



Transparency Code
for SRI funds



This Transparency Code is the English version of the European Transparency Code that was drawn up and approved by the French Asset Management Association (AFG), the French Sustainable Investment Forum (FIR) and the European Sustainable Investment Forum (Eurosif) at their respective Board meetings on 13 December 2012 (AFG), 20 December 2012 (FIR) and 3 October 2012 (Eurosif). It must be applied for all retail SRI funds managed by management companies that are members of the AFG or FIR.

By signing up to this Code, the management companies undertake to answer the questions asked for each retail SRI fund that they manage.

The signatories must refer to this Transparency Code in all their documents, on their website, etc.

This Code is being promoted for two key reasons

1. Enabling retail SRI funds to clarify their SRI approach to investors and other stakeholders in an easily accessible and comparable format.
2. Proactively strengthening self-regulation that contributes to the development and promotion of SRI funds by setting up a common framework for transparency best practices.

Statement of commitment

Socially responsible investment is an essential part of the strategic positioning and management of the following funds:

- ▶ **ABN AMRO Euro Sustainable Money Market (previously Neuflyze Monétaire ISR),**
- ▶ **ABN AMRO Sustainable Moderate Profile (previously Neuflyze Modéré ISR),**
- ▶ **ABN AMRO Sustainable Balanced Profile (previously Neuflyze Equilibre ISR),**
- ▶ **ABN AMRO Sustainable Dynamic Profile (previously Neuflyze Dynamique ISR),**
- ▶ **ABN AMRO Euro Sustainable Equities (previously Neuflyze Actions Euro ISR),**
- ▶ **ABN AMRO Euro Sustainable Bonds (previously Neuflyze Obli Selection).**

We have been involved in SRI since 2010 and we are pleased to see the Code being put in place. This is the fifth time we have signed up to the Code, covering the period from June 2016 to June 2017. Our full response to the SRI Transparency Code can be consulted below and is available in the annual report for each of our retail SRI funds and on our website.

Compliance with the Transparency Code

The management company **ABN AMRO Investment Solutions** is committed to transparency and we believe that we are as transparent as possible given the regulatory and competitive environments that exist in the countries where we operate.

Code categories

1. Basic details

1a) *Provide the name of the fund management company managing the fund(s) to which this code applies.*

The fund management company is:

ABN AMRO Investment Solutions
 Registered office: 3 avenue Hoche
 75008 Paris-France
 Tel : +33 (0)1 56 21 60 60
 Fax : +33 (0)1 56 21 61 65
www.abnamroinvestmentsolutions.com

ABN AMRO Investment Solutions is the asset management subsidiary of Banque Neuflyze OBC, a 99.9%-owned subsidiary of the ABN AMRO Group. It offers a full range of dedicated management solutions for private and institutional investors. It has built up extensive expertise in terms of management (SRI, equities, diversified, fixed-income and convertibles), manager selection and advisory services. At end-December 2016, ABN AMRO Investment Solutions had 35.2 billion euros under management and provided advisory services for 8.9 billion euros through its subsidiary.

1b) *Describe the general approach of the fund management company with regard to how it takes environmental, social and governance (ESG) criteria into consideration.*

Our management company ABN AMRO Investment Solutions has been involved in sustainable development for a number of years already. Its sustainable development approach is firmly anchored in its organisation's practices and widely embraced by its clients, partners and employees. In line with its focus on continuous improvement, ABN AMRO Investment Solutions wanted to offer socially responsible investments with a fully sustainable approach for its clients, combining value creation and respect for future generations.

Philosophy

ABN AMRO Investment Solutions' SRI philosophy is built around a long-term vision for investment and value growth benefiting people and the environment, combined with creating performance.

The ABN AMRO Group, which was one of the first signatories to the UN Principles for Responsible Investment (PRI) in 2006, reaffirmed its commitment to this approach when it signed up again in 2012 (following ABN AMRO Asset Management's transfer

to the Fortis group in 2008, the ABN AMRO Group was no longer committed to the PRI).

The ABN AMRO Group has also signed up to the Climate Bonds Initiative (CBI) since March 2015. ABN AMRO Investment Solutions' commitment to sustainable development follows on naturally from the commitment shown by its parent company, ABN AMRO, in line with the six commitments from the PRI.

The approach adopted by ABN AMRO Investment Solutions is part of a transversal process with the ABN AMRO Group to develop the recognition of ESG criteria within the Group and all its international entities, as well as with its suppliers and clients. Internally, this is reflected in the development of our SRI range and the working groups set up with Banque Neuflyze OBC.

We are also involved in several industry initiatives to promote and develop CSR (corporate social responsibility) and SRI.

For instance, ABN AMRO Investment Solutions is a member of:

- ▶ AFG Governance and Responsible Investment Committees
- ▶ Green Bond Principles (GBP)

And Banque Neuflyze OBC is a member of:

- ▶ The French corporate social responsibility observatory (ORSE)

1c) Describe / list your SRI products and the specific resources allocated for your SRI activities

After launching an SRI management offer in 2010 based on mandates for private and institutional clients, ABN AMRO Investment Solutions has since overhauled its range with a view to offering SRI funds for its clients (open and dedicated).

As at 31 December 2016, our range offered seven open SRI funds, with a combined total of around 808 million euros of assets under management:

- ▶ ABN AMRO Euro Sustainable Money Market (short-term money market)
- ▶ ABN AMRO Euro Sustainable Bonds (international bonds)
- ▶ ABN AMRO Sustainable Moderate Profile (20 to 30% equities)
- ▶ ABN AMRO Sustainable Balanced Profile (25 to 75% equities)
- ▶ ABN AMRO Sustainable Dynamic Profile (60 to 100% equities)
- ▶ ABN AMRO Euro Sustainable Equities (75 to 100% eurozone equities)
- ▶ AA MMF Global Sustainable Equities (international equities; management advised by Triodos MeesPierson). This fund has a specific Transparency Code, which is also available on our website.

ABN AMRO Investment Solutions is able to count on a team of experts, made up of managers and analysts, to put in place a socially responsible investment policy that is perfectly aligned with the Group's commitment to building a sustainable future.

ABN AMRO Investment Solutions has structured its organisation around Socially Responsible Investment with:

- ▶ A group of SRI coordinators: reporting directly to the Board of Directors, this group, currently made up of three people, coordinates, represents, assists and advises ABN AMRO Investment Solutions on SRI;
- ▶ An SRI Committee led by AAIS: operational committee focused on researching, monitoring and developing SRI within ABN AMRO Investment Solutions. It is made up of SRI managers-analysts and meets at least once a month;
- ▶ An SRI Expert Committee led by the Neufelize OBC Group: advisory structure made up of external experts (NGOs, companies, specialist media, scientific community and institutional organisations) and intended to provide insights for our teams on sustainable development and socially responsible investment issues. The Committee meets three times a year on average.

1d) Describe the content, frequency and resources allocated / used by the fund management company to inform investors about the ESG criteria taken into account.

All the information concerning these criteria is available on the ABN AMRO Investment Solutions website:

- ▶ In the general fund menu
- ▶ In the specific SRI menu

The documents and information available include:

- ▶ Monthly reporting
- ▶ Full prospectus and KIID
- ▶ Annual and half-year reports
- ▶ Fund net asset values
- ▶ Fund performances
- ▶ This AFG-FIR transparency code
- ▶ ESG reports for our SRI funds

All the links and internet addresses are presented in section 4d). Note that an English version of the site is currently being developed.

