

AFG – FIR TRANSPARENCY CODE



SUMMARY

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1/ List of UCITS concerned by the transparency code

Name of the fund	Main asset class	Dominant and complementary strategy	AUM (M€)
QUADRIGE FRANCE Smallcaps	FR Actions	-ESG integration -Exclusion of controversial weapons, tobacco, and coal -Dialogue and voting -Best-in-Universe	43
QUADRIGE RENDEMENT France Midcaps	FR Actions	-ESG integration -Exclusion of controversial weapons, tobacco, and coal -Dialogue and voting -Best-in-Universe	74
QUADRIGE EUROPE Midcaps	EU Actions	-ESG integration -Exclusion of controversial weapons, tobacco, and coal -Dialogue and voting -Best-in-Universe	132
QUADRIGE MULTICAPS Europe	€ zone Actions	-ESG integration -Exclusion of controversial weapons, tobacco, and coal -Dialogue and voting -Best-in-Universe	41

Data as of 28/02/2023. Past performance is not indicative of future performance and is not constant over time.

2/ General information on the management company

2.1. MANAGEMENT COMPANY

INOCAP Gestion is an independent and entrepreneurial portfolio management company, approved by the Autorité des Marchés Financiers (AMF) since 2007.

We are located at: 19, rue de Prony - 75017 PARIS

Website: <https://www.inocapgestion.com/>

2.2 HISTORY AND PRINCIPLES OF THE RESPONSIBLE INVESTOR APPROACH

Since its creation in 2007, INOCAP Gestion has a committed approach to its activities. Intervening as close as possible to the entrepreneurs of the real economy, the company is very attentive to the challenges faced by the companies in which it invests. ESG (Environmental, Social and Governance) policies are among them. Today, they are a major concern for the players in an ambitious, forward-looking economy.

Since 2018, our commitments and our approach have found an additional translation with the signature of the United Nations Principles for Responsible Investment (UN PRI). These principles are a framework that all managers can integrate into their decision-making process and their investment approach.

Dedicated website: <https://www.inocapgestion.com/fr/sustainable-approach/>

Convinced that sustainable investment contributes to creating extra-financial value for our investors, we seek to move from a logic of exclusion to one of commitment. Thus, we do not want to limit ourselves to excluding sectors or companies from our portfolios, but rather to enter into a constructive dialogue with the companies we work with.



2.3. FORMALIZATION OF THE RESPONSIBLE INVESTOR APPROACH

As a responsible, independent and transparent asset management company, INOCAP Gestion seeks to ensure the satisfaction of its clients, through the financial performance of its products but also through extra-financial commitments. By giving a new meaning to investment, the adoption of a responsible approach contributes to this qualitative and demanding conception of our business. Aware of the growing importance of Environmental, Social and Governance (ESG) issues, INOCAP Gestion integrates sustainable development criteria into its analysis processes and investment decisions.

The responsible investor approach is now an integral part of our management philosophy. Faced with the current economic situation and the demands of individual clients, we must reconcile performance and ethical finance. To do so, INOCAP Gestion has developed several documents:

- An ESG integration policy
- A policy of excluding certain sectors of activity
- A policy of shareholder engagement
- An ESG engagement policy

These documents highlight INOCAP Gestion's commitment to Socially Responsible Investment (SRI).

Our ESG integration policy consists of taking into account environmental, social and governance criteria in our investment strategy, in order to contribute to the achievement of our objective of optimizing the risk/return ratio of our investments and therefore of our portfolios. Our approach consists of applying an initial fundamental/financial filter before carrying out our ESG rating, which leads us to be particularly demanding and selective.

INOCAP Gestion also implements an exclusion policy that aims to exclude any investment in companies engaged in controversial activities, such as controversial weapons within the meaning of the Ottawa and Oslo Conventions (anti-personnel mines, cluster bombs, chemical, biological and depleted uranium weapons, as well as white phosphorous), tobacco and coal. These exclusions from UCITS investments (QUADRIGE FRANCE Smallcaps, QUADRIGE RENDEMENT France Midcaps, QUADRIGE EUROPE Midcaps, QUADRIGE MULTICAPS Europe) are made upstream of the constitution of the investment portfolio and downstream of INOCAP Gestion and ESG ratings, with a limit of 5% of turnover for tobacco sector and controversial weapons sector and from the first euro of turnover made for coal sector. INOCAP Gestion monitors exclusions internally through reference documents and the various publications and reports of the companies in which it invests.

We apply, within INOCAP Gestion, a policy of shareholder engagement in line with the recommendations of the AFG. It is part of INOCAP Gestion's commitment to promote the best ESG practices within the companies in which it invests. First, INOCAP Gestion receives the necessary documents for the vote. Then, it votes either by physical participation in the shareholders' meetings, or by correspondence or proxy. The analysis of the resolutions and the execution of the votes are done internally by the management team. Since 2020, they are also carried out with the support of ISS, a major player in the execution of votes, which gives recommendations while leaving INOCAP Gestion free to vote. Previously, voting rights were exercised as soon as the management company, through the UCITS it manages, held more than 3% of the capital or voting rights. We are now making every effort to systematically exercise the voting rights of the securities in our label funds, regardless of their capital weighting.

Finally, concerning INOCAP Gestion's commitment, we strive for a close dialogue between the managers and the companies in which we invest by encouraging more transparency in the responsible approaches and/or developments around them. We encourage these companies to position themselves on sustainable development issues. INOCAP Gestion is convinced that a good understanding of ESG issues by companies and their management enriches internal dialogue and creates the conditions for sustainable success.

2.4. ESG RISK AND OPPORTUNITY MANAGEMENT

ESG risks and opportunities are taken into account in all our investment decisions.

The extra-financial analysis of the companies in which we invest complements our fundamental analysis. This ESG analysis allows us to identify risks that are not directly perceptible in the financial statements that serve as the basis for our fundamental analysis. In particular, we cannot ignore climate change and related risks today. The inaction of companies on this subject can have irreversible consequences for society.

All ESG risks are thus taken into account in the internal ESG ratings that we assign to the companies in which we invest and can modify the construction of our portfolios.

We aim to achieve an average ESG rating for our portfolios that is significantly higher than the average ESG rating of the initial universe. The weighted average ESG rating of the portfolio will never be lower than the weighted ESG rating of the fund's initial investment universe after eliminating the worst 20% of stocks. In the event of a controversy over a stock we hold in our funds, the corresponding stock is not necessarily liquidated. The Controversy Management Committee meets to discuss and analyze severe and very severe controversies (according to MSCI ESG criteria or from other channels). If the decision of the Controversy Management Committee is unfavorable to the maintenance of a position in a portfolio, the manager has a maximum of six months to exit the position, in the best interest of our investors (if a position must be maintained longer for reasons of liquidity, for example, a note will explain the decision).

