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INTRODUCTION

This policy outlines Mandarin Gestion's ("Mandarine Gestion ") approach to controversial weapons investments, specifically with regards anti-personnel landmines, cluster munitions, depleted uranium as well as chemical and biological weapons producers.

This Policy is reviewed on a regular basis by the SRI department and the Compliance officer and updated where necessary to reflect changes in circumstances and actual practice.

Controversial weapons

Controversial weapons can be described as those that are either illegal – as their production and use is prohibited by international legal instruments (where these have been ratified by a particular State) – or considered controversial because of their indiscriminate effects and the disproportionate harm they may cause.

APPROACH TO INVESTMENTS IN CONTROVERSIAL WEAPONS

Mandarine Gestion's funds

The following policy applies as standard to all investments vehicles and funds where Mandarine Gestion controls the investment policy for the funds.

For funds, Mandarine Gestion will not knowingly invest in corporate issuers involved in the manufacture of:

- Anti-personnel landmines,
- Chemical and biological weapons,
- Cluster munitions, and
- Depleted uranium.

The policy does not apply to derivatives or indirect involvement e.g. financial institutions which may themselves invest in/offers services to these companies, nor does it exclude investment in companies who through their pension schemes, are invested in these companies.

The list is updated on a regular basis, at least once a year.

There is a process in place internally to prevent a portfolio to invest in an issuer excluded from investment under the policy.

FRAMEWORK Mandarin Gestion considers the following weapons as controversial weapons:

Anti-personnel mines

France signed the Ottawa Convention on 3 December 1997 and ratified it on 23 July 1998. It was transposed into French law by the Act of 8 July 1998.

1.1 Convention on the prohibition of the use, stockpiling, production and transfer of anti-personnel mines and on their destruction opened for signature by States on 3 December 1997 in Ottawa.

In its Article 1, the Ottawa Convention specifies that:

« 1. Each State Party undertakes never, under any circumstances:

(a) to use anti-personnel mines;

(b) to develop, produce, otherwise acquire, stockpile, retain or transfer to anyone, directly or indirectly, anti-personnel mines;

(c) to assist, encourage or induce, in any way, anyone to engage in any activity prohibited to a State Party under this Convention.

2. Each State Party undertakes to destroy or ensure the destruction of all anti-personnel mines in accordance with the provisions of this Convention. »

Landmines are victim-activated explosive weapons intended to kill or injure multiple persons. They have a long explosive lifetime and often last decades after a conflict has ended, and can significantly affect civilian populations and post-war development.

Cluster Munitions

France signed the Oslo Convention on 3 December 2008 and ratified it on 25 September 2009. It was transposed into French law by the Act of 20 July 2010.

2.1 Convention on cluster munitions signed in Oslo on 3 December 2008.

In its Article 1, the Oslo Convention specifies that: "Each State Party undertakes never, under any circumstances:

(a) to use cluster munitions;

(b) to develop, produce, otherwise acquire, stockpile, retain or transfer to anyone, directly or indirectly, cluster munitions;

(c) to assist, encourage or induce any one to engage in any activity prohibited to a State Party under this Convention."

2.2 Law No.2010-819 of 20 July 2010 on the elimination of cluster munitions

Article 1 of the law inserts an Article L.2344-2 in the Defence Code as follows:

"Art.L.2344-2–The development, manufacture, production, acquisition, stockpiling, retention, offering, sale, importing, exporting, trading, brokerage, transfer and use of cluster munitions are prohibited.

"The fact of assisting, encouraging or inducing any one to engage in one of the aforementioned prohibited activities is also prohibited. (...)" Parliamentary debates specify that this prohibition is aimed at any financing, "director indirect and with full knowledge of the facts», of cluster munitions.

Cluster munitions that are launched, dropped, or fired from the ground, the air, or the sea and release sub-munitions from a larger single 'parent' container, either before, during or after landing. Often these sub-munitions remain unexploded and have the same effect as land mines on civilian populations.

Chemical / Biological / White Phosphorus weapons

The international community banned the use of chemical and biological weapons after World War I (the 1925 Geneva Protocol – banning asphyxiating, poisonous or other gases and bacteriological methods of warfare) and reinforced the ban in 1972 (the Biological Weapons Convention or the Biological and Toxin Weapons Convention (BTWC), prohibited the development, production, stockpiling, acquisition, retention and transfer of such weapons, including their delivery systems, and required their destruction) and 1993 (where the Chemical Weapons Convention (CWC) extended the prohibition on use in the 1925 Protocol to the development, production, stockpiling, retention and transfer of chemical weapons, including their delivery systems. It also covered their destruction).

France signed both the Biological & Toxin Weapons Convention and the Chemical Weapons Convention. They were transposed into French law respectively in 1972 and in 1998.

- The Chemical Weapons Convention aims to eliminate an entire category of weapons of mass destruction by prohibiting the development, production, acquisition, stockpiling, retention, transfer or use of chemical weapons by States Parties. States Parties, in turn, must take the steps necessary to enforce that prohibition in respect of persons (natural or legal) within their jurisdiction.
- The Biological Weapons Convention effectively prohibits the development, production, acquisition, transfer, retention, stockpiling and use of biological and toxin weapons and is a key element in the international community's efforts to address the proliferation of weapons of mass destruction.
- Although there is no convention or legal framework comprehensively illegalising or regulating White Phosphorus Weapons, Mandarine Gestion considers their incendiary effects as dangerous as the chemical and biological weapons and therefore could be treated as such.

