 5.38% 2027 (4.4), PACCAR Financial Europe BV 3% 2027, Phoenix PIB Dutch Finance BV 4.88% 2029, Raiffeisen Bank International AG 0.38% 2026 (4.6), Raiffeisen Bank International AG PERP (4.6), RAI-Radiotelevisione Italiana SpA 4.38% 2029, Renault SA 2.38% 2026 (4.2), Sagax AB 4.38% 2030, SNF Group SACA 2% 2026 (4.7), Solvay SA 3.88% 2028 (5.3), Traton Finance Luxembourg SA 4.5% 2026 (3.6), Valeo SE 4.5% 2030 (5.1), Vonovia SE 1.25% 2024 (6.5), Worldline SA/France 0% 2025 CV (4.9), Worldline SA/France 0% 2026 CV (4.9), ZF Europe Finance BV 2% 2026 (4.9), ZF Finance GmbH 2% 2027 (4.9), ZF Finance GmbH 2.75% 2027 (4.9) and ZF Finance GmbH 5.75% 2026 (4.9)

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Portfolio managers comments

The credit market broke with its usual pattern in September to post a positive performance. Indeed, the traditionally large reopening of the primary market after a summer lull tends to weigh on performance. Two major events, however, contradicted this back-to-school custom. Despite a nervous start to the month due to the 'worrying' state of the economy across the Atlantic, highlighted by a less than reassuring ISM indicator, the Federal Reserve managed the feat of combining a larger-than-anticipated rate cut with a reassuring speech on the state of the world's leading economy: the American way, some would say. The second catalyst came from the Middle Kingdom, with the announcement of a promising stimulus programme designed to revive the moribund economy of the world's second largest power. This support should include monetary and fiscal measures and an attempt to clear up the messy property situation. The aim is to restore household confidence and change the growth model by giving priority to domestic demand. Against this backdrop, interest rates have fallen sharply (-27 bps for the US 2-year and -17 bps for the German 10-year), with investment grade credit posting a solid performance of +1.2% and high yield not far behind with +1%.

On the technical side, flows remained positive and the primary market, although large, was easily absorbed.

Against this backdrop, the fund generated a positive return of 0.75% but underperformed its benchmark (-48 bp), mainly due to a lower duration.

However, our positioning in high-beta sectors such as real estate and subordinated financials are logically the biggest contributors to performance in this buoyant market.

On the movement side, we sold some names in the automotive sector (ZF, Forvia, Valeo in HY, Traton, Renault in IG) which we felt offered an inadequate risk/return profile. We also reduced our exposure to Italian banks and insurer Just Group for valuation reasons. On the buy side, we initiated secondary investments in Greek banks (Alpha Bank, Piraeus), which have solid credit metrics. On the primary side, we were particularly active, investing in new issues of Altarea, Ne Property, Apicil and Proximus Hybrid.

We remain confident in the credit market, which should benefit from potential future rate cuts and positive economic growth, albeit below average. For this reason, we continue to favour carry. Our duration is around 3 years. The fund also has a responsibility score.

Text completed on 09/10/2024.



Ismaël
Lecanu



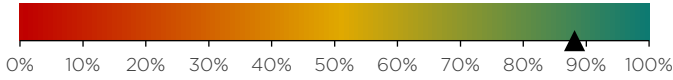
Jean-Marc
Frelet, CFA



Nolwenn
Le Roux, CFA

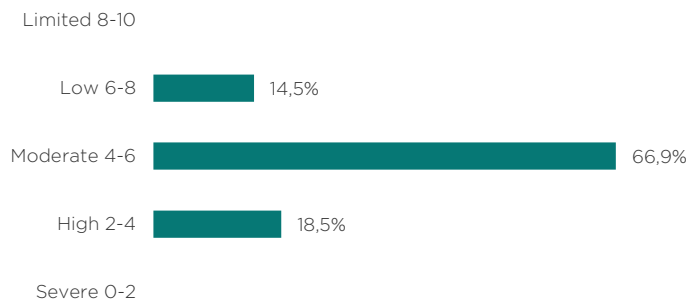
Internal extra-financial analysis

ABA coverage rate⁺ (88.2%)