Our ESG analysis can also highlight certain opportunities by guiding our investments towards the most virtuous companies in terms of ESG management. In all our asset classes, we seek to orient our investment choices towards the best-rated issuers as much as possible. In addition, the dialogue we maintain with the management of these companies can enable them to better understand these issues and thus positively change their practices.

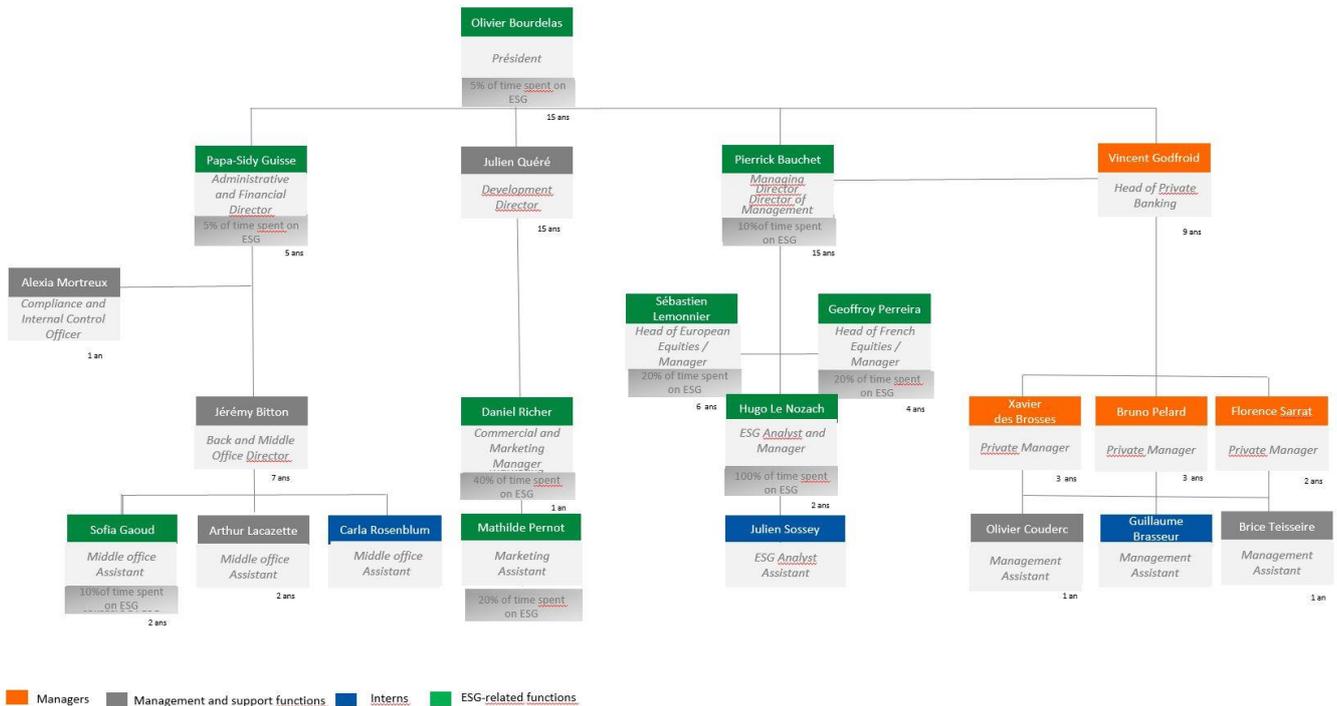
2.5. TEAM AND RESOURCES

As a responsible asset management company, INOCAP Gestion wanted all its teams to be aware of ESG issues. Thus, all the teams - collective management, private management, sales, marketing, internal control and risk, middle office, IT and management - are regularly trained internally on different topics.

Thus, all employees are aware of ESG issues and how they are integrated into our management.

The management team is multidisciplinary and not only dedicated to ESG issues. Composed of 3 equity managers, our team devotes about 30% of its time to ESG analysis and works in a collegial manner. The internal control team is also involved, ensuring that the sustainable investment approach is applied by the management team.

The team involved:



The management team also regularly organizes committees so that private managers and sales representatives can have access to all the management expertise (macroeconomic analysis, market forecasts) and can discuss ESG issues. They meet in various committees:

- Values Committee (each time a value is entered)
- Controversy Management Committee (when a controversy occurs)
- Monthly Economic Committee with the participation of Jean-Pierre Petit from Cahiers Verts de l'Economie (6 to 7 times a year)
- Sustainable Committee (quarterly or on event, to deal with ESG issues)

2.5. INITIATIVES

Since the creation of the company, INOCAP Gestion has been involved in several generalist initiatives and is also committed to investing in social initiatives.

Generalist initiatives:

- UN PRI - Principles for Responsible Investment United Nations - since 2018
- AFG - Association Française de Gestion - since 2018

Social initiatives :

- **Apprentis d'Auteuil:** Catholic foundation, recognized as a public utility since 1929, which supports more than 30,000 young people and families in need. It supports young people in difficulty through reception, education, training and integration programs in France and abroad to enable them to become free and fulfilled adults of tomorrow.
- **Commitments to French artists**
- **Les Francisaines**
- **La Fondation Entreprendre**
- **Maison Européenne de la photographie**

2.6. TOTAL OUTSTANDING ISR ASSETS OF THE MANAGEMENT COMPANY

As of February 28, 2023, total ESG assets amounted to €289 million, or 38% of the assets managed by INOCAP Gestion.

2.6. SRI FUNDS

INOCAP Gestion publishes on its website the list of funds open to the public and makes available to investors the regulatory documents (DICI, prospectus, annual report and SRI) in force for the funds below:

- QUADRIGE FRANCE Smallcaps :

<https://www.inocapgestion.com/fr/gamme-quadriges/quadriges/>

- QUADRIGE RENDEMENT France Midcaps

<https://www.inocapgestion.com/fr/gamme-quadriges/quadriges-rendement/>

- QUADRIGE EUROPE Midcaps

<https://www.inocapgestion.com/fr/gamme-quadriges/quadriges-europe/>

- QUADRIGE MULTICAPS Europe

<https://www.inocapgestion.com/fr/gamme-quadriges/quadriges-multicaps-europe/>

3. GENERAL INFORMATION ON THE FUNDS COVERED BY THIS TRANSPARENCY CODE

3.1. OBJECTIVES

Created on July 07, 2013, QUADRIGE FRANCE Smallcaps has the following main characteristics:

