ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: CARMIGNAC PORTFOLIO EMERGING PATRIMOINE
Legal entity identifier: 5493009DHKYYWDKLT418

Environmental and/or social characteristics

11. Did this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ It made a minimum of **sustainable investments with an environmental objective:** ___%	☒ 12. It **promoted Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it had a proportion of 10 % of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Sub-Fund has promoted environmental and social characteristics by applying best-in-universe and best-efforts approaches to invest in a sustainable manner : 1) ESG integration, 2) Negative screening, 3) Positive Screening 4) Active Stewardship 5) Monitoring of Principal Adverse Impacts.

No breach of environmental and social characteristics promoted have been identified during the year.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

How did the sustainability indicators perform?

This Sub-Fund has used the following sustainability indicators to measure the attainment of each of the environmental or social characteristics promoted :

1) **The coverage rate of ESG analysis:** ESG integration through ESG scoring using Carmignac's proprietary ESG platform "START" (System for Tracking and Analysis of a Responsible Trajectory) has

been applied to more than 90% of issuers. In 2023, the coverage rate of ESG analysis was of 97.9% of issuers, on average, based on 4 quarters ends data.

2) **Amount the universe is reduced by** (minimum 20% of the equities and corporate bonds section of the portfolio):

> **i) Firm-wide**: Negative screening and exclusions of unsustainable activities and practices are identified using an international norms and rules-based approach on the following: (a) controversies against the OECD business guidelines, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and UN Global compact principles, (b) controversial weapons, (c) thermal coal mining, (d) power generation companies, (e) tobacco, (f) adult entertainment.
>
> **ii) Fund-specific**: Extended activity or stricter exclusion criteria cover oil and gas, weapons, gambling, alcohol, power generation, thermal coal mining, companies involved in factory farming, and companies on the People for the Ethical Treatment of Animals ("PETA") list . In addition, corporate bonds with an MSCI rating below 1.4 (rating from "0" to "10") on environmental or social pillars or having an overall MSCI rating of "CCC" or "B" (rating from "CCC" to "AAA") are a priori excluded of the Sub-Fund's investment universe. Companies rated "C" or above on the START (rating from "E" to "A") are reintegrated into the Sub-Fund's investment universe after an ad-hoc analysis which may involve an engagement with the company. The equity universe is further reduced by the number of companies deemed not aligned according to our SDG alignment assessment, as described above.

In 2023, the universe was reduced by 55.4% (for the equity section) and 28.4% (for the corporate bonds section) of the portfolio, on average, based on 4 quarters ends data.

3) **Positive screening** (**Sustainable Investments)**: The Sub-Fund makes sustainable investments whereby a minimum of 10% of the Sub-Fund's net assets are invested in shares of companies that are considered aligned with relevant United Nations Susainable Development Goals. The minimum levels of sustainable investments with environmental and social objectives are respectively 1% and 3% of the Sub-Fund's net assets.

Alignment is defined for each investment / investee company by meeting at least one of the following three thresholds:

a) **Products and services:** the company derives at least 50% of its revenue from goods and services that are related to one of the following nine SDGs (1) No Poverty, (2) No Hunger, (3) Good Health and Well Being, (4) Quality Education, (6) Clean Water, (7) Affordable and Clean Energy, (9) Industry, Innovation and Infrastructure, (11) Sustainable Cities and Communities, (12) Responsible Consumption and Production; or

b) **Capital expenditure:** the company invest at least 30% of their capital expenditure in business activities that are related to one of the following nine SDGs (1) No Poverty, (2) No Hunger, (3) Good Health and Well Being, (4) Quality Education, (6) Clean Water, (7) Affordable and Clean Energy, (9) Industry, Innovation and Infrastructure, (11) Sustainable Cities and Communities, (12) Responsible Consumption and Production; or

c) **Operations:**
   i. the company achieves an "aligned" status for operational alignment for at least three (3) out of all seventeen (17) of the SDGs, based on the evidence provided by the investee company of available policies, practices and targets addressing such SDGs. An "aligned" status represents an operational alignment score of ≥2 (on a scale of -10 to +10) as determined by the external scoring provider; and
   ii. the company does not achieve a "misaligned" status for operational alignment for any SDG. A company is considered "misaligned" when its score is ≤-2 (on a scale of -10 to +10), as determined by the external scoring provider.

In 2023, the Sub-Fund had 31.0% of the portfolio invested in sustainable investments as per our definition above mentioned on average, based on 4 quarters ends data. The levels of sustainable investments with environmental and social objectives are respectively 14.5% and 16.5% of the Sub-Fund's net assets, on average, based on 4 quarters ends data. Our sustainable investment definition changed in July 2023 to incorporate the SDG alignement to operations and a change to the capex alignement threshold to 50% from 30%. Therefore, the average percentage of sustainable investments given the above, reflects the sustainable investment definition in place at the time: using the previous SDG framework in Q1 and Q2 and the current SDG framework in Q3 and Q4 2023 respectively.

