ANNEX II

Template pre-contractual 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

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

Environmental and/or social characteristics

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.

5. Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☒ 6. It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum 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 will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes environmental and social characteristics by applying best-in-universe and best-effort approaches to invest in a sustainable manner by combining a four-pillar strategy: 1) ESG integration, 2) Negative screening, 3) Positive screening, 4) Active Stewardship to promote Environment and Social characteristics. Secondly, it contributes positively to the environment through investments leading to climate change mitigation and adaptation and partially contributes positively to the environment and society through the UN SDGs approach.

The Sub-Fund has not designated a reference benchmark for the purposes of attaining the E and S characteristics.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

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

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) is applied to more than 90% 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 and are performed based on 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, companies involved in tobacco production, (f) companies involved in adult entertainment.

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

3) Positive screening: 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 derive at least 50% of their revenue from goods and services or invest at least 50% if CAPEX in relation to business activities which align positively with one of the 9 out of 17 United Nations Sustainable Development Goals please refer to https://sdgs.un.org/goals. The minimum levels of sustainable investments with environmental and social objectives are respectively 1% and 3% of the Sub-Fund's net assets.

4) Active stewardship: Environmental and social related company engagements leading to improvement in companies sustainability policies are measured by folloiwng 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 addition, Principal Adverse Impact (PAI) monitoring : 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 are 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.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does 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 derive at least 50% of their revenue from goods and services or invest at least 50% of their CAPEX in relation to business activities which align positively with one of the following 9 out of 17 United Nations Sustainable Development Goals ("the Sustainable

Development Goals") selected for this Sub-Fund: (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. For further information on the United Nations Sustainable Development Goals, please refer to https://sdgs.un.org/goals.

A company is considered 'aligned' when over 50% of their revenues or over 50% of their CAPEX is related to activities which are deemed to contribute to one of the aforementioned nine UN SDGs. These 50% thresholds represent a significant intentionality of the company in regards to the contributing activity and its plans for growth.

In order to determine which companies are aligned, we have identified a robust business classification system and mapped 1700 different business activities. In addition, we have used the SDG Compass, a resource created by GRI, the UN Global Compact and the World Business Council for Sustainable Development to identify business activities which contributed to each SDG. In addition, we created Carmignac 'investable themes' based upon the business activities. Based on these themes, we have filtered through each business activity in the classification system, aligning the appropriate business activities with Carmignac's 'investable themes' and using the SDG targets to verify suitability. This was reviewed by members of the Responsible Investment (RI) and Investment team. Once the the 50% revenue or CAPEX threshold is met, the full weight of the holding is considered aligned.

The minimum levels of sustainable investments with environmental and social objectives are respectively 1% and 3% of the Sub-Fund's net assets.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

All of the the Sub-Fund's investments (not only the sustainable investments) are examined for adherence to global norms on environmental protection, human rights, labor standards and anti-corruption, through controversy screening. More precisely, 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.

Additionally, the Sub-Fund ensures that such activities do not significantly harm the environmental and social objectives.

Controversial behaviours engagement is aimed at eliminating a company's breach of the UNGC and/ or OECD Guidelines for Multinational Enterprises and installing proper management systems to prevent such a breach from recurring. If engagement is unsuccessful, the company is considered for exclusion. Enhanced engagement cases are selected quarterly depending on the need for a follow-up. Engagement focus can differ between various investment exposures.

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.

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

The Principal Adverse Impacts indicators are monitored on a quarterly basis. Adverse impacts are identified for their degree of severity. After discussion with the investment team concerned an 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.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

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.

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 EU criteria.

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

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

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 Ethix as the research data base.

Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes, 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

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.

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.

Please find in our PAI Policy the Table 1 (Annex 1, SFDR Level II), the statement on principal adverse impacts of investment decisions on sustainability factors. This info will be disclosed in annual reports.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

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 derive at least 50% of their revenue from goods and services or invest at least 50% of CAPEX in relation to business activities which align positively with one of the following 9 out of 17 United Nations Sustainable Development Goals ("the Sustainable Development Goals") selected for this Sub-Fund: (1) No Poverty, (2) No Hunger, (3) Good Health and Well Being, (4) Quality Education, (6) Clean Water, (7) Clean and affordable Energy, (9) Industry, Innovation and Infrastructure, (11) Sustainable Cities and Communities (12) Responsible Consumption and Production. The minimum levels of sustainable investments with environmental and social objectives are respectively 1% and 3% of the Sub-Fund's net assets.

The investment universe is assessed for ESG risks and opportunities recorded in Carmignac proprietary ESG platform "START" (System for Tracking and Analysis of a Responsible Trajectory).
The extra-financial analysis is implemented in the investment strategy by undertaking activities described below where by the Sub-Fund's equity and corporate bond investment universe is actively reduced by at least 20%. The full process of the reduction of the investment universe is found in the corresponding Transparency code on the Carmignac website.The initial universe for universe reduction purposes for equities is the MSCI EM index and the ICE BofA Emerging Markets Coporate Bond index (EMCB) for corporate bonds . The investment universe and the Sub-Fund are reviewed periodically to maintain alignment for universe reduction purposes.