Legal form	UCITS
Creation date	02/07/2013
Classification	Actions of EU countries
Reference Index	90% CS NR + 10 % Euronext Growth All share index
Éligible PEA/SME	Yes
Min. initial Investment	1 part
Decimalization	1/1000 ^{ème}
Currency	Euro
SRI strategy	Best-in-Universe Exclusions
PART C	
ISIN Code	FR0011466093
Max subscription fee	4,00% (not acquired by the UCITS)
Management fees including VAT	2,40%
Outperformance fee	Yes
PART I	
ISIN Code	FR0013280898
Max subscription fee	4,00% (not acquired by the UCITS)
Management fees including VAT	1,20%
Outperformance fee	Yes

The objective of the Fund is to optimize performance, over a period of at least 5 years, through discretionary management based on small and mid-cap companies that use innovation as a catalyst for their development, without reference to an index. However, for information purposes, the performance of the Fund may be compared, ex-post, to the following composite indicator: 10% Euronext Growth All Share Index dividends reinvested and 90% CAC Small index dividends reinvested. This objective is associated with a non-financial approach, integrating environmental, social and governance (ESG) criteria according to a "Best in Universe" approach aiming at a better consideration of the risks associated with the securities selected in the portfolio. The "Best in Universe" approach consists in favoring the best rated issuers from an extra-financial point of view, regardless of their sector of activity.

The Fund is classified in the AMF category "Equities from European Union countries".

The investment strategy is based on stock picking of companies that have or aspire to a leadership position in one or more niche activities, a proven competitive advantage, strong cash flow generation, a solid balance sheet or a track record of results offering good medium-term visibility. The Management Company conducts its own qualitative and quantitative analyses based on internal and external sources of companies with a market capitalization of less than EUR 1 billion. All economic sectors may be represented without exposure constraints. The Fund may invest in all European markets, with a preference for French equities, focusing on innovative companies whose technological,

industrial and commercial breakthroughs enable them to increase their margins and which generate a significant proportion of their sales from exports.

The UCITS promotes environmental, social and governance (ESG) criteria within the meaning of Article 8 of Regulation (EU) 2019/2088 on sustainability reporting in the financial services sector (the so-called Disclosure Regulation). The UCITS is subject to sustainability risk as defined in the risk profile of the prospectus. Environmental, social and governance (ESG) criteria contribute to investment and disinvestment decisions.

Following the determination of an investment universe with a rigorous internal rating process on the quality of financial fundamentals, an ESG filter is then applied to those companies that meet the qualitative criteria and financial fundamentals. Any company with a score of 0 on one of the E, S or G criteria will be excluded from the fund's investment perimeter. In addition, management ensures that eligible companies are not subject to very severe controversies and do not fall within the scope of exclusion. The controversy management policy and the exclusion policy can be consulted at any time on the management company's website. The rate of analysis of extra-financial ratings will be strictly above 90% (number of issuers). The main methodological limits in the implementation of the extra-financial strategy for the UCITS are detailed in the UCITS prospectus.

The criteria used in the evaluation grid are as an example:

- Environmental: carbon footprint in tons of CO2 equivalent according to sales, environmental policy and management systems, etc.
- Social: social controversy of the business, employee turnover rate, etc.
- Governance: separation of chairman/CEO functions, independence of the board of directors or supervisory board, etc.

As the Fund is eligible for PEA and PEA PME, it respects a minimum investment of 75% in securities eligible for PEA PME. The Fund may invest up to :

- 100% of its assets in equities from European Union countries, including a maximum of 30% in companies with a market capitalization of over 1 billion euros,
- A maximum of 10% of its assets in equities from countries outside the European Union,
- A maximum of 25% of its assets in private or public sector debt securities and money market instruments denominated in euro, whose rating, at the time of acquisition, will not be lower than BBB- (S&P rating or equivalent rating from another rating agency). In the event of a downgrade, the Fund will sell the position(s) concerned,
- A maximum of 10% of its assets in UCITS of any type of classification

Securities incorporating derivatives may be used occasionally (up to 10%). These instruments are restricted to convertible bonds (simple, indexed, ORA) and warrants. There will be no overexposure to equity risk.

Created on December 23, 2013, QUADRIGE RENDEMENT France Midcaps has the following main characteristics:

Legal Form	UCITS
Creation Date	23/12/2013

Classification	Actions of EU countries
Reference Index	CAC Mid & Small dividends reinvested
PEA Eligible	Yes
Min. initial investment	1 part
Decimalization	1/1000 ^{ème}
Devise	Euro
RSI Strategy	Best-in-Universe Exclusions
PART C	
ISIN Code	FR0011640986
Max subscription fee	4,00% (not acquired by the UCITS)
Management fees including VAT	2,40%
Outperformance fee	Yes
PART I	
ISIN Code	FR0013279783
Max subscription fee	4,00% (not acquired by the UCITS)
Management fees including VAT	1,20%
Outperformance fee	Yes

The objective of the Fund is to seek performance, over a recommended investment period of at least 5 years, linked to investment in a selection of European equities chosen for their capacity and sustainability to distribute dividends, and superior to the CAC Mid & Small index dividends reinvested. The management is discretionary and as such the evolution of the portfolio may differ from that of the above mentioned index. This objective is associated with a non-financial approach, integrating environmental, social and governance (ESG) criteria according to a "Best in Universe" approach aiming at a better consideration of the risks associated with the securities selected in the portfolio. The "Best in Universe" approach consists in favoring the best rated issuers from an extra-financial point of view, regardless of their sector of activity.

The Fund is classified in the AMF category "Equities from European Union countries".

The investment strategy is based on the stock picking of companies thanks to an opportunistic and dynamic management of stocks. The Management Company carries out its own qualitative and quantitative analyses based on internal and external company sources. These companies are chosen for the quality of their fundamentals. The management team seeks to invest in small and medium-sized companies that develop high-end activities in niche markets. Their investments may allow the deployment of a competitive advantage, the gain of international market share and the improvement of margins.

The strategy is to select global leaders whose financial strength can be a source of regular dividend distribution. Particular attention will be paid to family-owned industrial companies that have built up a highly differentiated positioning.

All economic sectors can be represented without exposure constraints. The Fund may invest in all European markets, with a preference for French equities.

The UCITS promotes environmental, social and governance (ESG) criteria within the meaning of Article 8 of Regulation (EU) 2019/2088 on sustainability reporting in the financial services sector (the so-called Disclosure Regulation). The UCITS is subject to sustainability risk as defined in the risk profile of the prospectus. Environmental, social and governance (ESG) criteria contribute to investment and disinvestment decisions.