4) **Active stewardship**: Environmental and social related company engagements leading to improvement in companies sustainability policies have been measured by the following indicators: (a) level of active engagement and voting policies, (b) number of engagements, (c) rate of voting and (d) participation at shareholder and bondholder meetings). In 2023, we engaged with 60 companies at Carmignac level, and 7 companies at the Sub-Fund level. At Sub-Fund level, we voted for close to 100% of the meetings where we have shareholder or bondholder rights to exercise.

5) Principal Adverse Impacts: the Sub-Fund has applied the SFDR level II 2019/2088 Regulatory Technical Standards (RTS) annex 1 whereby 16 mandatory and 2 optional environmental and social indicators have been monitored to show the impact of such sustainable investments against these indicators : Greenhouse gas emissions, Carbon footprint, GHG intensity (investee companies), Exposure to companies in fossil fuel sector, Non-renewable energy consumption and production, Energy consumption intensity per high-impact climate sector, Activities negatively affecting biodiversity-sensitive areas, Emissions to water, Hazardous waste ratio, Water usage and recycling (optional choice), Violations of UN Global Compact principles or OECD Guidelines for Multinational Enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact and OECD Guidelines for Multinational Enterprises, Unadjusted gender pay gap (optional choice), Board gender diversity, Exposure to controversial weapons, Excessive CEO pay ratio. Sovereign bond issuers are monitored for Social violations and GHG intensity indicators.

In 2023, we switched to MSCI as our data provider to monitor the PAIs from Impact Cubed in 2022 because it offered more transparency and greater flexibility to build our own tools using the raw data provided by MSCI. Please find below the performance of the principal adverse impacts indicators for the year 2023, based on average quarter-end data, for the equity and corporate bond portions of the portfolio:

PAI Indicators	Based on company reported	Sub-Fund	Coverage
GHG Scope 1	Scope 1 GHG emissions	9294.05	82%
GHG Scope 2	Scope 2 GHG emissions	3014.03	82%
GHG Scope 3	From 1 January 2023, Scope 3 GHG emissions	44365.87	82%
Total GHG	Total GHG emissions	56822.07	82%
Carbon footprint	Carbon footprint	285.84	82%
GHG intensity	GHG intensity of investee companies	1591.20	95%
Exposure to fossil fuels	Share of investments in companies active in the fossil fuel sector	19%	95%
Non-renewable energy consumption and production	Share of non-renewable energy consumption and production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	78%	76%
Energy consumptionintensity - Total	Energy consumption in GWh per million EUR of revenue of investee companies - Total	1.14	79%
Energy consumption intensity - NACE SectorA	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector A(Agriculture, forestry and fishing)	0.00	79%
Energy consumption intensity - NACE SectorB	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector B (Mining and quarrying)	2.13	79%
Energy consumption intensity - NACE SectorC	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector C (Manufacturing)	0.70	79%
Energy consumption intensity - NACE Sector D	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector D (Electricity, gas, steam and air conditioning supply)	4.38	79%
Energy consumption intensity - NACE Sector E	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector E (Water supply; sewerage; waste management and remediation activities)	0.00	79%
Energy consumption intensity - NACE Sector F	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector F (Construction)	0.01	79%
Energy consumption intensity - NACE Sector G	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector G (Wholesale and retail trade; repair of motor	0.01	79%

	vehicles and motorcycles)		
Energy consumption intensity - NACE SectorH	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector H (Transporting and storage)	0.02	79%
Energy consumption intensity - NACE Sector L	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector L (Real estate activities)	0.31	79%
Biodiversity	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0%	95%
Emissions to water	Tons of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.00	3%
Hazardous waste	Tons of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	0.73	24%
Water usage and recycling	Average amount of water consumed and reclaimed by the investee companies (in cubic meters) per million EUR of revenue of investee companies	0.00	4%
Violations of UNGC/OECD	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.00	95%
Processes to monitor UNGC / OECD compliance	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.56	95%
Gender pay gap	Average unadjusted gender pay gap of investee companies	33%	4%
Board gender diversity	Average ratio of female to male board members in investee companies	23%	95%
Controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00	95%
Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)	196.75	41%
Greenhouse gas intensity (sovereign and supranational)	) GHG intensity of investee countries (tons of CO2e emissions per million EUR of the country's GDP)	713.79	88%
Social violations (sovereign and supranational)	Number of investee countries subject to social violations (as an absolute number and in proportion to the total number of countries receiving investments), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	0.25	88%

…and compared to previous periods?