1e) Provide the name of the fund(s) to which this Code applies and its (their) main characteristics

This Code is applied for the following six funds:

- ▶ ABN AMRO Euro Sustainable Money Market (short-term money market)
- ▶ ABN AMRO Euro Sustainable Bonds (international bonds)
- ▶ ABN AMRO Sustainable Moderate Profile (20 to 30% equities)

- ▶ ABN AMRO Sustainable Balanced Profile (25 to 75% equities)
- ▶ ABN AMRO Sustainable Dynamic Profile (60 to 100% equities)
- ▶ ABN AMRO Euro Sustainable Equities (75 to 100% eurozone equities)

The main characteristics are presented below (at 31 December 2016):

Fund name	ABN AMRO Euro Sustainable Money Market	ABN AMRO Sustainable Moderate Profile	ABN AMRO Sustainable Balanced Profile	ABN AMRO Sustainable Dynamic Profile	ABN AMRO Sustainable Equities
AMF classification	Short-term money market	Diversified	Diversified	Diversified	Eurozone country equities
ISIN					
C units	FR0000299711	FR0011771773	FR0011756907	FR0011756899	FR0010969527
D units	FR0011202720				
I units	FR0010278739				FR0010969543
SC units	FR0010863563				
NC units	FR0010865329	FR0000985707	FR0000985699	FR0000985756	FR0000985764
Net assets (€M)	257.17	64.08	121.46	34.52	129.88
Currency	EUR				
Benchmark index	Capitalised EONIA	25% DJ EuroStoxx 45% EuroMTS 3-5 years 30% Eonia	50% DJ EuroStoxx 20% EuroMTS 3-5 years 30% Eonia	75% DJ EuroStoxx 15% EuroMTS 3-5 years 10% Eonia	DJ EuroStoxx
Legal form	French SICAV	French mutual fund (FCP)			
Date created	07/03/1195	31/03/2003	31/03/2003	31/03/2003	31/03/2003
Conversion to SRI	13/11/2012	14/04/2014	31/03/2014	07/04/2014	10/03/2014
SRI investment process	Sector exclusions + ESG selection				

*N.B. When this Code was updated, some funds created additional "F" units intended for the ABN AMRO network.
Source: ABN AMRO Investment Solutions at 30 December 2016.*

Since 2 November 2016, we have offered the ABN AMRO Euro Sustainable Bonds fund:

Fund name	ABN AMRO Euro Sustainable Bonds
AMF classification	International bonds
ISIN	
C units	FR0010173484
F units	FR0013063898
Net assets (€M)	8.72
Currency	EUR
Benchmark index	Iboxx Euro Corporate
Legal form	French SICAV
Date created	25 June 1998
Conversion to SRI	2 November 2016
SRI investment process	Sector exclusions + ESG selection ESG

Source: ABN AMRO Investment Solutions at 30 December 2016.

Information concerning these funds is available on the management company's website.

1f) What is (are) this (these) fund(s) trying to achieve through taking into account ESG criteria?

We want to develop SRI management because we firmly believe that a company that takes care of its employees and subcontractors (audits, training, remuneration policy, etc.), its clients (marketing practices, etc.), the environment (anticipating more demanding environmental constraints or the growing scarcity of certain raw materials, etc.) and its shareholders (better management of governance, image risk, transparency, etc.) will create value and grow its market shares. In our portfolios, we focus on companies whose leadership teams share this vision of CSR and promote it as widely as possible within their company, in their initiatives, their decision-making, their investments and their strategies.

The controversy analysis enables us to detect the reputation risks associated with companies and manage the risks of our assets losing value. These controversies, which concern the Social, Environment or Governance pillars, are risk indicators that provide valuable information because they make it possible to regularly reveal any shortcomings with companies' policies in terms of security (e.g. use of unaudited subcontractors), remuneration (e.g. remuneration policy not linked to objectives to create value over the long term) or even governance (e.g. ineffective anti-corruption policy). Taking these criteria into account (assessment of the portfolio's level of controversy and systematic analysis of controversies with the highest ratings, i.e. 5/5) makes it possible to reduce the portfolio's risk, covering both image and financial risks.

To build our ESG analysis of the ABN AMRO Euro Sustainable Money Market fund, we have defined an additional specific criteria for ABN AMRO Investment Solutions: the euro money market footprint criteria. This criteria supplements the analysis of the ESG criteria and is designed to incorporate a market risk analysis dimension into the SRI money market management process by quantifying several indicators, including the liquidity and transparency of money market issues. The introduction of the EMME criteria makes it possible to focus on issues with the highest liquidity and best compliance with good governance practices (particularly in terms of respect and information for holders). It is interesting to note that since it was introduced in 2012, the EMME criteria for the benchmark money market universe has made regular progress. This confirms the effectiveness of regulatory pressure, strengthening the efficiency of the money market, classed as "systemic" by the supervisory authorities. By taking ESG criteria into account, analysing controversies and setting up the EMME criteria for the ABN AMRO Euro Sustainable Money Market fund, the aim is to refine the analysis of risks and opportunities for our investments and enhance the analysis of exclusively financial criteria.

We also believe that the development of "positive" filters for selecting the most virtuous companies from an ESG perspective, combined with stronger policies for voting and dialogue with companies, will help improve their awareness of their responsibility in relation to stakeholders.

2. Approach to ESG Evaluation of Companies

2a) What fundamental principles underlie the ESG research methodology?

Socially responsible investment involves incorporating three non-financial criteria - Environment, Social and Governance - into the process for selecting issuers, alongside financial criteria.

These criteria, which represent **the pillars** for SRI management, make it possible to assess companies' behaviour in relation to major issues such as respect for the environment, employees, subcontractors, local communities and shareholders. For the selection of sovereign issuers, the ESG analysis aims to assess their actions in terms of their environmental policy, the quality of their living environment and their support for leading international principles.

To help us with this ESG analysis, we primarily capitalise on the expertise of Sustainalytics, an ESG rating agency. Its research is international and its 120 or so analysts currently cover more than 4,500 companies and 220 countries. The agency "rates" companies and countries on a scale from 0 to 100, with the best ratings for the most "virtuous" performances.

An overall rating for each pillar, a final rating, a peer group benchmark and an average level of controversy make it possible to carry out a ranked selection of companies and countries.

Systematically investing in the best rated companies and countries represents a best-in-class approach. However, our approach does not systematically focus on the best performers, because while they may be "driving forces" and "examples to follow", some other organisations may be pioneers, innovators, often smaller structures that are not widely or not at all covered by the ESG agencies. We want to be able to promote these companies.

In addition, we research the return-risk-ESG parameters overall, and not just ESG aspects, before making any investment.

In addition to the ESG selection process, we also incorporate the monitoring of *major controversies* exclusively for companies. Their development and severity (on a scale from 1 to 5) are key indicators for current or future risks concerning the issuer and therefore potential impacts on performance. These controversies may concern the three ESG areas (corruption, pollution, misleading marketing practices for clients, etc.).

This integration makes it possible to further strengthen the way managers view the risks and the potential for creating value associated with companies' behaviour.

When this Code was drawn up, we did not have a scale for assessing controversies in relation to countries. However, many private and industry-level initiatives are launching discussions on topics concerning the responsibility of countries in terms of the energy transition for instance:

- Setting up "green government bonds"
- Weighting GDP in relation to their environmental policy

For historical, ethical and governance reasons, we have decided to exclude certain sectors from our investment universe that are often controversial and/or risky issues for investors: weapons, tobacco, gambling and pornography. Alongside this, we systematically take ESG criteria into account in order to obtain the best possible ESG ratings for our funds compared with their benchmark universes.

At ABN AMRO Investment Solutions, we firmly believe that combining ESG criteria with a thorough financial analysis of issuers makes it possible to optimise the risk-return profile for our investments. Since these criteria may have a significant impact on the performance of private or public issuers over the medium or long term, we believe it is essential to identify them and incorporate them into our analysis process in order to obtain a more global view of issuers.