Depleted uranium weapons and ammunitions

Depleted uranium (DU) is a by-product of the uranium-enrichment process used to make nuclear weapons and nuclear-reactor fuel. DU and DU alloys can be used in weapons, ammunition, and/or armour made with depleted uranium (DU) and DU alloys. Considered a conventional weapon, the use of DU is controversial because of concerns about potential long-term health effects. There is currently no international convention banning the use of depleted uranium weapons, however there is increasing attention being shown to DU weapons and pressure continues to growing for an international ban. Companies involved in depleted uranium weapons will be analyzed, engaged with and potentially excluded on a case by case approach.

Definitions

Anti-personnel mines (APM): is a mine designed to be exploded by the presence, proximity or contact of a person and that will incapacitate, injure or kill one or more persons.

Source: <http://www.apminebanconvention.org/>

Cluster munitions: According to the Convention, a cluster munition is "a conventional munition that is designed to disperse or release explosive sub munitions each weighing less than 20 kilograms". The Convention applies to all types of cluster munitions in use. Used for the first time during the Second World War, cluster munitions have been used in at least 32 countries and territories. Once launched, these munitions disperse a large number of sub munitions over an area the size of several football pitches. These sub munitions are intended to explode upon impact but often do not do so, thus transforming the contaminated ground into a veritable mine field.

Source: <http://www.clusterconvention.org/>

Biological, chemical weapons: Biological and chemical weapons are munitions that utilise biological or chemical agents, respectively, to inflict death or harm. Either type can be dispersed in gas, liquid, or solid forms. As these munitions are based on organisms or chemicals, civilians are often unintended victims since the impact zone is constrained only by how far the particles can disperse. For biological weapons, person-to-person transmission of the illness can further exacerbate the civilian impact.

Source: <http://www.un.org/disarmament/WMD/Bio/> <http://www.opcw.org/chemical-weapons-convention/>

White phosphorus weapons: White phosphorus (WP) is an allotrope of the chemical element phosphorus, which burns fiercely when exposed to oxygen. A WP munition is any projectile (e.g. flares, grenades, or mortars) that is equipped with WP, in order to act as a smoke-producing agent, or as tracer, illumination, or incendiary munition. As an incendiary, WP can cause injury or death when ingested, inhaled, or causing severe burns. As a smoke-based weapon, WP munitions have an indiscriminate effect, often seriously impacting civilians in densely populated areas.

Exclusion policy

The exclusion list is provided by both extra-financial analysis partner and internal research.

This list applies to all Funds UCITS, open-ended and dedicated, as well as management mandates. The management company shall refuse to set up any UCI or Mandate for which the client expressly requests non-compliance with the management company's exclusion policy.

For delegated management, the management company transmits exclusion policy to the delegator management company.

For multi-management, the management company includes the exclusion policy in its due diligence, with communication of our policy to third parties and ex-post declarative verification.

The list of excluded stocks is communicated to managers and included in our OMS Tools, for the purpose of carrying out ex-ante and ex-post controls (risk control, head of compliance and internal control, compliance and internal control).

EXCLUSION LIST – Appendix

Company name	Country	ISIN
Aerojet Rocketdyne Holdings, Inc (GenCorp)	USA	US0078001056
Aerostar SA	Romania	ROAEROACNOR5
Aryt Industries Ltd.	Israel	IL0005870147
Aselsan AS	Turkey	TRAAEELS91H2
Ashot Ashkelon	Israel	IL0003120172
BAE Systems	UK	GB0002634946
China Aerospace International Holdings	HK	HK0031044180
China Spacesat	China	CNE000000SM3
Doosan Co Ltd	South Korea	KR7000150003
Elbit Systems Ltd	Israel	IL0010811243
Esterline Technologies Corp.	USA	US2974251009
General Dynamics Corp	USA	US3695501086
Hanwha Chemical Corp.	South Korea	KR7009830001
Hanwha Corporation	South Korea	KR7000880005
Hanwha Life Insurance Co. Ltd	South Korea	KR7088350004
Hanwha Techwin Co., Ltd.	South Korea	KR7012450003
L-3 Technologies	USA	US5024241045
Lockheed Martin Corporation	USA	US5398301094
Motovilicha plants PJSC	Russia	RU0006763570
Norinco International Cooperation Ltd. Class A	China	CNE000000VZ9
Northrop Grumman Innovation Systems	USA	US68557N1037
Poongsan Corporation	South Korea	KR7103140000
Poongsan Holdings Corporation	South Korea	KR7005810007
Raytheon Company	USA	US7551115071
S&T Dynamics Co Ltd	South Korea	KR7003570009
S&T Holdings Co. Ltd	South Korea	KR7036530004
ST Engineering	Singapore	SG1F60858221
Textron	USA	US8832031012