Following the determination of an investment universe with a rigorous internal rating process on the quality of financial fundamentals, an ESG filter is then applied to those companies that meet the qualitative criteria and financial fundamentals. Any company with a score of 0 on one of the E, S or G criteria will be excluded from the fund's investment perimeter. In addition, management ensures that eligible companies are not subject to very severe controversies and do not fall within the scope of exclusion. The controversy management policy and the exclusion policy can be consulted at any time on the management company's website. The rate of analysis of extra-financial ratings will be strictly above 90% (number of issuers). The main methodological limits in the implementation of the extra-financial strategy for the UCITS are detailed in the UCITS prospectus.

The criteria used in the evaluation grid are as an example:

- Environmental: carbon footprint in tons of CO2 equivalent according to sales, environmental policy and management systems, etc.
- Social: social controversy of the business, employee turnover rate, etc.
- Governance: separation of chairman/CEO functions, independence of the board of directors or supervisory board, etc.

As the Fund is eligible for the PEA, it respects a minimum investment of 75% of its assets in PEA-eligible securities. The Fund may invest up to :

- 100% of its assets in equities from European Union countries,
- A maximum of 10% of its assets in equities from countries outside the European Union,
- A maximum of 25% of its assets in private or public sector debt securities and money market instruments denominated in euro, rated at least BBB- (S&P rating or equivalent rating from another rating agency) at the time of acquisition. In the event of a downgrade, the Fund will sell the position(s) concerned,
- A maximum of 10% of its assets in UCITS or UCIs of any type of classification

Securities incorporating derivatives may be used occasionally (within the limit of 10% of the Fund's net assets). These instruments are restricted to convertible bonds (simple, indexed, ORA) and warrants. There will be no overexposure to equity risk.

Created on December 31, 2015, QUADRIGE EUROPE Midcaps has the following main characteristics:

Legal Form	UCITS
Creation Date	31/12/2015
Classification	Actions of EU countries
Reference Index	MSCI EMU Small Cap Net Return Index (dividends reinvested)
PEA Eligible	Yes
Min. initial Investment	1 part for C and I – 5 parts for E
Décimalization	1/1000 ^{ème} for C and I – 1/100000 ^{ème} for E
Currency	Euro
RSI Strategy	Best-in-Universe Exclusions
PART C ISIN Code Max subscription fee Management fees including VAT Outperformance fee	FR0013072097 4,00% (not acquired by the UCITS) 2,40% Yes : 15% of the performance in excess of the performance of the MSCI EMU Small Cap Net Return Index (dividends

	reinvested) provided that the performance is positive and in compliance with the "high on high" principle
PART I ISIN Code Max subscription fee Management fees including VAT Outperformance fee	FR0013280906 4,00% (not acquired by the UCITS) 1,20% Yes : 15% of the performance in excess of the performance of the MSCI EMU Small Cap Net Return Index (dividends reinvested) provided that the performance is positive and in compliance with the "high on high" principle
PART E ISIN Code Max subscription fee Management fees including VAT Outperformance fee	FR0013382470 0% 1.0% Yes : 15% of the performance in excess of the performance of the MSCI EMU Small Cap Net Return Index (dividends reinvested) provided that the performance is positive and in compliance with the "high on high" principle

The objective of the Fund is to seek a performance, over a recommended investment period of at least 5 years, linked to the investment in a selection of European equities, superior to the MSCI EMU Small Cap Net Return Index (dividends reinvested). The management is discretionary and as such the evolution of the portfolio may differ from that of the above mentioned index. This objective is associated with an extra-financial approach, integrating the consideration of environmental, social and governance (ESG) criteria according to a "Best in Universe" approach aiming at a better consideration of the risks associated with the securities selected in the portfolio. The "Best in Universe" approach consists in favoring the best rated issuers from an extra-financial point of view, regardless of their sector of activity.

The Fund is classified in the AMF category "Equities from European Union countries".

The investment strategy is based on the stock picking of companies thanks to an opportunistic and dynamic management in shares. The Management Company carries out its own qualitative (quality of management, sector of activity, competition, capacity to maintain prices, etc.) and quantitative (balance sheet analysis, business growth and profitability prospects, etc.) analyses based on internal and external sources of the selected companies. The fund's objective is to invest in companies with a market capitalization of less than 10 billion euros. The fund may hold on an ancillary basis (10% maximum) securities whose capitalization on the date of the first investment was less than 10 billion euros and whose capitalization has risen above the 10 billion during the period of holding the security. All economic sectors may be represented without exposure constraints. The Fund may invest in all European markets. The portfolio will be relatively concentrated (with a number of lines between 20 and 40).

The UCITS promotes environmental, social and governance (ESG) criteria within the meaning of Article 8 of Regulation (EU) 2019/2088 on sustainability reporting in the financial services sector (the so-called Disclosure Regulation). The UCITS is subject to sustainability risk as defined in the risk profile of the prospectus. Environmental, social and governance (ESG) criteria contribute to investment and disinvestment decisions.

Following the determination of an investment universe with a rigorous internal rating process on the quality of financial fundamentals, an ESG filter is then applied to those companies that meet the

qualitative criteria and financial fundamentals. Any company with a score of 0 on one of the E, S or G criteria will be excluded from the fund's investment perimeter. In addition, management ensures that eligible companies are not subject to very severe controversies and do not fall within the scope of exclusion. The controversy management policy and the exclusion policy can be consulted at any time on the management company's website. The rate of analysis of extra-financial ratings will be strictly above 90% (number of issuers). The main methodological limits in the implementation of the extra-financial strategy for the UCITS are detailed in the UCITS prospectus.

The criteria used in the evaluation grid are as an example:

- Environmental: carbon footprint in tons of CO2 equivalent according to sales, environmental policy and management systems, etc.
- Social: social controversy of the business, employee turnover rate, etc.
- Governance: separation of chairman/CEO functions, independence of the board of directors or supervisory board, etc.

As the Fund is eligible for the PEA, it respects a minimum investment of 75% of its net assets in PEA-eligible securities. The Fund may invest up to :

- 100% of its net assets in equities from European Union countries,
- A maximum of 10% of its net assets in equities from countries outside the European Union,
- A maximum of 25% of its net assets in debt securities and money market instruments from the private or public sector denominated in euro, whose rating, at the time of acquisition, will not be lower than BBB- (S&P rating or equivalent rating according to the management company). These selection criteria will not be exclusive,
- 10% maximum of its net assets in UCITS or UCIs of any type of classification

Securities incorporating derivatives may be used occasionally (within the limit of 10% of the Fund's net assets). These instruments are restricted to convertible bonds (simple, indexed, ORA) and warrants. There will be no overexposure to equity risk.