To sum up, our SRI approach is global, combining a best-in-class approach with sector-level exclusions.

2b) What internal and external resources are used to carry out this research?

Our analysis of ESG investment criteria is based on the collaboration established between ABN AMRO Investment Solutions, ABN AMRO, the ESG rating agency Sustainalytics and, occasionally, the ESG rating agency Ethifinance. We are not ruling out the possibility of incorporating analysis from other agencies concerning ESG criteria and/or other data (e.g. carbon data).

Within ABN AMRO Investment Solutions, the SRI Committee's operational team is responsible for SRI analysis and management. It is working with the ABN AMRO Group to deploy a global SRI policy within the Group and all its international entities, as well as in relation to its suppliers. ABN AMRO has therefore set up working groups with the management company to define guidelines for the SRI policy and ESG analysis.

Externally, we work with various brokers that have developed ESG expertise, as well as two ESG agencies:

- ▶ Sustainalytics, a rating agency present in Europe and North America, provides ESG information on companies, countries and public institutions worldwide. We use the ratings calculated by Sustainalytics and benefit from the qualitative analysis carried out on companies and countries, as well as the monitoring of controversies.
- ▶ Ethifinance is an independent ESG rating agency, and a European market leader for rating listed or unlisted SMEs. We are working in partnership to prepare the detailed SRI report for our first SRI fund. We believe that the approach adopted by Ethifinance complements Sustainalytics' approach and we hope to be able to develop synergies.

2c) Which ESG analysis criteria are used?

Main ESG criteria for analysis

In the following table, we have presented the main themes for each ESG pillar monitored and analysed by our partner Sustainalytics:

ESG pillars	Weighting	Countries	Private and public issuers
Environment	50%	<p>10 sub-criteria covering the country's environmental policies, such as:</p> <ul style="list-style-type: none"> ▶ Assessment of environmental performance ▶ Management of natural resources ▶ Exposure to natural risks 	<p>56 sub-criteria covering the direct or indirect impacts of the company's activities on the environment, such as:</p> <ul style="list-style-type: none"> ▶ Programme to reduce water consumption ▶ Participation in the Carbon Disclosure Project (organisation that reports on companies' greenhouse gas emissions) ▶ Report on hydrocarbon treatment conditions ▶ Programme to reduce greenhouse gas emissions
Social	30%	<p>12 sub-criteria covering the qualitative assessment of the living environment, such as:</p> <ul style="list-style-type: none"> ▶ Standard of living ▶ Children's rights ▶ Education ▶ Crime rates ▶ Public health 	<p>60 sub-criteria covering the direct or indirect impacts of the company's activities on stakeholders, such as:</p> <ul style="list-style-type: none"> ▶ Official policy to eliminate discrimination ▶ Programme to reduce occupational accidents ▶ Human rights policy ▶ Recognition of local communities
Governance	20%	<p>14 sub-criteria covering governmental support for key international principles, such as:</p> <ul style="list-style-type: none"> ▶ Freedom of political opinion and expression ▶ Country integrity and transparency ▶ Business climate ▶ Level of security and stability ▶ Signature and ratification of international treaties 	<p>34 sub-criteria covering the way that the company is managed, administrated and controlled, such as:</p> <ul style="list-style-type: none"> ▶ Signing up to the UN Global Compact ▶ Separation of powers ▶ Independence of directors ▶ Anti-corruption policy

Depending on the type of issuer (government or private), the ESG criteria are not based on the same “sub-criteria” and therefore the same data. In addition, the relative weighting set for each “sub-criteria” varies depending on the business sector in which private sector issuers operate. The weightings matrix used is that defined by our ESG rating agency: Sustainalytics. At this stage in the analysis, we therefore consider that Sustainalytics already applies a relative adjustment for the weighting of each sub-criteria or criteria in relation to a sector. That is why we have retained all the “sub-criteria” within each pillar.

Main criteria for EMME analysis

For the ABN AMRO Euro Sustainable Money Market fund, and to adapt our approach in line with the specific features of the short-term money market, we have chosen to apply a fourth pillar for assessing negotiable debt securities, ECP and CP issuers: the EMME euro money market footprint pillar. This pillar, developed by ABN AMRO Investment Solutions' SRI Committee and “direct management” teams, makes it possible to assess how issuers perform and behave on the money market. It is defined based on qualitative criteria that we have quantified:

▶ Coefficient A → Liquidity

We value issuers that regularly operate on the euro money market and contribute to the fluidity of transactions (primary and secondary), the offer’s diversity and therefore the market's liquidity.

We have identified “ranges of assets under management” (in million euros) based on the statistical distribution of assets under management within the universe. Each range defined in this way is then weighted based on an internal ABN AMRO Investment Solutions scale from 0 to 100, with the best score awarded to the highest assets under management.

Coefficient B → Transparency of financial documentation

Internal ratings from 0 to 100 are awarded to issuers based on the level of accessibility for their general financial documentation (annual reports, shareholding) and their specific money market documentation (issue programme).

Issuers may notably register their issue programme with the Bank of France and Bank of Belgium or under the STEP label. Depending on the country where their programmes are registered, the transparency guidelines and demands for the frequency of updates will vary.

It is important to note that when this Code was being drawn up, the finance industry was involved in a process to modernise the money market at European level, led by the European Commission. Since 29 May 2016, the Bank of France has been putting in place a reform of the negotiable debt securities market, looking to simplify and ensure the consistency of financial documentation and the transparency of instruments.

Coefficient C → Service

The use of complementary financial products (rate and/or currency swaps, repurchase agreements and term deposits) is essential for managing a money market portfolio, particularly with a view to managing rate and liquidity risks more

effectively. However, the number of counterparties is contractually limited. We have therefore valued the counterparties that we have signed specific framework agreements with (nine counterparties at 30 June 2015).

ESG ratings for issuers are weighted based on the EMME pillar. The EMME pillar is applied exclusively for private issuers of instruments such as negotiable debt securities and ECP (no EMME criteria for countries) and is not applied for instruments such as EMTNs and bonds. Within our money market fund portfolio, we may therefore have different SRI ratings for the same issuer depending on the instruments used.

2d) What is your ESG analysis and evaluation methodology (how the investment universe is built, rating system, etc.)?

➤ **A. Methodology for ESG assessments of companies and countries by Sustainalytics**

Assessing companies

Philosophy

Sustainalytics' ESG evaluation methodology is based on a number of criteria for assessment, with a global qualitative and quantitative approach. Companies are reviewed in relation to their sector (42 sectors identified, 75 to 90 indicators for each peer group).