This Sub-Fund has used the following sustainability indicators of its four pillar approach to measure the attainment of each of the environmental or social characteristics promoted :

1) **The coverage rate of ESG analysis:** ESG integration through ESG scoring using Carmignac's proprietary ESG platform "START" (System for Tracking and Analysis of a Responsible Trajectory) has been applied to more than 90% of issuers. As of 30/12/2022, the coverage rate of ESG analysis was of 100% of issuers.

2) **Amount the universe is reduced by** (minimum 20% of the equities and corporate bonds section of the portfolio): Negative screening and exclusions of unsustainable activities and practices reflected in low ESG scores from START, MSCI or ISS ESG scores have been performed based on the following indicators : (a) practices that are harmful to society and the environment, (b) controversies against the OECD business guidelines and UN Global compact principles, (c) controversial weapons (d) coal mining activity, (d) power companies that have not Paris alignment objectives in place, (f) companies involved in tobacco production, (g) companies involved in adult entertainment. As of 30/12/2022, the universe was reduced by 67.61% (for the equity section) and 41.03% (for the corporate bonds section) of the portfolio.

3) **Positive screening** using an SDG Approach: the Sub-Fund has invested through the year in companies that derive more than 50% of their revenue from business activities that are positively aligned to one of the nine SDGs selected by Carmignac. As of 30/12/2022, the Sub-Fund had 30.86% of the portfolio invested in sustainable investments as per our definition above mentioned.

4) **Active stewardship**: Environmental and social related company engagements leading to improvement in companies sustainability policies have been measured by the following indicators: (a) level of active engagement and voting policies, (b) number of engagements, (c) rate of voting and (d) participation at shareholder and bondholder meetings). In 2022, we engaged with 81 companies at Carmignac level, and 8 companies at the Sub-Fund level. At Sub-Fund level, we voted for close to 100% of the meetings where we have shareholder or bondholder righs to exercise (98%).

In addition, Principal Adverse Impact (PAI) monitoring : the Sub-Fund has applied the SFDR level II 2019/2088 Regulatory Technical Standards (RTS) annex 1 whereby 16 mandatory and 2 optional environmental and social indicators have been monitored to show the impact of such sustainable investments against these indicators : Greenhouse gas emissions, Carbon footprint, GHG intensity (investee companies), Exposure to companies in fossil fuel sector, Non-renewable energy consumption and production, Energy consumption intensity per high-impact climate sector, Activities negatively affecting biodiversity-sensitive areas, Emissions to water, Hazardous waste ratio, Water usage and recycling (optional choice), Violations of UN Global Compact principles or OECD Guidelines for Multinational Enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact and OECD Guidelines for Multinational Enterprises, Unadjusted gender pay gap (optional choice), Board gender diversity, Exposure to controversial weapons, Excessive CEO pay ratio. Sovereign bond issuers are monitored for Social violations and GHG intensity indicators.

Please find below the performance of the principal adverse impacts indicators for the year 2022, based on average quarter-end data, for the equity and corporate bond portions of the portfolio:

PAI Indicators	Based on company reported	Sub-Fund	Coverage
GHG Scope 1	Scope 1 GHG emissions	**7100**	48%
GHG Scope 2	Scope 2 GHG emissions	**3252,5**	48%
GHG Scope 3	From 1 January 2023, Scope 3 GHG emissions	**66257,5**	48%
Total GHG	Total GHG emissions	**76610**	48%
Carbon footprint	Carbon footprint	**205,0175**	48%
GHG intensity	GHG intensity of investee companies	**594,9325**	48%
Exposure to fossil fuels	Share of investments in companies active in the fossil fuel sector	**3%**	48%
Non-renewable energy consumption	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	**66%**	48%
Non-renewable energy production	Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	**100%**	48%
Energy consumptionintensity - Total	Energy consumption in GWh per million EUR of revenue of investee companies - Total	**0,315**	48%
Energy consumption intensity - NACE SectorA	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector A(Agriculture, forestry and fishing)	**N/A**	48%
Energy consumption intensity - NACE SectorB	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector B (Mining and quarrying)	**1,37**	48%
Energy consumption intensity - NACE SectorC	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector C (Manufacturing)	**1,035**	48%
Energy consumption intensity - NACE Sector D	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector D (Electricity, gas, steam and air conditioning supply)	**1,56**	48%
Energy consumption intensity - NACE Sector E	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector E (Water supply; sewerage; waste management and remediation activities)	**N/A**	48%
Energy consumption intensity - NACE Sector F	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector F (Construction)	**N/A**	48%
Energy consumption intensity - NACE Sector G	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector G (Wholesale and retail trade; repair of motor	**0,0275**	48%

