May 2022

R-co Thematic Real Estate D EUR

Management report | ESG

ESG rating

Portfolio

Rating AA Score/10 7.2

Management universe

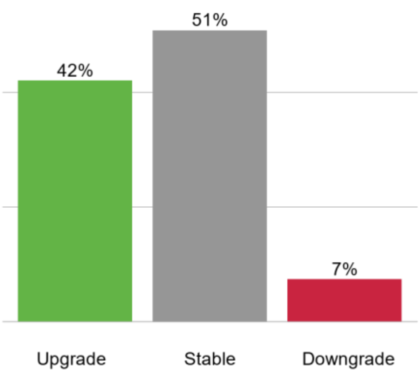
Rating A Score/10 6.6

Coverage rate

Number of holdings	35
Number of ESG rated holdings	28

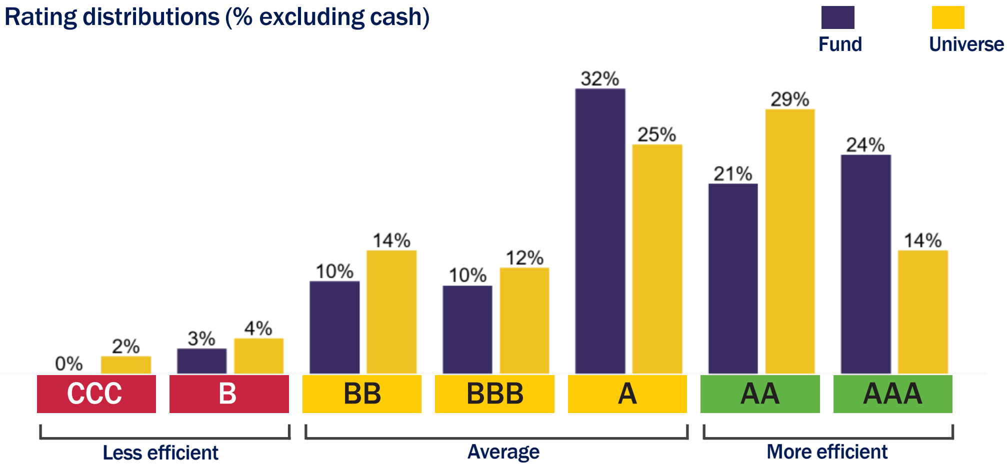
% of portfolio's total net assets

Rating evolution (over 12months)



ESG rating

Rating distributions (% excluding cash)

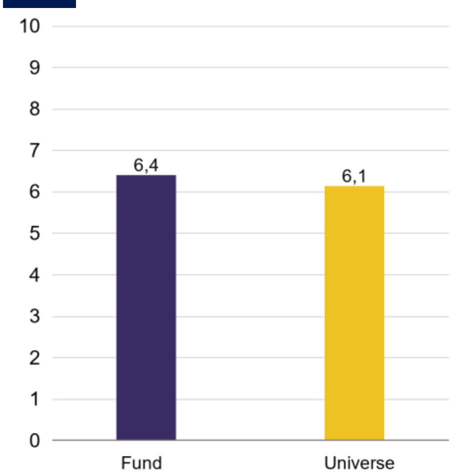


Distribution of ratings by sector (% excluding cash)

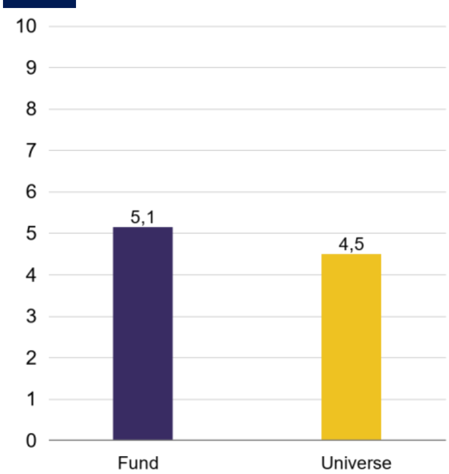
Sector	Weight	Not rated	CCC	B	BB	BBB	A	AA	AAA
Financials	94.7%	11.7%	-	2.4%	9.1%	8.7%	27.9%	18.7%	21.5%
UCIs	5.3%	100.0%	-	-	-	-	-	-	-