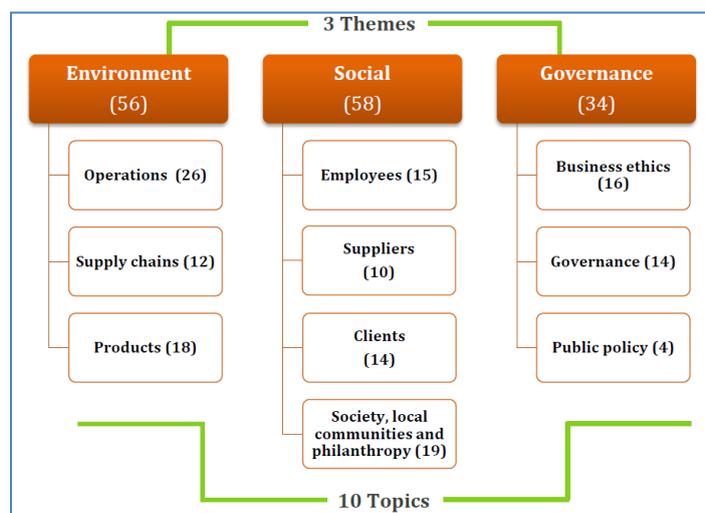
Assessing ESG performance

A company's ESG performance is assessed based on four dimensions:

1. Company's adaptability for managing material risks
2. Company's transparency in relation to ESG standards and market requirements
3. Company's quantitative performance assessed with the ESG requests matrix
4. Company's qualitative performance assessed based on analysing controversies

ESG pillars

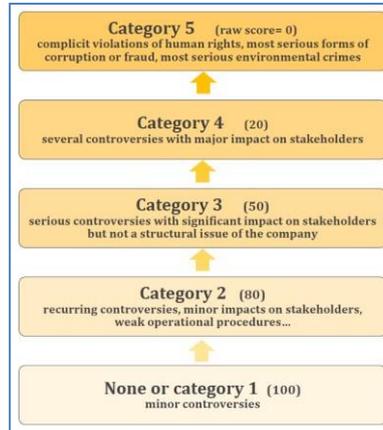
For each ESG pillar, Sustainalytics manages various indicators, which are weighted and ordered depending on their relevance. The three ESG themes cover 10 core topics, which are researched based on a number of indicators (see above and diagram below):



Source : Sustainalytics

Controversies

Sustainalytics defines a controversy as an event or series of events relating to an environmental, social or governance topic. These events are based on all the communications published by companies, media or other resources. Sustainalytics identifies 10 controversy indicators, which are assessed on a scale from 1 to 5: the lower the level, the less controversial the company and therefore the lower the risks involved.



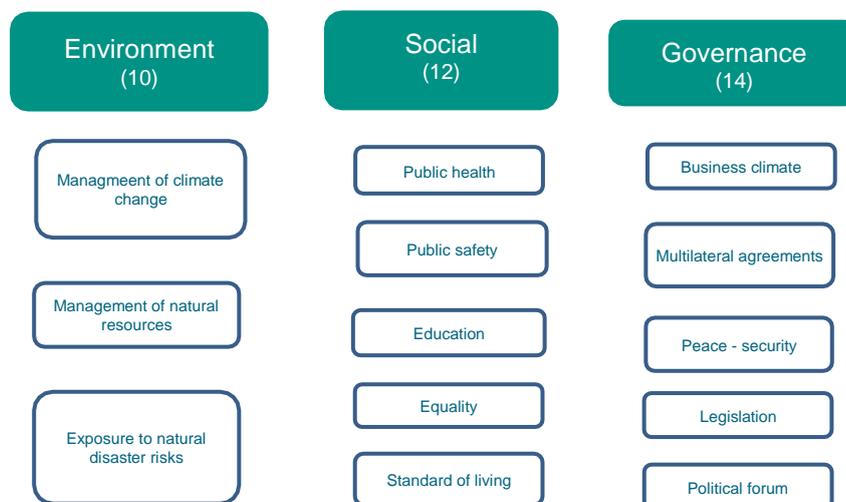
Assessing a country

Philosophy

Sustainalytics has developed a specific Country Risk Monitor (CRM) report to try and assess a country's level of sustainable development. The CRM provides insights into a country's economic prospects, current trends and global investment policy. The approach is regularly updated and evolves in line with regulatory progress, as well as economic, political or social developments.

ESG criteria for assessment

Fewer criteria are used to assess countries than for companies. These criteria - currently 36 - are grouped together around each ESG pillar and have been split into 13 topics.



Countries are rated on the same scale from 0 to 100.

B. Building the SRI rating for an SRI portfolio

ESG weighting

As described above, we have chosen the following respective weightings for the Environment, Social and Governance criteria: 50%, 30% and 20%. The Environment criteria's overweighting is based on the findings from a survey carried out with Neulize OBC Group clients. We have chosen to reduce the Governance weighting because the criteria for assessment seemed less relevant at the time. Today, issues relating to general meetings and bondholder groups are becoming increasingly important and led by investors with an increasingly activist approach.

However, we have decided to follow this advisory opinion, setting a significant relative importance for the E pillar with 50%, for several reasons:

- ▶ An environmental crisis can have a very high financial impact.
- ▶ The exhaustion of resources and prices for commodities are closely linked to the development of emerging countries such as China and changes in their consumption habits. Companies therefore need to adapt now to cope with potential shortages or higher prices in the future.
- ▶ Environmental constraints are becoming increasingly demanding (e.g. auto manufacturers with the monitoring of their fleets' CO2 emissions) and can represent significant costs and/or opportunities for companies.
- ▶ This criteria concerns what we will leave behind for future generations, so is therefore the most sustainable.

These various criteria make it possible to allocate a global SRI rating for private and public issuers. The scale for ratings is based on a frame of reference from 1 to 100, with 100 being the best score.

EMME weighting

For the ABN AMRO Euro Sustainable Money Market fund, we have taken into account various specific characteristics for the money market, and we have associated the rating based on the EMME criteria with the overall SRI rating to obtain an adjusted SRI rating that factors in both ESG criteria and the issuer's behaviour and performance on the money market. As the benchmark money market universe is made up primarily of banks and financial institutions, even though the proportion of "industrial corporate" issuers is tending to grow, the EMME criteria enables us to further strengthen the recognition of governance, the criteria with the biggest impact for this sector in our opinion (compared with the Environment and Social criteria).

The final EMME weighting is based on the scoring of the benchmark money market universe (as defined below) following one year of tests. The EMME criteria effectively represents 25% of the overall weighting, with 75% for the ESG pillars. Based on the weightings defined for the other funds, we obtain the following final weightings:

Weighting	Negotiable debt securities, ECP and CP
Environment criteria	$50\% \times 0,75\% = 37,5\%$
Social criteria	$30\% \times 0,75\% = 22,5\%$
Governance criteria	$20\% \times 0,75\% = 12,5\%$
EMME criteria	25,0 %

The following table summarises the weightings for the ESG and EMME criteria in issuer ratings:

Weighting	Countries, bonds, EMTNs BMTN	Negotiable debt securities, ECP and CP
Environment criteria	50%	37.5%
Social criteria	30%	22.5%
Governance criteria	20%	15%
EMME criteria	0	25%

Note that the overall weighting for the criteria and the conditions for calculating the EMME may change, particularly to take on board progress with the regulatory framework, which would result in updates to the SRI process and therefore this Code

Minimum SRI rating

Our SRI processes include a minimum SRI rating of 50/100 when making investments. This “threshold” rating has been defined after analysing Sustainalytics' entire available universe: standard deviation, average. The universe's dispersion was broken down for each pillar and sector. We then applied various levels of filters, based on 5 units at a time, ranging from 40/100 to 65/100, looking for the most relevant filter level. The 50/100 level filters around 33% of the universe made available by Sustainalytics, which seemed consistent with our overall approach.

Our prospectuses also include the possibility to hold “non-SRI” positions, which either do not have an SRI rating or have an SRI rating of less than 50/100 (on acquisition or following a deterioration) for up to 10% of the fund's assets under management. For example, this flexibility enables us to invest in companies whose sustainable value is maturing or not yet recognised (e.g. generally SMEs and mid-market firms).

Our SRI money market fund does not apply this filter for a minimum SRI rating because this has been replaced with the EMME pillar, which is more relevant for a money market universe that is dominated by banks and financial institutions.

Controversies

We do not currently apply a weighting for the final rating based on the level of controversies identified.

We systematically analyse controversies that reach the highest level (5 on our scale for assessment) for the three ESG pillars. Securities held in the SRI portfolios that show or reach a 5/5 controversy level are reported to the management company's SRI and Selection Committees. This level may negatively affect the reputation of the portfolio - SRI or non-SRI - that holds the company in question.