Created on July 20, 2017, QUADRIGE MULTICAPS Europe has the following main characteristics:

Legal Form	UCITS
Creation Date	20/07/2017
Classification	Actions of EU countries
Reference Index	Euro Stoxx TOTAL MARKET NET RETURN(BKXT)
PEA Eligible	Yes
Min. initial investment	1 part
Décimalization	1/1000 ^{ème}
Currency	Euro
RSI Strategy	Best-in-Universe Exclusions
PART C	
ISIN Code	FR0013261807
Max subscription fee	4,00% (not acquired by the UCITS)
Management fees including VAT	2,20%

Outperformance fee	Yes : 15% of the performance above the Euro Stoxx TOTAL MARKET NET RETURN index with a "High on high"
PART I	
ISIN Code	FR0013280914
Max subscription fee	4,00% (not acquired by the UCITS)
Management fees including VAT	1,10%
Outperformance fee	Yes : 15% of the performance above the Euro Stoxx TOTAL MARKET NET RETURN index with a "High on high"

The objective of the Fund is to seek a performance, over a recommended investment period of at least 5 years, linked to the investment in a selection of equities from the Euro zone, superior to the Euro Stoxx Total Market Net Return (BKXT) index with dividends reinvested. The management is discretionary and as such the evolution of the portfolio may differ from that of the above mentioned index. This objective is associated with an extra-financial approach, integrating the consideration of environmental, social and governance (ESG) criteria according to a "Best in Universe" approach aiming at a better consideration of the risks associated with the securities selected in the portfolio. The "Best in Universe" approach consists in favoring the best rated issuers from an extra-financial point of view, regardless of their sector of activity.

The Fund is classified in the AMF category "Eurozone equities".

The investment strategy is based on the stock picking of companies thanks to an opportunistic and dynamic management in shares. The Management Company carries out its own qualitative (quality of management, sector of activity, competition, ability to maintain prices, etc.) and quantitative (balance sheet analysis, business growth and profitability prospects, etc.) analyses based on internal and external sources of the selected companies.

The UCITS promotes environmental, social and governance (ESG) criteria within the meaning of Article 8 of Regulation (EU) 2019/2088 on sustainability reporting in the financial services sector (the so-called Disclosure Regulation). The UCITS is subject to sustainability risk as defined in the risk profile of the prospectus. Environmental, social and governance (ESG) criteria contribute to investment and disinvestment decisions.

Following the determination of an investment universe with a rigorous internal rating process on the quality of financial fundamentals, an ESG filter is then applied to those companies that meet the qualitative criteria and financial fundamentals. Any company with a score of 0 on one of the E, S or G criteria will be excluded from the fund's investment perimeter. In addition, management ensures that eligible companies are not subject to very severe controversies and do not fall within the scope of exclusion. The controversy management policy and the exclusion policy can be consulted at any time on the management company's website. The rate of analysis of extra-financial ratings will be strictly above 90% (number of issuers). The main methodological limits in the implementation of the extra-financial strategy for the UCITS are detailed in the UCITS prospectus.

The criteria used in the evaluation grid are, for example:

- Environmental: carbon footprint in tons of CO2 equivalent as a function of sales, environmental policy and management systems, ...
- Social: social controversy in the business, staff turnover rate, etc.
- Governance: separation of chairman/CEO functions, independence of the board of directors or supervisory board, etc.

The fund's objective is to invest in companies of any market capitalization size (with a dominantly large cap) and any economic sector. The Fund may invest in all markets in the Eurozone. The portfolio will be relatively concentrated (with a number of lines between 30 and 50). The proportion of companies listed on Euronext Growth will be less than 5%.

As the Fund is eligible for the PEA, it respects a minimum investment of 75% of its net assets in PEA-eligible securities. The Fund may invest up to:

- 100% of its net assets in equities from countries in the euro zone,
- Up to 10% of its net assets in equities from countries outside the euro zone,
- A maximum of 25% of its net assets in private or public sector debt securities and money market instruments denominated in euro, rated at least BBB- (S&P rating or equivalent rating according to the management company) at the time of acquisition. These selection criteria will not be exclusive,
- 10% maximum of its net assets in UCITS or UCIs of any type of classification

Securities incorporating derivatives may be used occasionally (within the limit of 10% of the Fund's net assets). These instruments are restricted to convertible bonds (simple, indexed, ORA) and warrants. There will be no overexposure to equity risk.

3.2. INTERNAL AND EXTERNAL RESOURCES FOR THE EVALUATION OF ESG CRITERIA

As part of our responsible approach, we use a range of internal and external resources to objectively and accurately assess the investment universe of the funds under management:

- Use of MSCI ESG Research and Bloomberg databases for company ratings,
- Regulatory information (annual reports, reference documents, etc.) and press releases published by companies,
- Direct contacts with companies (management, investor relations, etc.) when information is not public,
- Consultation of analysis reports on environmental, social or governance issues (brokers' reports, MSCI ESG Research...),
- Reading and summarizing articles in the economic and specialized press,
- ISS voting advisory agency for voting in general meetings.

3.3. ESG PRINCIPLES AND CRITERIA TAKEN INTO ACCOUNT BY UCITS

ESG criteria are integrated by the fund managers in our "4x3" analysis. We take into account 4 fundamental financial criteria and 3 extra-financial criteria, the environment, social aspects and governance. Each company in the fund and in the investment universe is given an ESG rating. This rating is based on 12 sub-criteria with their specific weightings. They constitute extra-financial risk factors that have been chosen for their materiality and their direct link with the financial performance of the companies and their potential impact on what constitutes the strength of these companies (innovation, differentiation, permanent investment and family shareholding). The same rating made up of the same criteria with the same weightings is applied to all companies, regardless of their

capitalization size and sector, on 4 funds in the QUADRIGE range: QUADRIGE FRANCE Smallcaps, QUADRIGE RENDEMENT France Midcaps, QUADRIGE EUROPE Midcaps, QUADRIGE MULTICAPS Europe.

The main criteria taken into account are the following:

Governance:

- **Separation of the functions of Chairman and Chief Executive Officer:** accumulation of functions within the Board of Directors, separation of functions within a single or dual structure.
- **Independence of the Board of Directors/Supervisory Board:** see if in controlled and non-controlled companies, there is independence of the Board.
- **Presence or not of an audit committee within the companies associated with its independence rate.**
- **Parity of women on the board of directors / supervisory board:** feminization rate

Social:

- **Social Impact:** List of selected controversial sectors rated 0: conventional arms, military nuclear, alcohol, gambling, pornography. Agreement of the point to the appreciation of the ESG Analyst. INOCAP Gestion is committed to excluding certain controversial sectors (Tobacco, Controversial weapons, Coal) from its UCITS investment scope.
- **Turnover:** look at whether the turnover rate is not published, whether it is high (>15%) or increasing significantly. We take the most recent year of publication. Be careful with the definition of turnover: we keep a strict definition, in line with the Bloomberg definition (Turnover N = number of departures N / average workforce N).
- **Social risk management:** we look at whether the company has quantified future improvement targets related to the social risk.
- **Annual training rate per employee:** see the number of hours of training per employee over a year.