ESG score comparison by pillar

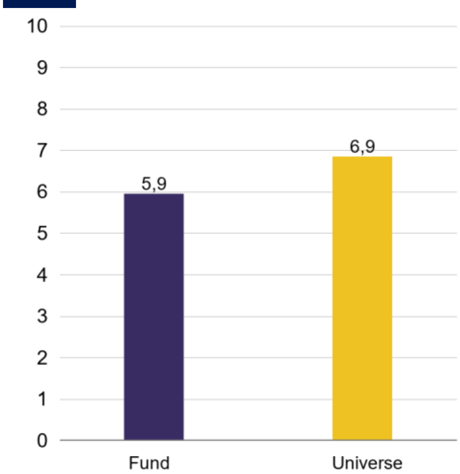
E Environmental Pillar



S Social Pillar



G Governance Pillar



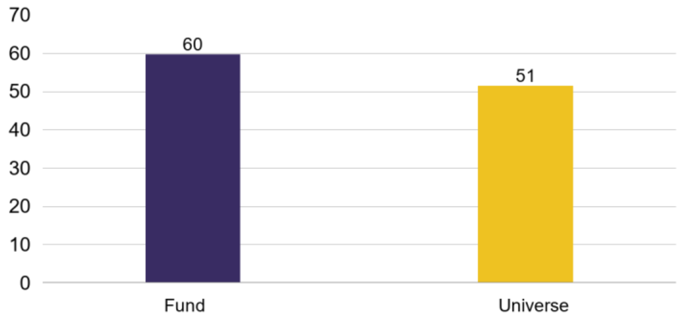
Rothschild & Co Asset Management

Carbon intensity (scope 1 + 2)

Coverage rate : 86%
% of portfolio's total net assets

Difference of contribution to the carbon intensity (%) : +8 tons of CO2 per sales, in millions of USD

Carbon intensity (tons of CO2 per sales, in millions of USD)



Main sectors contributing to carbon intensity

Issuers	Weight	Carbon intensity	Contribution to the carbon intensity (%)
Financials	100,0%	59,6	100%
Top 3	**100,0%**	59,6	**100%**

Note
carbon intensity calculated in tons of CO2 per sales, in millions of USD

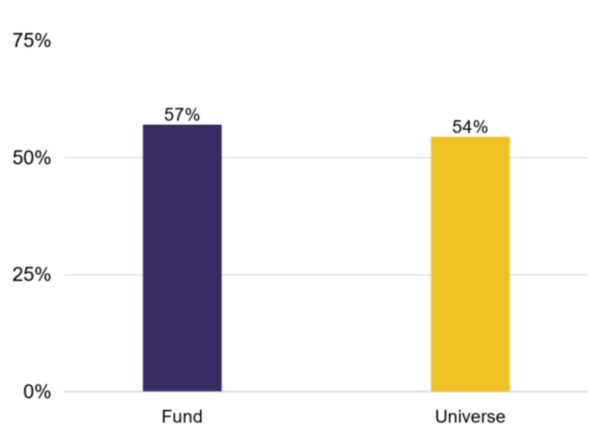
Main contributors to carbon intensity

Issuers	Weight	ESG rating	E Score	Low carbon Transition Management Score	Annual emissions (Mt/Co2)	Carbon intensity	Contribution to the carbon intensity (%)
Vonovia SE	8,6%	A	5,1	6,3	0,9	19,2	32,1%
LEG Immobilien SE	3,7%	AA	3,1	3,7	0,3	11,1	18,6%
Deutsche EuroShop AG	5,3%	A	7,5	4,7	0,0	3,7	6,2%
KLEPIERRE SA	7,7%	AAA	8,4	8,0	0,1	3,3	5,5%
CTP NV	3,2%				0,0	2,8	4,7%
Top 5	28,5%				1,4	40,0	67,1%