However, it is important to evaluate whether or not the level of controversy is improving and the circumstances have already undermined the security's valuation. The resulting management action may be taken immediately by the manager, jointly notifying the aforementioned committees, or may be decided on after the committees have met.

We would like to remind you that controversies are not assessed for countries.

2e) How frequently is the ESG evaluation reviewed?

Frequency of ESG evaluations by Sustainalytics

The ESG ratings are updated at least once a year when annual reports are published and are revised during the year if any major events are detected. Sustainalytics focuses in priority on direct dialogue and contact with companies to fine-tune its quantitative approach with a qualitative approach.

Controversies are assessed on an ongoing basis and reported on each month.

Frequency of management company updates for SRI ratings

ESG ratings are updated each month (at the start of the month). The calculation of SRI ratings is reviewed each month for all the equities and bond portfolios. This is currently quarterly for the money market portfolio, taking into account the time needed to collect information for assessing the EMME. However, our objective is still to make monthly updates.

The ESG assessment of the various benchmark indexes is carried out as and when ESG ratings are updated for the portfolios concerned.

Concerning the composition of the Iboxx Euro Corporate index: to simplify our approach, we refer to the index that is restated and updated by Sustainalytics (file presenting the companies from the index without any weighting).

Frequency of management company assessments of the ESG process

The ESG selection process may exceptionally be revised at any time if, for example, there are any major changes to the investment universe, the regulatory framework or the SRI range.

This may also be the case if the SRI Committee and its ESG data providers develop new indicators that are likely to enhance the analysis process already in place.

3. Fund management process

3a) How do you take into account ESG criteria when defining the universe of eligible investments?

Step 1: Defining the investment universes

A. Definition of the money market investment universe:

- ▶ Investment universe for ABN AMRO Euro Sustainable Money Market

To monitor our money market fund's SRI performance, we have incorporated regulatory restrictions throughout the investment and selection process. We have tried to create a benchmark money market universe that is as relevant as possible and consistent with the reality on the money market in order to be able to assess our money market fund's ESG performance. Its financial performance index is currently a rate: the Eonia.

The initial universe is made up of issuers of negotiable debt securities, euro commercial paper, commercial paper, bonds, euro medium-term notes and any fixed-income securities issued by OECD countries.

In accordance with regulatory requirements, our money market investment universe includes issuers that have been approved by the management company and satisfy the following regulatory requirements:

- ▶ Issuers have a financial rating defined by the management company's rating process with:
 - A minimum level of A-21 for negotiable debt securities, ECP and CP and issues from OECD countries,
 - A minimum level of BBB1 for bonds, EMTNs and BMTNs.
- ▶ “Unrated” issuers

We wanted to define the most relevant money market investment universe possible based on financial filters. There are no ESG filters at this stage.

The index created in this way is now our benchmark money market index. The ESG and EMME ratings are applied for each issuer based on the weighting explained above. This gives us an SRI rating for each issuer. To maximise coverage for the ESG analysis (over 90%), we have rolled out an additional SRI rating process that involves retaining the ESG+EMME rating for the holding structure if it is rated and its subsidiary is not, or vice versa. Any exceptions, specific cases or additional rating processes are validated and retained by the SRI Committee.

The index's SRI rating is obtained by calculating the mathematical average of the SRI ratings for each issuer (excluding unrated). The portfolio's SRI rating is weighted (restated for unrated).

- ▶ Money market investment universe for the range's other SRI funds (excluding ABN AMRO Euro Sustainable Money Market):

The eligible money market universe for the other funds from our SRI range is wider, in terms of financial ratings, than that applied for our money market funds, which are not subject to regulatory restrictions.

For our SRI diversified funds, we do not calculate the SRI performance for their benchmark money market index and we do not draw up SRI reports on the share of “money market” assets. However, we ensure that money market investments are effectively aligned with the minimum rating requirements and sector exclusions from the socially responsible investment process put in place. Currently, the benchmark index retained for these funds is the Eonia (overnight rate for returns on money).

B. Definition of the bond investment universe:

All issuers are eligible for the bond investment universe for our SRI funds provided that they satisfy the sector-level filters and meet the minimum SRI rating conditions (except in specific cases).

Currently, the bond benchmark index retained for our diversified funds is the 3-5 year EMTS, which groups together the main government bonds from the eurozone weighted based on their relative shares of eurozone GDP. We have decided to not calculate the SRI performance for this index.

The benchmark bond index retained for our SRI bond fund, ABN AMRO Euro Sustainable Bonds, is the Iboxx Euro Corporate index. This index covers around 1,400 bonds. It is monitored and updated by Markit. The fund aims to deliver a stronger financial performance than its index over a five-year period, in addition to outperforming the index on SRI aspects. We therefore calculate an SRI rating for the benchmark index. To facilitate the calculations, we base our approach on the index's components restated by Sustainalytics. The coverage rate for Sustainalytics' ESG analysis of the index is satisfactory, because it is over 90%.

The ESG ratings published by Sustainalytics are applied for each issuer. We weight each pillar in line with the core E-S-G key for all our SRI funds, i.e. 50-30-20, to obtain the SRI rating for each issuer.

The benchmark index's SRI rating is obtained by calculating the mathematical average of each SRI rating. The portfolio's SRI rating is weighted and restated for unrated investments, cash demand deposits and exceptions. Indeed, this fund also invests in vehicles that inherently have a strong "societal" identity and are not covered by an ESG assessment, such as unlisted social bonds and microfinance bonds.

C. Definition of the equities investment universe:

In principle, all equities listed in euros are eligible for the investment universes for our diversified and equities funds (sector-level exclusions and minimum ESG ratings applied subsequently). At this stage, the minimum market capitalisation is not taken into consideration and funds can invest in small and mid-cap companies.

The benchmark equities indexes retained are leading indexes with an ESG coverage rate for Sustainalytics that is very close to 100%. The SRI rating for each equities index will be obtained by applying the ESG ratings calculated by Sustainalytics to each company included in the index. Each company's SRI rating is calculated by applying the core weighting key for the ESG pillars covering all the SRI funds, i.e. 50/30/20.

The final SRI ratings for the index and portfolios (equities section) are weighted.

D. Definition of the universe for eligible funds:

The funds can invest in other funds, in line with the limits defined in their respective prospectuses (from 10 to 100%). These funds may potentially be non-SRI (within the limit of 10% of net assets identified as "non-SRI" - see prospectus), although in general we prefer funds that are covered by an SRI process.

We can use internal SRI funds, with a guarantee of full transparency for management processes and perfect alignment with the SRI processes. However, we may also look for diversification and complementary investments through external SRI funds.

To filter the universe for eligible funds, we can use Morningstar's database, identifying funds classed as "socially conscious" and/or funds with labels (SRI, green funds, etc.) and/or funds that are not labelled but are covered by an SRI process. The finance industry is making significant progress in this area and new private or public labels will be able to be incorporated into the selection as and when they become available.

The transparency of information is very important for us. All external funds must be validated by our dedicated fund selection team. The team carries out a quantitative and qualitative analysis of the management company and fund selected. An additional questionnaire has been drawn up for SRI funds. This team is made up of several analysts with transversal SRI expertise.

Step 2: Sector-level exclusions

As defined above, our SRI philosophy is based on the analysis of the ESG pillars and sector-level exclusions. These exclusions are applied for all the funds covered by this Code.

We have decided to exclude from our initial universe any companies that generate more than 25% of their revenues in certain controversial sectors such as:

- ▶ Tobacco
- ▶ Weapons
- ▶ Gambling
- ▶ Pornography

Today, the financial industry has identified other controversial sectors such as: nuclear power, alcohol production, chemicals, intensive farming, animal testing, fossil energies, etc.