Environment :

- **Environmental impact:** we have selected a list of controversial sectors that are major direct or indirect emitters of greenhouse gases: thermal electricity producers, oil producers, refineries, chemical, cement and paper companies, car and aircraft manufacturers. Agreement of the point to the appreciation of the ESG Analyst.
- **Environmental risk management:** we look at whether the company has quantified future improvement targets related to environmental risk.
- **Greenhouse gas emissions (Scope 1+2):** We look at whether or not companies publish their past emissions (GHG Scope 1&2) and whether these emissions are decreasing from year to year. We would like to see a reduction of at least 3% over the last five years to validate the point.
- **Greenhouse gas emissions (Scope 3):** We look for a year-on-year decrease in Scope 3 greenhouse gas emissions. We would like to see a reduction of at least 3% over the last five years if possible to validate the point.

All these criteria represent a score out of ten points. For INOCAP Gestion, good environmental approach, which is often at the origin of a more virtuous approach to all extra-financial economic

aspects, is an element of primary importance. This is why we give governance a score of four points out of ten. Next come the environmental and social aspects, which each represent three points out of ten. The rating of the companies making up the funds and the universe will be updated at least every year.

3.4. CLIMATE CHANGE PRINCIPLES AND CRITERIA

Elements related to climate change and the environment are taken into account in the Environment section of our ESG rating (see section 3.3) with the Environmental Impact criterion, the environmental risk management policy and the historical greenhouse gas emissions for the three Scopes.

3.5. METHODOLOGY FOR ANALYZING AND EVALUATING ISSUERS' ESG CRITERIA

INOCAP Gestion's ESG analysis and evaluation of issuers is mainly carried out using information from MSCI ESG Research software. Some data is also collected from Bloomberg, and we also consult information published directly by issuers (reference documents, sustainable development reports, etc.). When the information we are looking for is not public, we contact the companies directly (management or investor relations). We then aggregate the criteria found to obtain a final ESG score out of ten points (see section 3.3).

When MSCI ESG Research is not available, the rating is fully internalized. This is the case for most of the small capitalizations. INOCAP Gestion ensures that its ratings are regularly monitored.

In addition, we have put in place a policy of engagement that aims to exercise a close dialogue between the managers and the companies in which we invest by encouraging greater transparency in responsible approaches and/or developments around them. We encourage these companies to position themselves on sustainable development issues. INOCAP Gestion is thus convinced that a good understanding of ESG issues by companies and their management enriches internal dialogue and creates the conditions for sustainable success. This will allow us to set up objectives with the company or companies concerned and then assess the results achieved.

We also believe that voting at General Meetings is part of the role of a responsible shareholder. We try to highlight resolutions that could be negative to the interests of minority shareholders or resolutions on ESG issues. Previously, voting rights were exercised as soon as the management company, through the UCITS it manages, held more than 3% of the capital or voting rights. We are now making every effort to systematically exercise the voting rights of the securities in our label funds, regardless of their capital weighting.

3.6. UPDATE FREQUENCY AND CONTROVERSY MANAGEMENT

Controversies are treated by the Controversies Committee when they arise or, if necessary, prior to portfolio entry. Elements of materiality and intentionality are studied by the committee members, trying to have an inclusive 360-degree view of the points of view of all stakeholders. The exchanges are followed by a vote (1 person = 1 vote) to define the action to be taken (liquidation of the position, lowering of the position, maintenance, etc.). A liquidated position will be put on a watchlist while a full rating is carried out and to see if it should be removed from the investment universe or not.

The key steps for handling controversies are as follows:

1) INOCAP Gestion's collective management teams study controversies on an ongoing basis when analyzing companies.

2) The management team is aware of the most severe controversies and is responsible for identifying them as soon as they are identified. This is done through media monitoring, or through alerts communicated by external analyses, or through a monthly extraction of the MSCI database on the portfolio allowing us to identify if there has been a new controversy identified as severe or very severe by MSCI ESG Rating or not. Finally, we extract for each company in the portfolio, when possible, the MSCI ESG sheet where the controversies are indicated and explained.

Controversies are studied prior to an initial investment and also during the life of the investment (follow-up or cases of occurrence). In the event of severe or very severe past controversies on a stock likely to be included in the portfolio, the Controversy Management Committee is mobilized and must conclude whether or not to invest after evaluating the members.

The severe and very severe controversies identified are treated according to their impact and on the basis of four criteria: severity of the impact, scale of the impact, frequency and the company's reaction. These controversies, considered significant, may call into question the exit or entry of the position in a portfolio.

Thus, for the UCIs (QUADRIGE FRANCE Smallcaps, QUADRIGE RENDEMENT France Midcaps, QUADRIGE EUROPE Midcaps, QUADRIGE MULTICAPS Europe), a controversy will be monitored in committee and will give rise to an evaluation of the status of the controversy ranging from 1 to 5. This rating may concern a controversy related to all the pillars.

3) INOCAP Gestion seeks by the best means to establish a dialogue with the company concerned, so that the latter may have a right of reply on a significant controversy. The company can deny and the analysis takes place on the public elements available, the company can reject the controversy by explaining why it is not a major and serious issue by providing supporting elements. Finally, the company can also confirm the controversy and, if necessary, announce the commitments and decisions taken to deal with the controversy and its consequences. In this way, the assessment can be held more quickly and with a prospective dimension.

In the context of SRI-labeled funds: if the controversy deemed severe or very severe occurs when the issuer is already present in a portfolio, the committee meets as soon as possible to analyze whether the security should remain in or be removed from the portfolio (a six-month period that may exceptionally be extended in the event of a liquidity problem).

4) Each severe and very severe controversy case will have to go before the controversy committee, which will make a decision on the status of the controversy.

Status 1: Controversy rejected by management with justification-> Maintain or invest in value

Status 2 : Controversy proven without so much severity or action by the company -> Maintain or invest in the value but a penalty of 0,25 point per controversy in the area of the controversy.

Status 3 : Controversy proven and serious -> No investment or divestment of the value

We only penalise companies in the portfolio and therefore mechanically in the investment universe. However, the monitoring of controversies is done on the portfolio and not on the universe. The stocks with severe and very severe controversies present in the universe but not in the portfolios will not be penalised.

In order to preserve the independence of the Committee's study with regard to the controversy ratings given by MSCI ESG Research, the Committee analyses the validity of the controversy ratings provided with the manager in charge of monitoring the stock. The latter may compare the agency's rating with its own internal research. The committee's decisions will be taken in the interest of our investors and in line with the commitments made by INOCAP Gestion.