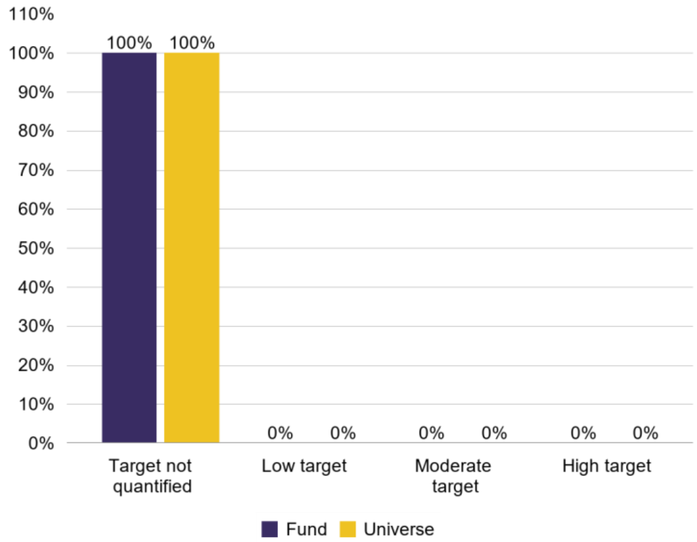
Note
carbon intensity calculated in tons of CO2 (scope 1+2) per sales, in millions of USD

Issuer Carbon Emissions Reduction Targets

% of issuers with a carbon emission reduction target



Breakdown of issuers by reduction target category



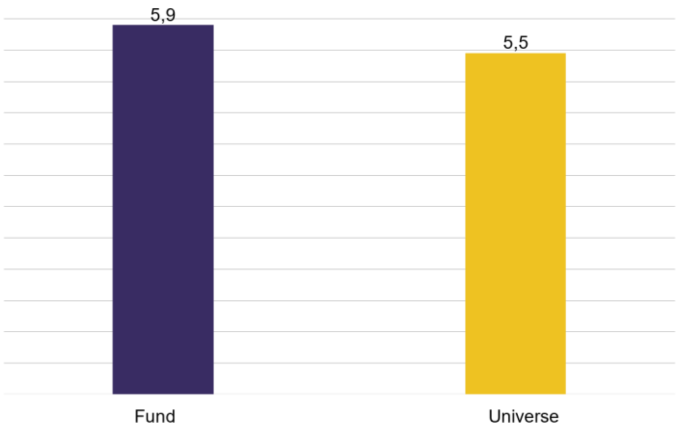
Sources: Rothschild & Co Asset Management Europe / MSCI ESG Research ©