	vehicles and motorcycles)		
Energy consumption intensity - NACE SectorH	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector H (Transporting and storage)	**0,1825**	48%
Energy consumption intensity - NACE Sector L	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector L (Real estate activities)	**0,0275**	48%
Biodiversity	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	**6%**	48%
Emissions to water	Tons of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	**1105,475**	48%
Hazardous waste	Tons of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	**11,455**	48%
Water usage and recycling	Average amount of water consumed and reclaimed by the investee companies (in cubic meters) per million EUR of revenue of investee companies	**8833,46**	48%
Violations of UNGC/OECD	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	**1%**	48%
Processes to monitor UNGC / OECD compliance	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	**30%**	48%
Gender pay gap	Average unadjusted gender pay gap of investee companies	**82%**	48%
Board gender diversity	Average ratio of female to male board members in investee companies	**18%**	48%
Controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	**0%**	48%
Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)	**67,3575**	48%

- ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The Sub-Fund makes sustainable investments whereby a minimum of 10% of the Sub-Fund's net assets, are invested in shares of companies that are aligned with relevant United Nations Sustainable Development Goals (SDGs). The minimum levels of sustainable investments with environmental and social objectives are respectively 1% and 3% of the Sub-Fund's net assets.

As mentioned above, alignment is defined for each investment / investee company by meeting at least one of the following three thresholds:

d) **Products and services:** derive at least 50% of their revenue from goods and services that are related to one of the following nine SDGs (1) No Poverty, (2) No Hunger, (3) Good Health and Well Being, (4) Quality Education, (6) Clean Water, (7) Affordable and Clean Energy, (9) Industry, Innovation and Infrastructure, (11) Sustainable Cities and Communities, (12) Responsible Consumption and Production; or

e) **Capital expenditure:** invest at least 30% of their capital expenditure in business activities that are related to one of the following nine SDGs (1) No Poverty, (2) No Hunger, (3) Good Health and Well Being, (4) Quality Education, (6) Clean Water, (7) Affordable and Clean Energy, (9) Industry, Innovation and Infrastructure, (11) Sustainable Cities and Communities, (12) Responsible Consumption and Production; or

f) **Operations:**

iii. the company achieves an "aligned" status for operational alignment for at least three (3) out of all seventeen (17) of the SDGs, based on the evidence provided by the investee company of available policies, practices and targets addressing such SDGs. An "aligned" status represents an operational alignment score of ≥2 (on a scale of -10 to +10) as determined by the external scoring provider; and

iv. the company does not achieve a “misaligned” status for operational alignment for any SDG. A company is considered “misaligned” when its score is ≤-2 (on a scale of -10 to +10), as determined by the external scoring provider.

These thresholds represent a significant intentionality of the company in regards to the contributing activity.

In 2023, the Sub-Fund had 31.0% of the portfolio invested in sustainable investments as per our definition above mentioned based on the end of quarter data. The levels of sustainable investments with environmental and social objectives are respectively 14.5% and 16.5% of the Sub-Fund’s net assets based on the end of quarter data. Our sustainable investment definition changed in July 2023 to incorporate the SDG alignement to operations and a change to the capex alignement threshold to 50% from 30%. Therefore, the average percentage of sustainable investments given the above, reflects the sustainable investment definition in place at the time: using the previous SDG framework in Q1 and Q2 and the current SDG framework in Q3 and Q4 2023 respectively.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

We use the following mechansims to ensure our sustainable investments do not cause significant harm to any environmental or social sustainable investment objective:

1) Universe reduction process (minimum 20%):

i) Firm-wide: Negative screening and exclusions of unsustainable activities and practices are identified using an international norms and rules-based approach on the following: (a) controversies against the OECD business guidelines, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and UN Global compact principles, (b) controversial weapons, (c) thermal coal mining, (d) power generation companies, (e) tobacco, (f) adult entertainment.

ii) Fund-specific: Extended activity or stricter exclusion criteria cover oil and gas, weapons, gambling, alcohol, power generation, thermal coal mining, companies involved in factory farming, and companies on the People for the Ethical Treatment of Animals ("PETA") list . In addition, corporate bonds with an MSCI rating below 1.4 (rating from “0” to “10”) on environmental or social pillars or having an overall MSCI rating of “CCC” or “B” (rating from "CCC" to "AAA") are a priori excluded of the Sub-Fund’s investment universe. Companies rated “C” or above on the START (rating from "E" to "A") are reintegrated into the Sub-Fund’s investment universe after an ad-hoc analysis which may involve an engagement with the company. The equity universe is further reduced by the number of companies deemed not aligned according to our SDG alignment assessment, as described above.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

2) Active stewardship: ESG-related company engagements contributing to better awareness or improvement in companies’ sustainability policies are measured by following indicators: (a) level of active engagement and voting policies, (b) number of engagements, (c) rate of voting and (d) participation at shareholder and bondholder meetings.