ABN AMRO Investment Solutions also takes into account the “controversy weapon list” that is monitored and distributed internally by ABN AMRO with a view to excluding issuers that are involved in the production and/or sale of controversial weapons (antipersonnel mines, cluster bombs, chemical weapons, etc.). This list is reviewed each quarter and distributed internally; it must be applied for the group and therefore all SRI and non-SRI investments.

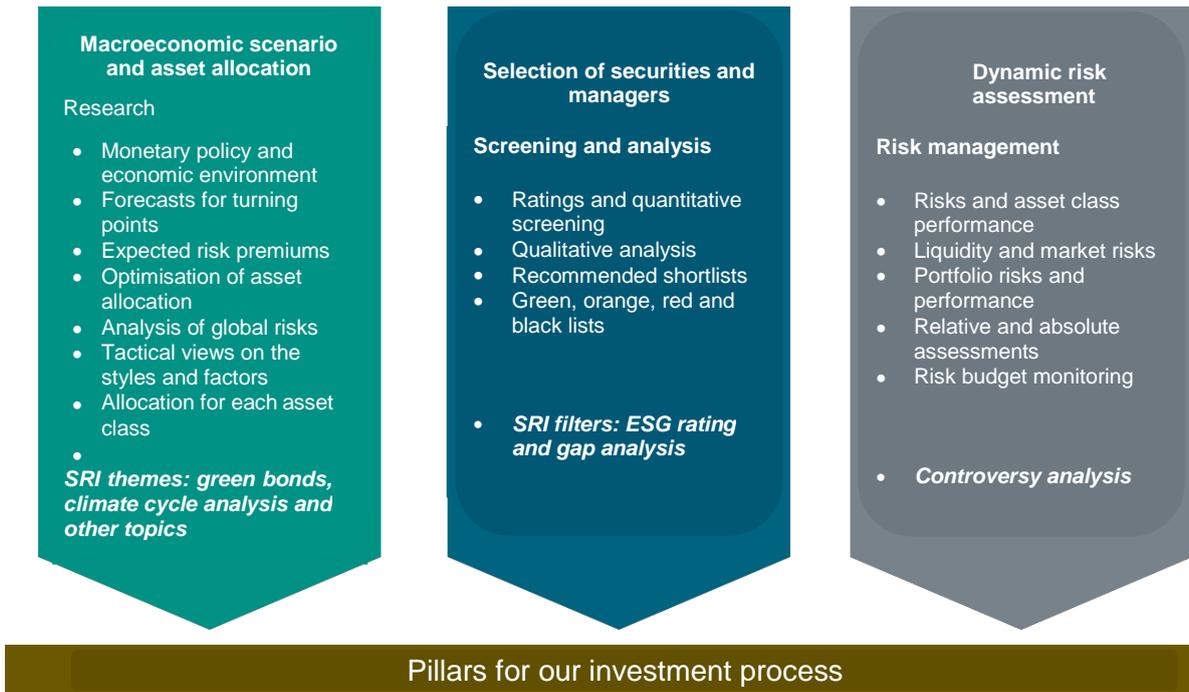
We also refuse to invest in bond or money market issues registered in tax havens, as defined by the OECD or included on the list of Non-Cooperative Countries and Territories (NCCT) published by the French Ministry of Economy and Finance.

3b) How do you take ESG criteria into account in the portfolio construction?

The process for selecting securities for our SRI portfolios combines financial criteria and ESG criteria, which are reviewed alongside one another. The financial criteria are based on a top-down approach (macroeconomic, sector analysis) and a bottom-up approach (management quality, strategy, competitive positioning, financial outlook, financial valuation). The inclusion of ESG criteria in this review of companies must make it possible to identify leaders in terms of sustainability and, on the other hand, companies with the highest risks from an ESG perspective.

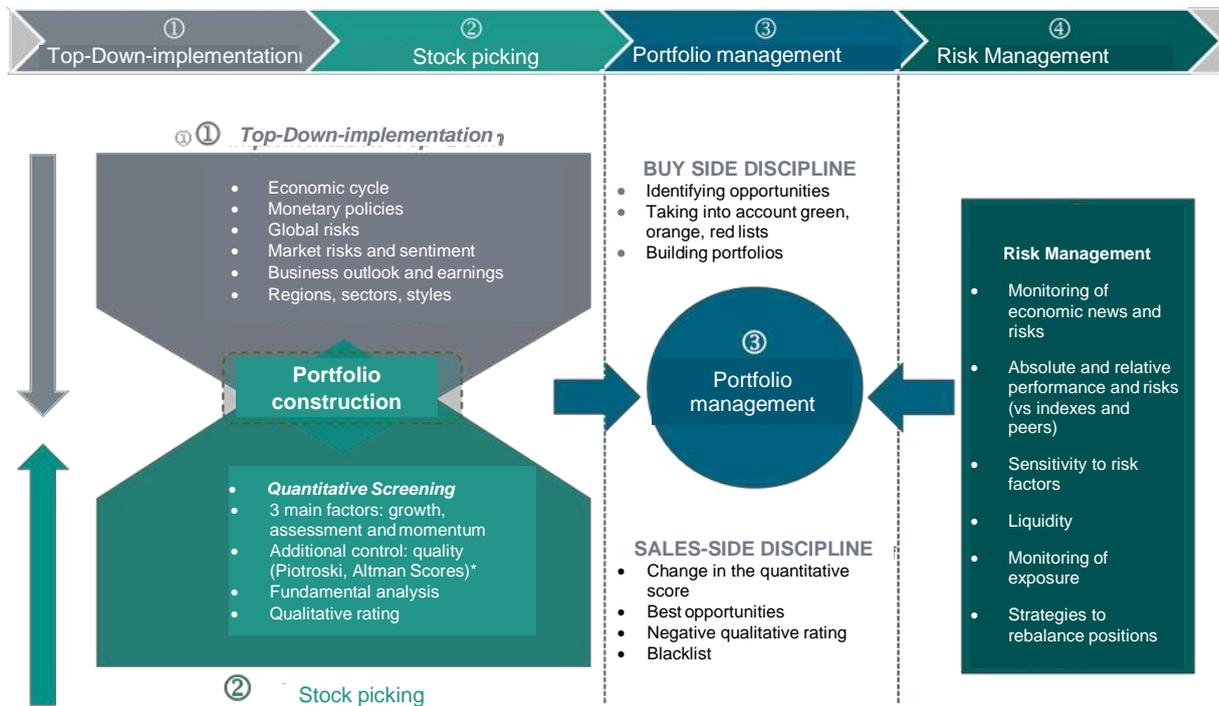
The three pillars for our SRI investment process are based on:

1. Our asset allocations and macroeconomic scenarios
2. Our selection of securities and funds
3. Our assessment of the various risks