Average Responsibility Score: 4.9/10

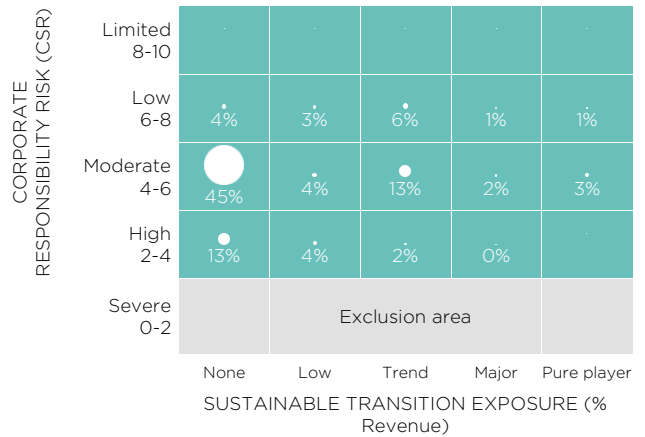
Responsibility risk breakdown⁽¹⁾



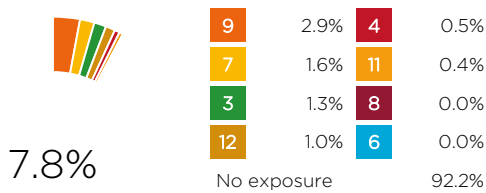
Selectivity universe exclusion rate



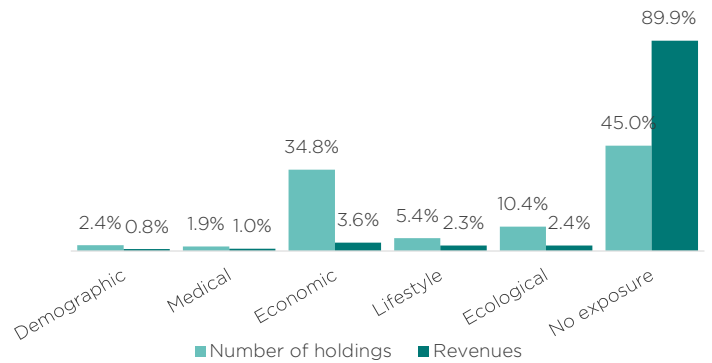
Transition/CSR exposure⁽²⁾



SDG's exposure⁽³⁾ (% of revenues)



Sustainable transitions exposure⁽⁴⁾



Analysis methodology

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

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

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

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

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

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

Principal Adverse Impacts

PAI	Unit	Fund		Ref. Index	
		Coverage	Value	Coverage	Value
PAI Corpo 1_1 - Tier 1 GHG emissions	T CO ₂	68%	20,909	88%	432
PAI Corpo 1_2 - Tier 2 GHG emissions	T CO ₂	68%	2,782	88%	83
PAI Corpo 1_3 - Tier 3 GHG emissions	T CO ₂	68%	162,789	88%	3,296
PAI Corpo 1T - Total GHG emissions	T CO ₂	68%	186,593	88%	3,850
PAI Corpo 2 - Carbon footprint	T CO ₂ /EUR million invested	68%	342	88%	443
PAI Corpo 3 - GHG intensity	T CO ₂ /EUR million sales	91%	840	98%	847
PAI Corpo 4 - Share of investments in companies active in the fossil fuel sector		89%	5%	97%	11%
PAI Corpo 5 - Share of non-renewable energy consumption and production		87%	61%	97%	65%
PAI Corpo 6_TOTAL - Energy consumption intensity by sector with high climate impact NACE	GWh/EUR million sales	87%	0.2	97%	0.2
PAI Corpo 7 - Activities with a negative impact on biodiversity-sensitive areas		91%	7%	98%	13%
PAI Corpo 8 - Water discharges	T Water Emissions	0%	20	2%	11,073
PAI Corpo 9 - Hazardous or radioactive waste ratio	T Hazardous Waste	67%	416,932	87%	3,196,805
PAI Corpo 10 - Violations of UNGC and OECD principles		93%	0%	98%	0%
PAI Corpo 11 - Lack of UNGC and OECD compliance processes and mechanisms		87%	1%	97%	1%
PAI Corpo 12 - Unadjusted gender pay gap		76%	16%	81%	14%
PAI Corpo 13 - Gender diversity in governance bodies		92%	37%	97%	40%
PAI Corpo 14 - Exposure to controversial weapons		93%	0%	99%	0%
PAI Corpo OPT_1 - Water use	m ³ /EUR mln sales	2%	0	4%	0
PAI Corpo OPT_2 - Water recycling		1%	0%	3%	0%
PAI Corpo OPT_3 - Number of days lost due to injury, accident, death or illness		18%	92	26%	2