How were the indicators for adverse impacts on sustainability factors taken into account?

According to Carmignac approach defined, the Principal Adverse Impact indicators were monitored on a quarterly basis. Adverse impacts are identified for their degree of severity. After internal discussionan action plan is established including a timeline for execution. Company dialogue is usually the preferred course of action to influence the company’s mitigation of adverse impacts, in which case the company engagement is included in the quarterly Carmignac Engagement plan according to the Carmignac Shareholder Engagement policy. Disinvestment may be considered with a predetermined exit strategy within the confines of this aforementioned policy.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Carmignac applies a controversy screening process on OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights for all its investments across all Sub-funds.

Carmignac acts in accordance with the United Nations Global Compact (UNGC) principles, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the Organisation for Economic Co-operation and Development (OECD) guidelines for multinational enterprises to assess companies' norms, including but not limited to human rights abuses, labour laws and standard climate related practices.

This Sub-Fund applies a controversy screening process for all of its investments. Companies that have committed significant controversies against the environment, human rights and international labour laws to name the key infractions are excluded. This screening process bases the indentification of controversies on the OECD Business Guidelines and UN Global compact principles and is commonly called norms-based screening, integrating a restrictive screening monitored and measured through Carmignac's proprietary ESG system START. A company controversy scoring and research is applied using data extracted from ISS ESG as the research data base.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

Carmignac has committed to apply the SFDR level II 2019/2088 Regulatory Technical Standards (RTS) annex 1 whereby 16 mandatory and 2 optional environmental and social indicators will be monitored to show the impact of such sustainable investments against these indicators: Greenhouse gas emissions, Carbon footprint, GHG intensity (investee companies), Exposure to companies in fossil fuel sector, Non-renewable energy consumption and production, Energy consumption intensity per high-impact climate sector, Activities negatively affecting biodiversity-sensitive areas, Emissions to water, Hazardous waste ratio, Water usage and recycling, Violations of UN Global Compact principles or OECD Guidelines for Multinational Enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact and OECD Guidelines for Multinational Enterprises, Unadjusted gender pay gap, Board gender diversity, Exposure to controversial weapons, Excessive CEO pay ratio. In addition and where applicable, sovereign bond indictators: social violence and GHG intensity can also be monitored.

As part of its PAI strategy, Carmignac identifies companies that underperform the benchmark in terms of PAI Indicators. Our third party data provider, MSCI enables us to monitor the impact of our funds for each PAI. The PAI values of the fund are compared to the values of the benchmark. When the fund

PAI underperforms the benchmark PAI by a certain threshold, we look for the issuers that are the main contributors to the underperformance of the given PAI. Those companies are considered outliers.

Identifying outliers for each PAI indicator enables us to engage with companies in order to ensure they are committed to reducing their impact. We identified that ENI was one of the main contributors to the underperformance of Carmignac Portfolio Emerging Patrimoine for the Water usage and Recycling PAI Indicator. We engaged with ENI in 2023 and the main topics of discussion were related to their ownership in a controversial asset located in Nigeria (5% ownership in SPDC, JV with Shell, Total) which has faced serious environmental violations due to oil spills. A second key discussion poin was to understand the implications of the current macro environment on their ambitions to transition away from fossil fuels towards renewable technologies. Given that this engagement was not specifically focused on the water usage and recycling PAI Indicator we will consider a follow-up engagement with ENI on this PAI in 2024 and make sure that appropriate measures are being implemented.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:

What were the top investments of this financial product?

Please find below the average top investments based on 12 month end data for 2023 for the equity and bonds sections of the portfolio :

Larger investments	Sector	% Assets	Country
CENTRAIS ELETRICAS BRASILEIRAS SA	Utilities	8.48%	Brazil
SAMSUNG ELECTRONICS	Information Technology	7.2%	Korea, South
TAIWAN SEMICONDUCTOR	Information Technology	6.6%	Taiwan
LG CHEM LTD	Materials	3.6%	Korea, South
GRUPO BANORTE	Financials	2.88%	Mexico
HYUNDAI MOTOR CO	Consumer Discretionary	2.5%	Korea, South
JD.COM INC	Consumer Discretionary	2.4%	China
ANTA SPORTS PRODUCTS LTD	Consumer Discretionary	2.41%	China
HONG KONG EXCHANGES & CLEARING LTD	Financials	2.32%	Hong Kong
KE HOLDINGS INC	Real Estate	2.2%	China
QINGDAO HAIER CO LTD	Consumer Discretionary	2.0%	China
MINISO GROUP HOLDING LTD	Consumer Discretionary	2.0%	China
NEW ORIENTAL EDUCATION & TECH GROUP	Consumer Discretionary	1.9%	China
WUXI BIOLOGICS	Health Care	1.7%	China
DABUR INDIA	Consumer Staples	1.65%	India