Another issue is the appearance of a scandal in a portfolio company or in a stock likely to be included in it, which must be dealt with. However, depending on the coverage of MSCI ESG Research, INOCAP Gestion has two options:

1/The company is covered by MSCI, so we will first have to meet upstream while the scandal is being transcribed into a controversy in MSCI to decide whether or not to invest and then remobilize a controversy management committee and decide whether or not to invest in the stock.

2/The company is not covered by MSCI, then the ESG analyst will gather as much information as possible and share it with each of the stakeholders present at the controversy management committee to finally decide whether or not to invest in the stock.

4. MANAGEMENT PROCESS

4.1. TAKING INTO ACCOUNT THE RESULTS OF ESG RESEARCH IN PORTFOLIO CONSTRUCTION

As part of the SRI labeling of the QUADRIGE FRANCE Smallcaps, QUADRIGE RENDEMENT France Midcaps, QUADRIGE EUROPE Midcaps and QUADRIGE MULTICAPS Europe funds, INOCAP Gestion has developed an internal ESG rating methodology.

As part of the implementation of the ESG approach of the funds listed above, the constitution of the investment universe of the various UCITS starts with the filtering of all companies that meet the investment strategy indicated in the funds' prospectus, particularly in terms of capitalization and domicile. It should be noted that the initial universe of each fund is different from the benchmark indices mentioned in the DICI, as these are only used as indicators of the funds' financial performance.

Then comes a double filtering with 1/ the determination of an investment universe by an internal rating process on the quality of the financial fundamentals of the company (the "INOCAP Gestion Rating") by retaining only the companies whose ratings are greater than or equal to 5/10; then 2/ the ESG Rating, all the companies of the investment universe (with a fundamental IG rating greater than or equal to 5) being rated according to the same criteria.

We then apply an exclusion filter to all companies in our portfolio, checking that they do not generate 5% of their sales in the tobacco and controversial weapons sectors and no turnover in the coal sector. The 5% and 0% exclusion thresholds are taken individually for each of the three exclusion areas (tobacco, controversial weapons and coal) and are therefore not cumulative. If they do not meet this condition, they will be excluded from the portfolio and the investment universe on an average horizon of 6 months (refer to the exclusion policy).

INOCAP Gestion also monitors controversies and ensures that the stocks in the portfolios of the funds listed above are not subject to severe controversies.

In this logic, the starting universe for the application of the ESG approach and for the calculation of the proportions indicated below is that of companies with an IG financial rating greater than or equal to 5.

This approach, which consists in applying a first fundamental/financial filter before carrying out our ESG rating, leads us to be particularly demanding and selective. The first fundamental filter leads us to eliminate stocks that are eligible for the strategy of the funds listed above but for which the fundamentals according to INOCAP Gestion's analysis do not allow us to meet the minimum selection score (all IG scores < 5/10 are eliminated). Our ESG filter is therefore applied to an investment universe historically made up of companies considered to be the most qualitative.

This filter provides the starting universe for the ESG approach.

Our fundamental analysis is based on a traditional stock picking methodology that includes consideration of the following elements: business momentum (sales and EPS trajectory), valuation (use of traditional valuation methods including DCF and a selection of multiples).

This work is based on a fundamental analysis and a close monitoring of companies, including regular meetings with management teams.

Our management process favors the construction of concentrated portfolios of between 20 and 50 stocks reflecting clear convictions. Weights are managed according to the stock's appreciation potential, adjusted for its fundamental quality and ESG profile.

The investment universe (fundamental rating $IG \geq 5$) of the QUADRIGE FRANCE Smallcaps, QUADRIGE RENDEMENT France Midcaps, QUADRIGE EUROPE Midcaps and QUADRIGE MULTICAPS Europe funds will be updated at least once a year, notably on the basis of the integrated annual reports or sustainable development reports and the proceedings of the General Meetings. It may be updated more frequently if new elements of appreciation are brought to light, notably with regard to changes in governance or controversy.

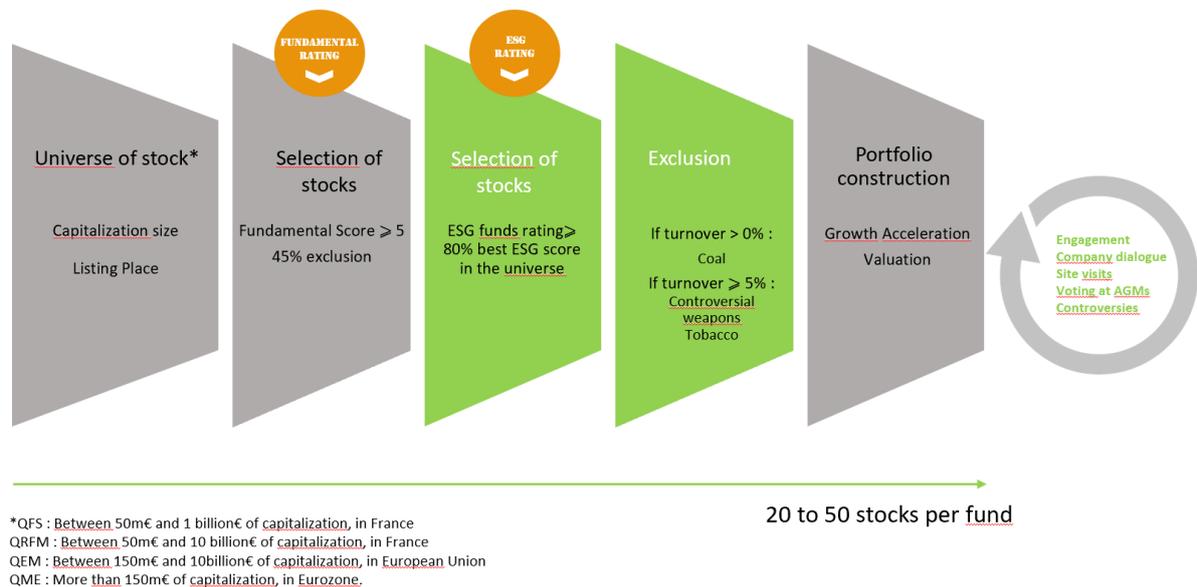
The rate of analysis of extra-financial ratings will be strictly greater than 90% (number of issuers). This proportion is determined by excluding from the calculation basis (i) bonds and other debt securities issued by public or quasi-public issuers, (ii) mutual funds and (iii) cash.

In addition to financial criteria, the portfolio's stock selection aims to select the best companies based on ESG ratings, using a "Best In Universe" approach. This selection process allows the portfolio to obtain:

- A weighted average ESG rating for the portfolio that is higher than the average ESG rating for the initial universe
- A weighted average ESG rating for the portfolio that will never be lower than the ESG rating of the investment universe after eliminating the 20% worst values.