Source : MSCI

Administrative information

Name: DNCA INVEST Credit Conviction

ISIN code (Share B): LU0392098371

SFDR classification: Art.8

Inception date: 02/01/2009

Investment horizon: Minimum 2 years

Currency: Euro

Country of domicile: Luxembourg

Legal form: SICAV

Reference Index: Bloomberg Euro

Aggregate Corporate Index

Valuation frequency: Daily

Management company: DNCA Finance

Portfolio Managers:

Ismaël LECANU

Jean-Marc FRELET, CFA

Nolwenn LE ROUX, CFA

Minimum investment: None

Subscription fees: - max

Redemption fees: -

Management fees: 1.20%

Ongoing charges as of 31/12/2023: 1.38%

Performance fees: 20% of the positive performance net of any fees above the index: Bloomberg Euro Aggregate Corporate Index

Custodian: BNP Paribas - Luxembourg Branch

Settlement: T+2

Cut off: 12:00 Luxembourg time

Legal information

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Past performance is not a reliable indicator of future performance.

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

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

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

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

This product promotes environmental or social characteristics, but does not have as its objective a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.

This product is subject to sustainability risks as defined in the Regulation 2019/2088 (article 2(22)) by environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

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

The reference benchmark as defined in the Regulation 2019/2088 (article 2(22)) does not intend to be consistent with the environmental or social characteristics promoted by the fund.

Glossary

Beta. Measures the average extent to which a fund moves relative to the broader market. The beta of a market is 1. A fund with a beta of more than 1 moves on average to a greater extent than the market. A fund with a beta of less than 1 moves on average to a lesser extent. If beta is a minus number, it is likely that the stock and the market move in opposite directions.

Correlation coefficient. The correlation coefficient is a measure of correlation. It is used to determine the relationship between two assets over a given period. A positive coefficient means that the two assets move in the same direction. Conversely, a negative coefficient means that the assets move in the opposite direction. The correlation or decorrelation can be more or less strong and varies between -1 and 1.

Sharpe Ratio. The Sharpe ratio measures the excess return over the risk-free money rate of an asset portfolio divided by the standard deviation of that return. It is therefore a measure of the marginal return per unit of risk. It is used to measure the performance of managers with different risk policies.

Sharpe Ratio. A way of measuring the historical risk-adjusted return on an investment. It is the average previous return minus the risk-free return, divided by the standard deviation (a measure of risk that looks at the diversion of actual returns from expected returns).

Tracking error. Tracking Error is a measure of how closely an investment portfolio follows the index against which it is benchmarked. It is the difference in the return earned by a portfolio and the return earned by the benchmark against which the portfolio is constructed. For example, if a bond portfolio earns a return of 5.15% during a period when the portfolio's benchmark (say, for example, the Lehman Brothers Index) produces a return of 5.06%, the tracking error is .09%, or 9 basis points.

Additional notes

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