Larger investments	Sector	% Assets	Country
PETROLEOS MEXICANOS 4.75% 26/02/2029	Energy	5.88%	Mexico
POLAND 4.00% 08/09/2027	Sovereign bonds	4.15%	Poland
SOUTH AFRICA 3.75% 24/07/2026	Sovereign bonds	3.96%	South Africa
IVORY COAST 6.88% 17/10/2040	Sovereign bonds	3.18%	Ivory Coast
HUNGARY 3.00% 25/04/2041	Sovereign bonds	3.10%	Hungary
SOUTH AFRICA 8.00% 31/01/2030	Sovereign bonds	3.00%	South Africa
BENIN 4.88% 19/01/2032	Sovereign bonds	2.95%	Benin
ROMANIA 2.88% 13/04/2042	Sovereign bonds	2.76%	Romania
ROMANIA 5.00% 27/09/2026	Sovereign bonds	2.65%	Romania
OTP BANK NYRT TV 04/03/2025	Financials	1.88%	Hungary
HUNGARY 1.75% 05/06/2035	Sovereign bonds	1.79%	Hungary
BANQUE OUEST 2.75% 22/01/2033	Financials	1.77%	Not Applicable
EGYPT 7.50% 16/02/2061	Sovereign bonds	1.77%	Egypt
IVORY COAST 6.62% 22/03/2048	Sovereign bonds	1.76%	Ivory Coast

Source: Carmignac, 29.12.2023

What was the proportion of sustainability-related investments?

In 2023, the Sub-Fund had 31.0% of the portfolio's net assets invested in sustainable investments as per our definition above mentioned, on average, based on 4 quarters ends data.

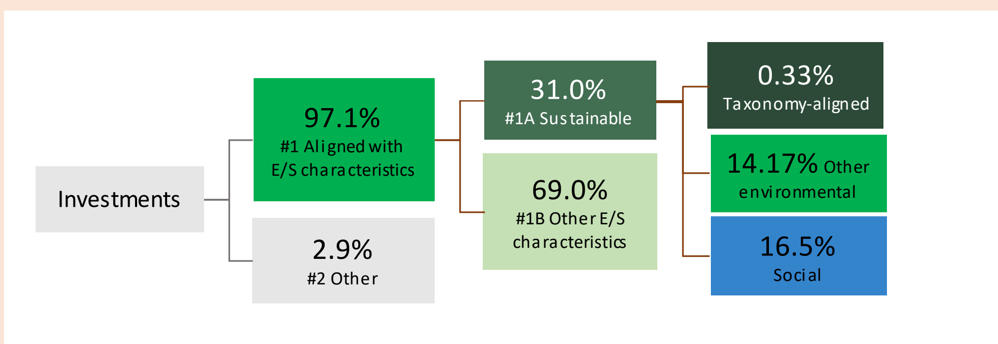
What was the asset allocation?

A minimum proportion of 90% of the investments of this Sub-Fund is used to meet the environmental or social characteristics promoted by the financial product in accordance with the binding elements of the investment strategy. In 2023, 97.1% of issuers have been covered by ESG analysis thus 100% of issuers were aligned with this E/S characteristics.

The minimum proportion of sustainable investment was 10%, a limit which was respected. In 2023, the Sub-Fund had 31.0% of the portfolio invested in sustainable investments as per our definition above mentioned.

In addition, the minimum levels of sustainable investments with environmental and social objectives were respectively 1% and 3% of the Sub-Fund's net assets. In 2023, 14.5% of the Sub-Fund's net assets are invested in sustainable investments with environmental objectives, and 16.5% in sustainable investment with social objectives.

The #2 Other investments (in additional to cash and derivatives which may be used for hedging purposes, if applicable) were equity, corporate bonds or sovereign bonds investments which are not classified as sustainable investment. They were investments made strictly in accordance with the Sub-Fund's investment strategy with the purpose of implementing the Sub-Fund's investment strategy. All such investments were subject to ESG analysis (including through our ESG proprietary sovereign model for sovereign bonds) and for equity and corporate bonds were subject to a screening of minimum safeguards to ensure that their business activities are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. These instruments are not used to achieve the environmental or social characteristics promoted by the Sub-Fund.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
-The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
-The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Asset allocation describes the share of investments in specific assets.