Rothschild & Co Asset Management

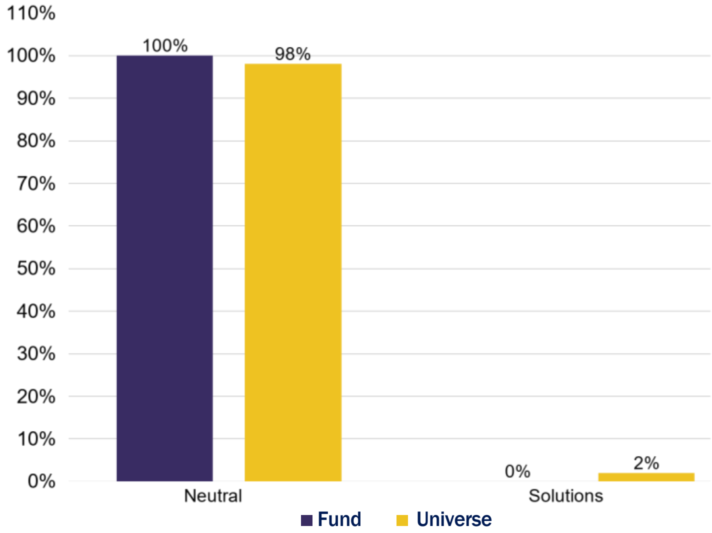
Transition towards a low carbon economy

Coverage rate : 89%

Low carbon Transition Management Score

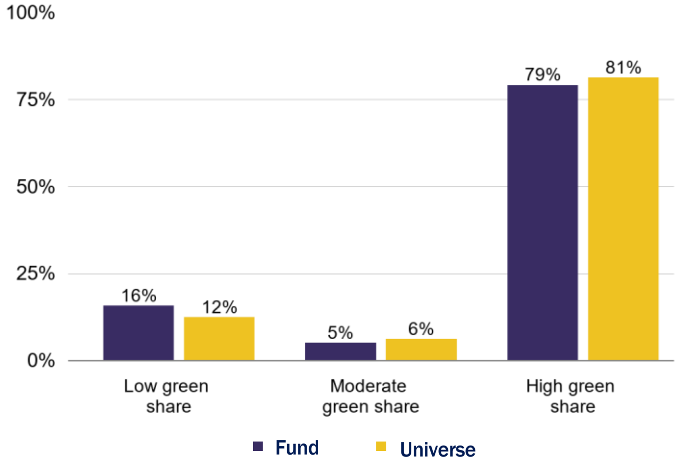


Breakdown of issuers by transition category

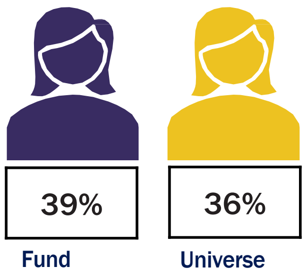


This score (from 0 to 10) evaluates a company's performance in terms of managing the risks and opportunities associated with the transition to a low-carbon economy. It combines management assessments over the following key issues: (i) management of greenhouse gas emissions, (ii) carbon footprint of products and services. Higher the score is, more effectively the company's management is regarding these issues.

Green share



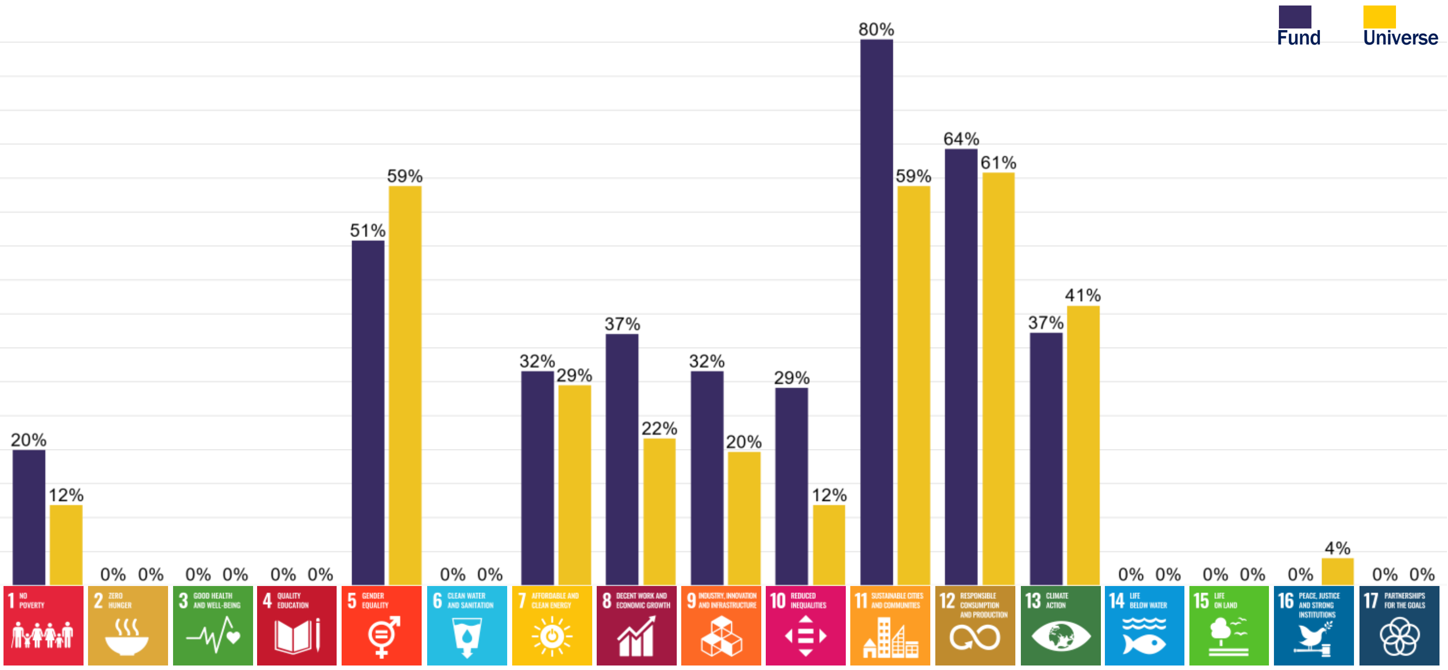
Women representation on the Board of Directors



Sources: Rothschild & Co Asset Management Europe / MSCI ESG Research ©

Sustainable Development Goals

% of portfolio aligned with Sustainable Development Goals



The sustainable development goals address a range of social needs, in particular education, healthcare, social protection and employment opportunities, while combating climate change, and the protection of the environment. Companies can contribute directly to the achievement of these goals through their activities.