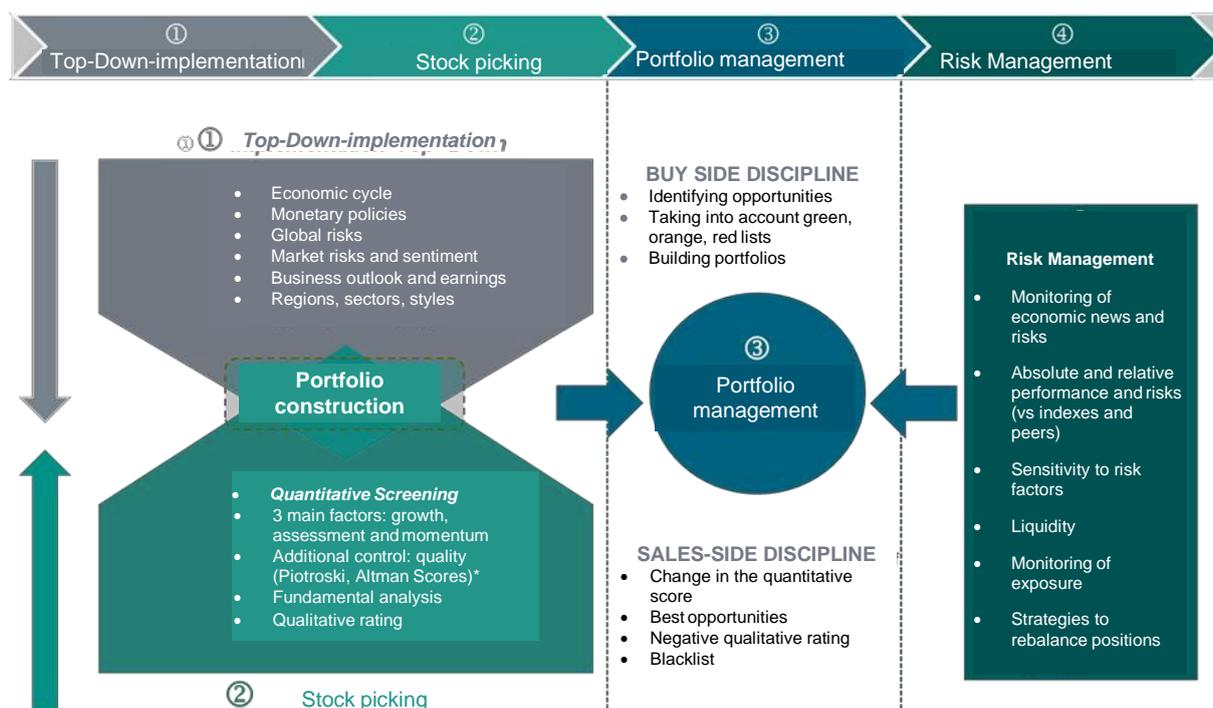
Source: ABN AMRO Investment Solutions

The process to build SRI equities portfolios (or the equities component of diversified portfolios) can be summarised as follows:



Source: ABN AMRO Investment Solutions

The process to build SRI money market and bond portfolios (or the fixed-income component of diversified portfolios) can be summarised as follows:



Source: ABN AMRO Investment Solutions

How are the findings from the ESG analysis included in the divestment process? Where is information available concerning divestments?

Following a significant deterioration in the SRI rating of a security in the portfolio, taking the company's SRI rating down to less than 50/100, the manager must look at whether or not to keep the security. The deterioration may not necessarily be linked to a deterioration in the issuer's sustainable behaviour. It may result from a change of shareholding structure (as with an LBO), leading to a period of time without communication on its CSR objectives for instance. In cases like these, our partner Sustainalytics may decide to publish "sanction" ratings without any real impact on their image.

The prospectuses for our SRI funds include the possibility to retain "non-SRI" investments for up to 10% of their net assets: SRI investments that are unrated or rated less than 50/100 must be included in this category.

If the ESG rating falls below 50/100, managers have the option to retain this security if they believe that the deterioration will not have any consequences in terms of image or returns. In any case, managers will be required to notify the SRI Committee to request its opinion. The security will be sold or may be retained if the 10% ratio has not been exceeded. In the majority of cases, managers will sell the securities, taking into account market conditions, with a view to safeguarding holders' interests. The SRI process for our money market fund does not include any arrangements for a minimum SRI rating to be respected. With the growing number of regulatory constraints, the application of a fourth pillar in addition to the ESG pillars would make the selection process very restrictive; it did not seem relevant to add a minimum limit for an SRI rating since the portfolio's overall SRI rating must remain higher than its

benchmark index. To meet this target, the proportion of ratings below 50/100 will therefore be low.

The appearance of a significant controversy will not automatically result in a divestment, but it will be reviewed by the SRI Committee, which then decides on the most appropriate action (engaging with the company, selling the securities, etc.).

In addition, there is no systematic reporting of divestments linked to the ESG criteria. However, if this is considered relevant, specific communication may be set up with the monthly or quarterly reports.

3c) Does (do) the fund(s) have a specific ESG engagement policy?

ABN AMRO Investment Solutions does not intend to be an activist shareholder. However, if we identify any critical points, we will raise them during our meetings with companies. We aim to share our process and the way we integrate ESG criteria into our management with the companies so they can better understand our expectations and constraints. As such, there is no specific commitment for the funds, but they benefit from the SRI Committee and Management team's extensive exchanges with the companies.

The engagement approach is a long-term process. To date, we have not put in place any specific process to check the effectiveness of our engagement policy, which is quite recent. Our engagement methods may be based on various approaches depending on the issues identified and their level of importance. The preferred method is to meet and discuss with the companies' leadership teams during regular meetings. We can also express our disagreement by voting at general meetings or even working with other institutional investors to submit resolutions.

Engagement is not carried out on behalf of the funds. Either the SRI Committee members or the people in charge of voting will express their convictions during regular meetings with companies' leadership teams.

3d) Does (do) the fund(s) have a specific voting policy integrating ESG criteria?

ABN AMRO Investment Solutions' voting policy is available on our website (www.abnamroinvestmentsolutions.com, bottom banner, under "Regulatory information").

We have a global voting policy covering all the management companies. As such, it is not specific to SRI funds. However, in line with the commitment made after the Group signed up to the PRI, we are continually working to further strengthen our voting policy, notably including the findings of the AFG Corporate Governance Committee, which we are part of. With certain specific exceptions, reviewed by the AAIS general meetings committee, it is decided that the management company will exercise its voting rights for issuers from France and other countries, extending its voting policy.

To further enhance our voting process, we have decided to extend it to include foreign-law companies, covering more companies and general meetings.

To ensure the effectiveness of the voting arrangements, it has been decided to set minimum limits for participation in general meetings, depending on the representativeness of issuers in relation to the portfolio concerned and the issuers' nationality. In addition, we will capitalise on the introduction of this new voting policy to strengthen our requirements concerning the management teams of the companies that we invest in.

3e) Does (do) the fund(s) engage in securities lending activities?

The funds are authorised in line with their regulations to engage in securities lending activities. In practice, to date, only the ABN AMRO Euro Sustainable Money Market fund has used this type of operation, in 2015, to place surplus liquidity against a guarantee based on government securities. These specific operations are "repurchase agreements" and are combined with a bilateral option for "early settlement" within 48 hours.

3f) Does (do) the fund(s) use derivative instruments?

When indicated in their prospectus, the SRI funds may occasionally use certain derivative instruments: futures, options, interest rate and currency swaps, securities with embedded derivatives. These instruments are set up in connection with risk management operations and are not used to generate leverage.

For instance, this involves hedging the interest rate or currency risk for all or part of the portfolios, quickly exposing or hedging the portfolios against their benchmark indexes, prorated to the net inflows recorded, etc.

3g) Is a share of the fund(s) invested in unlisted entities pursuing strong social goals?

Today, only our bond fund holds a small percentage of its assets in unlisted debt from an NGO issuer, which therefore has strong social goals. Its prospectus explicitly allows unlisted debt to be held for up to 10% of its assets under management.

4. Controls and ESG Reporting

4a) What internal / external control procedures are in place to ensure the compliance of the portfolio with the ESG rules defined in section 3 of this Code?

A database grouping together the ESG data for each issuer from the investment universe has been created and is monitored by ABN AMRO Investment Solutions' current SRI Committee. It supports the managers and control team at various stages in the process. As these procedures evolve, these data and their updates will be gradually incorporated by the teams in charge of the repository.

Pre-trade

The ESG base is updated every month (for the equities and bonds section) and every quarter (for the money market section) by the SRI Committee. Before any securities are included in the portfolio, the manager always checks that the securities are

effectively aligned with our SRI criteria. To do this, we have incorporated the ESG ratings for securities into the Front Office order placement tool.

