

## **Pillar 2 - Portfolio Management**

### **3. The number of holdings [i]: What is the average number of securities in the fund over the last 3 years?**

Inception period less than 3 years

#### **Additional Remarks, if any (maximum 250 words)**

Portfolio construction is about implementing investment decisions in terms of exposure allocations and instruments selection. Depending on the market liquidity and macroeconomic events, including the primary market, the portfolio manager defines the risk exposures of the portfolio through:

- ☒ Absolute Country, Sector and Issuer weights
- ☒ Positioning within Capital Structure
- ☒ Duration Exposure (including yield curve segmentation)
- ☒ Risk allocation across risk pillars (credit, duration, DTS)

Absolute weights are implemented subject to our degree of conviction, based on fundamental and technical analyses. Amundi has established strong risk management procedures which aim at identifying and constantly monitoring and managing all risks related to the asset management activity, thus providing a secure and controlled investment environment to its clients.

Finally, portfolio construction is focused on selecting the more liquid “benchmark” issuers with explicit limits on exposure less liquid segments of the universe and restrictions on instruments such as structured products, total return swaps and private placements.

#### **Additional Remarks, if any (maximum 250 words)**

Decision-Making Process

As with all our funds, we adopt a team based approach to decision making. We have built an experienced and diverse team of portfolio managers with a broad set of investment skills. Portfolio managers are responsible for managing individual strategies defined by geography, size, style or concentration and in doing so they look to select bonds which are deemed to be the most suitable for the Fund.

Working in close proximity and with a peer to peer mind-set, instead of hierarchical organizational structure, portfolio managers openly discuss views and with a wider investments team often engage in debates where market consensuses are challenged. This partnership approach thrives due to; portfolio managers deep

### **6. Portfolio managers' turnover: What is the portfolio managers' turnover rate over the last 12 months?**

<30%

### **7. Analysts' turnover: What is the analysts' turnover rate over the last 12 months?**

<10%

### **9. Research depth: What types of research do you rely on to make investment decisions?**

Our proprietary financial models

**Additional Remarks, if any (maximum 250 words)**

ESG analysis is produced internally. Amundi has developed a proprietary ESG rating system, with 10 years of track record. This Rating system applies to all asset classes except for the real assets for which we have developed a specific rating methodology. Amundi ESG Rating scale contains seven grades, ranging from A to G, where A is the best and G the worst rating.

Amundi's corporate ESG analysis is based on guidance with a universal scope, such as the United Nations Global Compact, the OECD's guiding principles on corporate governance, the International Labour Organization (ILO), etc.

The ESG analysis team leverages on the data provided by nine suppliers of extra-financial data. The information received covers ESG scores, ESG controversies and other ESG-related information. The ESG Analysis draws on this data to generate internal ESG scores/ratings, ESG controversies analysis, and processed data to serve clients' specific exclusion requirements.