In which economic sectors were the investments made?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee

Please find below the average top sectors based on 12 month end data for 2023, for the equity and corporate bonds sections of the portfolio :

Larger economic sectors	% Assets
Consumer Discretionary	9.1%
Consumer Discretionary	8.4%
Information Technology	7.4%
Utilities	4.4%
Financials	3.9%
Materials	1.8%
Health Care	1.4%
Industrials	1.3%
Real Estate	1.1%
Consumer Staples	1.0%
Telecommunication Services	0.73%

Larger economic sectors	% Assets
Financials	12.7%
Energy	7.0%
Energy Equipment & Services	6.9%
Oil, Gas & Consumable Fuels	0.10%
Consumer Discretionary	2.2%
Information Technology	0.9%
Telecommunication Services	0.08%
Industrials	0.05%
Real Estate	0.04%

Source: Carmignac, 29.12.2023

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

In 2023, 0.33% of the sustainable investments with an environmental objective were aligned with the EU Taxonomy.

Did the financial product invest in fossil gas and/or nuclear energy related activties complying with the EU Taxonomy[6]?

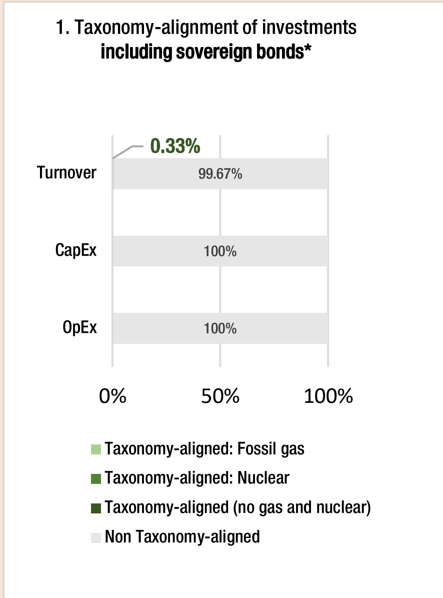
☐ Yes:

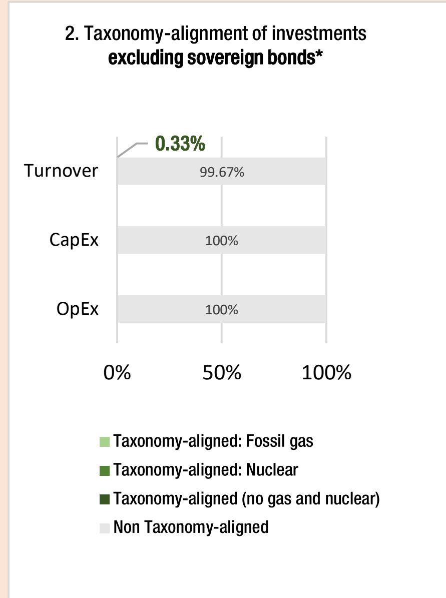
☐ In fossil gas ☐ In nuclear energy

☒ No:

[6] Fossil gas and / or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and de not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of investments made in transitional and enabling activities?

Non applicable

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

In 2022, 0.2% of investments were aligned with the EU Taxonomy.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

In 2023, 14.17% of the portfolio's net assets was invested in companies aligned with environmentally oriented SDGs, on average, based on 4 quarters ends data.

What was the share of socially sustainable investments?

In 2023, 16.5% of the portfolio's net assets was invested in companies aligned with socially oriented SDGs, on average, based on 4 quarters ends data.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The remaining portion of the portfolio (outside the minimum proportion of 90%) may also promote environmental and social characteristics but are not systematically covered by ESG analysis. Such assets may include unlisted securities or securities that have been subject to an initial public offering, the ESG analysis of which may be carried out after the acquisition of said financial instrument by the sub-fund.

At issuer level (for equities and corporate bonds), all assets are examined for adherence to global norms on environmental protection, human rights, labor standards and anti-corruption, through controversy ("norms-based") screening. The investments are subject to a screening of minimum safeguards to ensure that their business activities are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The below listed actions were conducted at Carmignac in 2023 in order to support the investment process in meeting environmental /social characteristics :

ESG Integration

- We have continued to develop our proprietary ESG system called START that aggregates raw ESG-related company data into one interface, which includes impact, carbon and controversy data as well as proprietary analysis from our analysts.
- We developed a United Nation's Sustainable Development Goal (SDGs) operational alignment methodology for use across a broad selection of our funds. This methodology helps us to assess the extent to which a company's operational practices are aligned with the UN SDGs.