End poverty in all its forms everywhere

Zero hunger

Ensure healthy lives and promote well-being for all at all ages

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Achieve gender equality and empower all women and girls

Ensure access to water and sanitation for all

Ensure access to affordable, reliable, sustainable and modern energy

Promote inclusive and sustainable economic growth, employment and decent work for all

Build resilient infrastructure, promote sustainable industrialization and foster innovation

Reduce inequality within and among countries

Make cities inclusive, safe, resilient and sustainable

Ensure sustainable consumption and production patterns

Take urgent action to combat climate change and its impacts

Conserve and sustainably use the oceans, seas and marine resources

Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

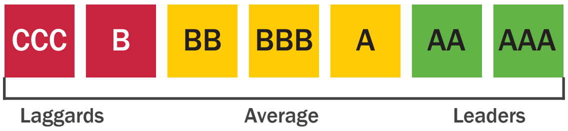
Promote just, peaceful and inclusive societies

Revitalize the global partnership for sustainable development

Glossary

ESG rating

The ESG rating, based on data provided by MSCI ESG Research ©, is measured on a scale ranging from AAA (highest rating) to CCC (lowest rating). The rating is based on the underlying company's exposure to industry-specific sustainability risks and its ability to mitigate these risks relative to its peers. The overall rating of the portfolio is calculated on a relative sector basis, while the underlying E, S and G individual ratings are absolute. The overall rating cannot therefore be considered an average of the individual E, S and G ratings.



Correspondence between ratings and scores

Rating	Final industry score /10
AAA	8.6 -10.0
AA	7.1 - 8.6
A	5.7 - 7.1
BBB	4.3 - 5.7
BB	2.9 - 4.3
B	1.4 - 2.9
CCC	0.0 - 1.4

Carbon Intensity

The portfolio's Carbon Intensity is defined as the sum weighted by their portfolio weights of the carbon intensities of the underlyings present in the portfolio's Carbon Allocation.

$$\frac{\text{Tonnes of } CO_2 \text{emissions}}{\text{Millions of euros of revenue}}$$

For a given company, the carbon intensity used is defined as the annual amount (year N) of CO2 emissions (scopes 1 and 2) divided by the company's annual revenue (year N). The carbon intensity calculation of the Carbon Allocation is rebased on 100 to take into account the coverage rate available on the carbon intensity indicator. The data required for these calculations may come from external data providers (MSCI ESG Research ©).

Scope 1: direct emissions from fixed or mobile facilities located within the organisational scope;

Scope 2: indirect emissions related to energy consumption such as greenhouse gas emissions generated by electricity consumption, heating, steam and cooling consumption.

Emissions reduction target

If a company has a carbon emissions reduction target, this indicator assesses the commitment of this target. Higher scores are attributed to companies actively seeking to reduce their emissions from an already relatively low level. Apart from companies with no targets, the lowest scores are for companies with high levels of emissions and seeking only minor reductions. For small companies, where carbon reduction targets are relatively rare, a moderately high score is given for all types of carbon emission reduction targets.

Score for managing the transition to a low-carbon economy

This score is an indicator of a company's performance in terms of risk management measures and opportunities related to the transition to a low-carbon economy. It combines management assessments of the following key issues:
(i) managing greenhouse gas emissions, (ii) carbon footprint of products and services,etc. The higher the score the more the company implements effective management of these issues. (Score: 0-10)

"Transition to a Low-Carbon Economy" category

This indicator classifies companies according to their exposure to risks and opportunities related to the transition to a low-carbon economy.