As with all our monitoring indicators, the average ESG rating of our portfolios is weighted by the weight of the securities held in the portfolio. However, since our investment universe does not correspond to any existing index, we calculate the average ESG rating of the universe on an equally weighted basis.

A score of zero on at least one of the three components of our ESG rating is eliminatory. We consider that it would be contradictory to pursue an ESG integration policy while investing in companies that do not meet any of the criteria that determine our E, S or G ratings. In the event that a company in our portfolios is downgraded to zero, we undertake to do our utmost to remove the stock concerned from our portfolios within six months (depending on the liquidity of the stock concerned).



4.2. CONSIDERATION OF CLIMATE CHANGE CRITERIA IN PORTFOLIO CONSTRUCTION

Climate change criteria are taken into account in the construction of the portfolio through the environmental rating of our ESG rating. This environmental rating contributes 40% to our ESG rating. It is based on the following main criteria:

- Environmental impact: consideration of controversies related to certain products/services considered to be major direct or indirect emitters of greenhouse gases (thermal electricity production, O&G production, refining, chemicals, steel, cement, paper, combustion vehicle production, aeronautics production, etc.).
- Environmental impact management policy: Future and quantified objective related to environmental risk.
- Greenhouse gas emissions: assessment of efforts made to reduce greenhouse gas emissions for the 3 scopes.

4.3. NON-ANALYZED ISSUERS

All issuers in the funds must have undergone an ESG analysis and rating.

4.4. ÉVOLUTION OF THE ESG EVALUATION PROCESS IN THE LAST TWELVE MONTHS

No. This transparency code is the first formalization of our ESG assessment process.

4.5. INVESTMENT IN SOLIDARITY ORGANIZATION

INOCAP Gestion does not invest in solidarity organizations.

4.6. PRACTICE OF SECURITIES LENDING/BORROWING

The QUADRIGE FRANCE Smallcaps, QUADRIGE RENDEMENT France Midcaps, QUADRIGE EUROPE Midcaps and QUADRIGE MULTICAPS Europe funds do not engage in securities lending or borrowing.

4.7. USE OF DERIVATIVE INSTRUMENTS

The prospectus authorizes derivatives for the QUADRIGE FRANCE Smallcaps, QUADRIGE RENDEMENT France Midcaps, QUADRIGE EUROPE Midcaps and QUADRIGE MULTICAPS Europe funds. They may be used occasionally (within the limit of 10% of the Fund's net assets). These instruments are restricted to convertible bonds (simple, indexed, ORA) and warrants. There will be no overexposure to equity risk.

Historically, INOCAP Gestion has never used derivatives for these funds.

4.8. INVESTMENTS IN MUTUAL FUNDS

The QUADRIGE FRANCE Smallcaps, QUADRIGE RENDEMENT France Midcaps, QUADRIGE EUROPE Midcaps and QUADRIGE MULTICAPS Europe funds invest in French and European UCITS.

5. ESG Control

5.1. INTERNAL/EXTERNAL CONTROL PROCEDURES

A control policy frames the integration of ESG criteria in our management process.

The control team will ensure that the policies related to ESG are respected in the daily activity of INOCAP Gestion, namely the commitment of the company and the correct application of exclusions within the management of the funds.

Indeed, a control will be carried out to verify that the sector exclusions are respected and compliant.

The compliance team will also verify that the ESG rating exists, is monitored and is relevant to the changes in the economy and the evolution of the SRI label.

Thanks to monthly reporting, the weighted ESG average of the QUADRIGE Range portfolios is better than the weighted ESG average of their corresponding universes.

Regarding external control, audits will be carried out by AFNOR Certification every year to confirm the proper application of the rules predefined in the Transparency Code.

6. ESG IMPACT MEASUREMENTS AND REPORTING

6.1. EVALUATION OF THE ESG QUALITY OF THE FUNDS

The funds covered by this Transparency Code, i.e. QUADRIGE FRANCE Smallcaps, QUADRIGE RENDEMENT France Midcaps, QUADRIGE EUROPE Midcaps and QUADRIGE MULTICAPS Europe, are subject to a calculation of their average ESG footprint and are compared to their universe.

This ESG footprint will be made available in the funds' monthly reporting in April 2021.

The carbon footprint will also be available for the mentioned funds.

In addition, we use four ESG impact indicators that define the extra-financial objectives of the Quadrige Funds in relation to their reference investment universe.

The indicators are as follows:

-For the environmental impact measurement, we want to have a portfolio with less exposure to companies considered as polluting or high CO2 emitters compared to its reference investment universe, i.e. the weighted average of tons of CO2 (Scope 1 & 2) per million of turnover in \$ of the portfolio must be lower than the equip weighted average of tons of CO2 (Scope 1 & 2) per million of turnover in \$ of the reference universe.

-For the social impact measurement, INOCAP Gestion highlights the turnover rate. Indeed, we want the weighted average turnover rate of the portfolio to be lower than the universe of the Fund in question. Turnover is an important indicator because it is perceived as a revealing indicator of social climate (few departures, in our case, means well-being in the company).

-Regarding Governance, we have highlighted the independence of the Board of Directors or Supervisory Board as an impact indicator. We want the Funds' portfolios to have companies with the highest possible percentage of independence in relation to their investment universe. Independence provides a counterbalance to a company's strategic decisions and is often considered a legitimacy issue.

-Finally, for the Human Rights criterion, we want the Funds' portfolios to have fewer stocks with severe and very severe controversies than their corresponding universes, i.e. the weighted average of companies exposed to severe or very severe controversies should be lower than that of the fund's universe.

6.2. INFORMATION MATERIALS FOR INVESTORS

INOCAP Gestion wishes to promote and disseminate its policies in terms of responsible approach. For this purpose, we have created a dedicated space on our website at the following address

<https://www.inocapgestion.com/fr/demarche-responsable/>

We provide investors with several information such as

- ESG policy report
- Shareholder engagement policy
- ESG integration policy
- Exclusion policy
- Vigeo Eiris rating
- UN PRI reporting

6.3. REPORT ON THE EXERCISE OF VOTING RIGHTS AND COMMITMENT REPORT

INOCAP Gestion publishes annually on its website a report on the exercise of its voting rights for all the funds mentioned in this document.

Report on the exercise of voting rights in 2022: [Microsoft Word - Rapport sur l'exercice des droits de vote 2022 V1 \(inocapgestion.com\)](#)

A report on the actions taken in 2022 is also available: <https://www.inocapgestion.com/wp-content/uploads/2017/06/Rapport-dengagement-VF.pdf>