Sustainability Reporting

- We have added ESG data into our fund level reports for our Article 8 and 9 funds detailing ESG indicators performance versus our benchmarks and their investment alignment to the UN Sustainable Development Goals.
- We have further refined our focus on 3 key sustainability themes: climate change (C), empowerment (E) and leadership (L). We have published a guide for our investee companies about our ESG expectations related to these themes: https://carmidoc.carmignac.com/ESGGUIDE_FR_en.pdf.

Stewardship

- 100% Voting Target: we have succeeded in participating in close to 100% (95% in 2022) of all possible annual general meeting votes. We have engaged with 60 companies on ESG issues and started to report quarterly on key voting stats and examples of engagements.
- Stewardship code: We have been approved by the FRC to become signatory of the Stewardship Code by complying with all principles, as formalized in our annual Stewardship Report: https://carmidoc.carmignac.com/SWR_FR_en.pdf
- Regulatory Consultation: Comprehensive input to the European Commission's consultations either directly, or through our fund associations working groups EFAMA, AI,UK, Alfi Luxembourg and AFG, France. We have been asked to present to the French Regulator our methodology for reducing investment universe based on ESG criteria without sector biases, which has been retained in the context of new industry-wide guidelines.

Transparency

- We have created a new Sustainable Investment Hub on our website to value our ESG approach, policies and reports: https://www.carmignac.fr/en_GB/sustainable-investment/overview

- We have launched an ESG Outcomes Calculator so that investors can assess the social and environmental contributions of their investments in our responsible and sustainable funds. Our ESG Outcomes Calculator is primarily an educational tool to help them understand what their savings are indirectly funding. It reflects our commitment to transparency, reinforcing our sustainable invpi estment approach.
It is available here: https://www.carmignac.fr/en_GB/sustainable-investment/esg-outcomes-calculator

Collaborative engagements

Carmignac sees value in both direct and collaborative engagement, and it is the combination of both which leads to the most influential and effective stewardship. It is by joining forces that investors can most effectively influence investee companies on material ESG issues, including market-wide and systemic risks, and ultimately help improve the functioning of markets. With this in mind, we have increased our involvement with Climate 100+, in particular for the collective engagement with Pemex as bondholder of the company.

More specifically regarding engagements, our fiduciary responsibility involves the full exercise of our rights as shareholders and engagement with the companies in which we are invested. Dialogue is maintained by financial analysts, portfolio managers and ESG team. We believe that our engagement leads to a better understanding of how companies manage their extra-financial risks and significantly improve their ESG profile while delivering long-term value creation for our clients, society and the environment. Our engagement may concern one of five considerations: 1) ESG risks, 2) an ESG theme, 3) a desired impact, 4) controversial behaviour, or 5) a voting decision at a General Meeting. Carmignac may collaborate with other shareholders and bondholders when doing so would help influence the actions and governance of companies held in the portfolio. In order to ensure that the company correctly identifies, foresees and manages any potential or confirmed conflict of interest situation, Carmignac has put in place and maintains policies and guidelines. For more information on our engagement policies, please visit the website.

In 2023, we engaged with 60 companies on ESG specific topics at Carmignac level, and with 7 companies in this particular Sub-Fund.

For example, we engaged with Hyundai in 2023, following our two engagements with the company in 2022, the topics discussed were the following:

- **Cross-shareholdings:** we flagged our expectations and the need for more clarity from the company regarding their plans to simplify the shareholding structure.
- **Board composition**: the company is increasing the number of board members from 11 to 13. Focus on broadening the skillset and considering diversity considerations such as nationality and gender.
- **Presence of one inside director (the CFO) on the remuneration committee.** We flagged this is an issue and told the company this would trigger a vote against the re-election of this director at the 2023 AGM.
- **Social**: following the recent controversy related to the presence of children in their Alabama supply chains, the company has taken a series of robust steps including the audit of 19 plants in Alabama. They explained their ambition to enhance the review of their global supply chains from a social perspective. We will monitor the steps taken by the company.
- **Environmental:** they are in the process of setting science-based targets. We mentioned our expectation around the development of their approach to Life Cycle Assessments.

This call helped inform our vote at the 2023 AGM and monitor the progress made by the company following our previous engagements with them. We voted against the election of the CFO given their presence on the remuneration committee in line with our voting policy.
We will continue to engage with the company on the topics mentioned above.

How did this financial product perform compared to the reference benchmark?

Not applicable

How does the reference benchmark differ from a broad market index?

Not applicable

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How did this financial product perform compared with the reference benchmark?

Not applicable

How did this financial product perform compared with the broad market index?

Not applicable