The different categories are:

- *Asset Stranding* refers to assets that lose value due to unfavourable market developments in the market to which they are exposed (legislation, environmental constraints, technological disruptions) leading to substantial devaluations (example of companies owning coal mines);
- Operational transition: companies facing an increase in operating costs due to carbon taxes or which need to make significant investments to implement solutions to reduce their greenhouse gas emissions (for example, cement producers);
- Product offering in transition: company facing reduced demand for carbon intensive products and which needs to adjust its product offering to products compatible with a low-carbon economy (for example, the automotive sector);
- Neutral: company with low exposure to increased operating costs/investment requirements related to the transition to a low-carbon economy (for example, the healthcare sector);
- Solutions: a company that provides products or services that should benefit from the transition to a low-carbon economy (for example, renewable energy electricity producers).

Green share

Share of revenue from underlying assets that contributes to the transition.

Disclaimer

Published by Rothschild & Co Asset Management Europe, Portfolio Management Company with share capital of €1,818,181.89 – 29, avenue de Messine, 75008 Paris. AMF Authorisation No. GP 17000014, Paris Trade and Companies Register No. 824 540 173. Any partial or total reproduction of this document is prohibited, without the prior authorisation of Rothschild & Co Asset Management Europe, under penalty of prosecution.
French SICAV (open-ended mutual fund) "R-Co" – 29, avenue de Messine, 75008 Paris – Registered with the Paris Trade and Companies Register under No. 844 443 390.

This information is provided for information purposes only. It does not constitute all or part of a contract, investment advice, an investment recommendation, or a solicitation to purchase or sell fund shares. Prior to any investment, it is strongly recommended that you read the detailed information contained in the regulatory documents regarding each fund (the prospectus, fund regulations/statutes, investment policy, latest annual/semi-annual reports, and the Key Investor Information Document (KIID)), which constitute the sole admissible regulatory basis for the acquisition of fund shares. These documents are available free of charge in hard copy or electronic format from the fund's management company or its representative. The return and value of the fund shares may decrease or increase and the capital may not be returned in full. Market trends are not a reliable indicator of future market behaviour. Past performance is not a reliable indicator of future performance. Neither in any way constitute a guarantee of future performance or capital. They take into account all fund-related costs and expenses (e.g. management fees) but do not take into account fees charged to the client (e.g. issuance costs, deposit fees).

• Information on MSCI ESG Research

Although Rothschild & Co Asset Management Europe information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The information may only be used for your internal use, may not be reproduced or re-disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

It is possible to assume that the extra-financial data provider, MSCI ESG Research, faces certain methodological limitations, which could be, as an illustration, the following:

- Problem of missing or incomplete disclosure by some companies of information (for example, relating to their ability to manage their exposures to certain extra-financial ESG risks) that is used as input to MSCI ESG Research's ESG rating model; this issue may be mitigated by MSCI ESG Research through the use of external alternative data sources to supply its rating model;
- Issue related to the quantity and quality of ESG data to be processed by MSCI ESG Research (significant information flow on an ongoing basis to be incorporated into the MSCI ESG Research ESG rating model): this issue may be mitigated by MSCI ESG Research through the use of artificial intelligence technologies and many analysts working to transform raw data into relevant information;
- Issue related to the identification of information and factors relevant to the extra-financial ESG analysis of the MSCI ESG Research model but which is processed upstream of the MSCI ESG Research model for each sector (and sometimes each company): MSCI ESG Research uses a quantitative approach validated by the expertise of each sector specialist and the feedback from investors to determine the most relevant extra-financial ESG factors for a given sector (or for a particular company if applicable). "

• Risk related to extra-financial criteria (ESG)
Taking sustainability risks into account in the investment process as well as responsible investment is based on the use of extra-financial criteria. Their application may lead to the exclusion of issuers and/or underlying funds and cause certain market opportunities to be lost. Consequently, the Fund's performance may be higher or lower than that of a fund that does not take these criteria into account. ESG information, whether from internal or external sources, is derived from assessments without strict market standards. This leaves room for an element of subjectivity that may result in a significantly different issuer rating from one provider to another. Furthermore, ESG criteria may be incomplete or inaccurate. There is a risk of incorrect valuation of a security or issuer. As such, the management companies of the underlying funds will be able to refer to ESG information from various sources and apply different ESG methodologies. These different aspects make it difficult to compare strategies that incorporate ESG criteria. "

• Website
The UCITS' articles of association or rules, the KIID, prospectus and latest financial reports (annual and semi-annual reports) of each UCITS are available on the website at: am.eu.rothschildandco.com