However, if the issuer has never been included in our database, pre-trade controls can only be carried out by the portfolio manager by directly consulting Sustainalytics' specialist website.

Post-trade

Following each net asset value, ABN AMRO Investment Solutions' Operational Control team checks that the portfolio is compliant with our SRI investment rules (sector-level exclusions, ratio of unrated issuers in portfolios, and portfolio SRI ratings) as defined in the regulatory prospectuses.

If any anomalies are detected, the Operational Control and Monitoring Department notifies the portfolio's manager by email. As quickly as possible, the manager must take the measures required to ensure compliance with the management process.

4b) Please list all public media and documents used to inform investors about the SRI approach for the fund(s)

- ▶ Prospectus and KIID (www.abnamroinvestmentsolutions.com - Fund tab - Choice of funds Documents)
 - Management process
 - Charges and fees
 - Regulatory information, etc.
- ▶ Full-year and half-year accounting reports
- ▶ Specific internet page on SRI management (www.abnamroinvestmentsolutions.com -SRI tab)
- ▶ Voting policy (www.abnamroinvestmentsolutions.com - Regulatory information tab)
- ▶ Presentation of our SRI expertise on the Novethic site (www.novethic.fr/isr-et-rse/la-liste-des-fonds-isr/les-societes-de-gestion/detail/neuflize-obc-investissements.html)
- ▶ Details of securities in the portfolio
 - These are available exclusively on request by clients (by email or phone).
 - Clients can obtain the detailed monthly report (sorted by economic agent, by group, etc.).
 - Clients can obtain the portfolio's detailed line-by-line inventory (within the regulatory one-month timeframe).
- ▶ Corporate social responsibility policy

Information concerning the company's CSR policy is available:

- In Banque Neuflyze OBC's annual sustainable development report: <http://www.neuflyzeobc.fr/fr/esprit-maison/convictions/index.html> - Module: Find out more
- In Banque ABN AMRO's annual sustainable development report: <http://www.abnamro.com/en/Sustainability/reports/index.html>
- In the commercial brochure: it presents the Bank's commitment to a sustainable future, through growth in the value of its clients' private or business holdings, human capital, and societal and environmental assets. It is available in paper copies.
- On the Banque Neuflyze OBC website: it presents the Bank's philosophy and commitments (<http://www.neuflyzeobc.fr/> - Tab: Company philosophy).

The CSR strategy is regularly updated and systematically included in the annual reports and on the internet sites.

* * *

AFG and FIR commitments

The French Asset Management Association (AFG) and the French Sustainable Investment Forum (FIR) will be responsible for promoting and distributing this Code as widely as possible. For this, they undertake to publish the list of funds that have signed up to this Code on their respective sites.

www.afg.asso.fr (Section: Offer / SRI)
www.frenchsif.org
www.eurosif.org/publications/european_sri_transparency_guidelines

Disclaimer - The AFG and FIR cannot assume any legal or other liability for any incorrect or misleading information provided by signatory funds in their responses to this Transparency Code.

Definition of SRI-related terms

Socially responsible investment (SRI)

Application of sustainable development principles for investments. Approach that involves simultaneously and systematically taking into account the three environment, social and governance (ESG) dimensions in addition to the usual financial criteria. It can be implemented in various ways, based on positive selection, exclusion or a combination of the two approaches, all incorporating criteria for dialogue with issuers, if applicable.

Sustainable development

“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. This concept includes at least three dimensions: economic, social and environmental.

ESG criteria

- Environmental dimension: refers to the direct or indirect impacts of an issuer's activities on the environment.
- Social dimension: relates to the direct or indirect impacts of an issuer's activities on stakeholders, with reference to universal values (notably human rights, international labour standards, fight against corruption, etc.).
- Governance dimension: series of processes, regulations, laws and institutions influencing the way the company is managed, administrated and controlled. It also includes relations between the many different stakeholders and the objectives governing the company. These key stakeholders include the company's shareholders, leadership team and board of directors.

Engagement

Activity of investors (pension funds, insurance companies, management companies, etc.) aimed at influencing a company's behaviour, over the medium and long term, by promoting the importance of taking environmental, social and governance factors into account more effectively. This action covers both dialogue with companies (individually or collectively), and the voting practices applied by managers, including the registering of proposed resolutions for general shareholders' meetings.

Corporate social responsibility (CSR)

Application of sustainable development principles for a company. Alongside standard economic criteria, a voluntary approach by companies to incorporate environmental, social and governance (ESG) concerns into their activities and their relationships with stakeholders.

Stakeholders

Any group or individual that may affect or be affected by the achievement of an organisation's objectives. In the case of a company, this term refers to all the people or entities (employees, shareholders, clients, suppliers, local authorities, NGOs, trade unions, civil society, etc.) that have direct or indirect links with the company.

* Brundtland Report, August 1987, World Commission on Environment and Development.

About the AFG

The French Asset Management Association (AFG) represents asset management professionals. It groups together all asset management operators, whether they work individually (mandates) or collectively.

They manage nearly 2,600 billion euros of assets, including over 1,400 billion euros under collective management (ranked number 1 in Europe and number 2 worldwide behind the United States).

France is Europe's leading country for SRI fund management.

Very early on, the AFG decided, particularly with the creation of its SRI Committee, to lend its full support to the development of socially responsible financial management in France. A forum for exchanges and information, this Committee is active across a range of concrete fields, from drawing up transparency codes to leading and participating in industry-level activities focused on SRI. This Committee has played and will continue to play a major role in setting up and operating the Sustainable Finance and Responsible Investment research chair.

This commitment by the AFG to SRI is part of the more global framework for its actions to promote long-term savings (employee savings and retirement savings) and asset quality (strong action on corporate governance, etc.), which are essential for effectively financing the economy and protecting savers' interests.

AFG - 31 rue de Miromesnil 75008 Paris - Tel +33 (0) 1 44 94 94 00 - Fax. 01 42 65 16 31 – www.afg.asso.fr

About the FIR

The French Sustainable Investment Forum (FIR) is a multi-stakeholder association focused on promoting socially responsible investment (SRI). The FIR groups together all SRI stakeholders: investors, management companies, brokers, ESG rating agencies, investment advisers, industry and union organisations, as well as committed professionals and academics. The FIR's missions include promoting SRI with opinion leaders and institutions, as well as establishing dialogue with companies on environmental, social and governance issues, notably through the CorDial platform. The FIR is also the driving force behind the European "Finance and Sustainable Development" Research Award. This award, in conjunction with the PRI (Principles for Responsible Investment), has recognised the best academic work each year since 2005. In 2010, the FIR launched SRI Week, with several dozen events held throughout France in October each year.

The FIR is one of the founding members of Eurosif.

FIR - La Ruche 84, quai de Jemmapes 75010 Paris - Tel +33 (0) 9 72 27 23 08 – www.frenchsif.org

About Eurosif

Eurosif, the European Sustainable Investment Forum, is the European association for the promotion and advancement of sustainable and responsible investment practices. A non-profit structure, Eurosif works in partnership with national forums across Europe that share the same mission and is supported by a vast network of members. This network covers a wide range of stakeholders from the responsible investment industry, from fund managers to their specialist service providers such as ESG rating agencies. Based in Brussels, Eurosif focuses primarily on activities to promote SRI and the recognition of sustainable development issues for investments with European institutions, in addition to promoting the European Transparency Code and research and reviews looking into market practices and their changes.

Eurosif is the leading European organisation for any stakeholders interested in the development of responsible investment practices.

Eurosif - 331, Rue du Progrès, B-1030 Brussels – Tel +32 (0) 2 274 14 35 – www.eurosif.org