(1) The Sub-Fund applies binding negative company-wide and Norms-based screening to exclude certain sectors and activities as descibed in previous sections. The Companies with high ESG risks which are reflected through their respective ESG ratings are also excluded. Both the START ESG rating and MSCI ESG rating scores are used in this screening. Corporate bonds having a MSCI rating below 2.5 on environmental or social pillars or having an overall MSCI rating of "B" or "CCC" are a priori excluded of the Sub-Fund's investment universe. Companies rated "C" or above on the START (rating from "A" to "E") can reintegrate into the Sub-Fund's investment universe after ad hoc analysis and engagement. The equity universe is further reduced by the number of companies deemed not aligned according to our SDG alignment assessment.

(2) Environmental and social related company engagements are performed with an objective leading to improvement in companies sustainability policies (active engagement and voting

policies - number of engagements, rate of voting participation - level of attainment 100% objective at shareholder and bondholder meetings).

At issuer level (for equities and corporate bonds), investments aligned with the environmental or social characteristics that do not qualify as sustainable investments (#1B Other E/S characteristics) 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 are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product are :

- A minimum of 10% of the Sub-Fund's eligible net assets, are invested in shares of companies that derive at least 50% of their revenue from goods and services or at least 50% of CAPEX in relation to business activities which align positively with one of the 9 out of 17 United Nations Sustainable 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.
- The equity and corporate bond investment universe is actively reduced by at least 20%,
- ESG analysis applied to at least 90% of issuers.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The committed minimum rate of investment universe reduction for equity and corporate bonds is 20%.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, the Sub-Fund applies Carmignac proprietary ESG research system START, which gathers key governance indicators automated for over 7000 companies, including 1) the percentage of Audit Committee Independence, Average Board Tenure, Board Gender Diversity, Board Size, Compensation Committee Independence as it relates to sound management structures, 2) Executive Compensation, Executive Sustainability Incentive, Highest Remuneration Package as it relates to remuneration of staff. Employee relations are covered within Carmignac S indicators (namely through employee satisfaction, gender pay gap, turnover of employees) within START.

As for taxation, the Sub-Fund recognize companies in it investment universe which adhere to the OECD Guidelines for multinational enterprises on taxation and push for disclosure where necessary.

In addition, as signatory of the PRI, we Carmignac would expect from the companies it invest in to:

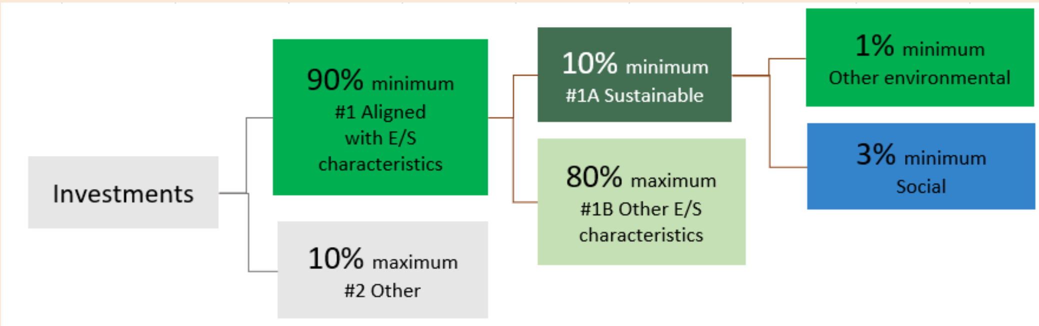
- Publish a global tax policy that outlines the company's approach to responsible tax;
- Report on tax governance and risk management processes; and
- Report on a country-by-country basis (CBCR)

This is a consideration Carmignac increasingly integrates into our it engagements with corporates and in our it votes in support for more transparency via for example support for shareholder resolutions.

For sovereign issuers, the following governance criteria are assessed: ease of doing business, fiscal positioning, debt ratio as years of revenue position, current account position, economic freedom.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?



#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 sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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.

Minimum Proportion of sustainable investments:
The Sub-Fund makes sustainable investments whereby a minimum of 10% of the Sub-Fund's net assets invested in shares of companies that derive at least 50% of their revenue from goods and services or invest at least 50% of CAPEX in relation to business activities which align positively with one of the 9 out of 17 United Nations Sustainable Development Goals ("the Sustainable Development Goals"). Outside the 50% minimum sustainable investments, investments may be made in companies that have less than 50% revenue alignment or no alignment with the one of the UN SDGs . The minimum levels of sustainable investments with environmental and social objectives are respectively 1% and 3% of the Sub-Fund's net assets.

The #2 Other investments (in additional to cash and derivatives which may be used for hedging purposes, if applicable)includeequity, corporate bonds or sovereign bonds investments which are not classified as sustainable investment. They are investments made strictly in accordance with the Sub-Fund's investment strategy and have the purpose of implementing the Sub-Fund's investment strategy. All such investments are made subject to ESG analysis (including through our ESG proprietary sovereign model for sovereign bonds) and for equity and corporate bonds 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. These instruments are not used to achieve the environmental or social characteristics promoted by the Sub-Fund.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The use of derivatives does not contribute to attaining the environmental and/or social characteristics of the Sub-Fund.

To the extent that the Sub-Fund uses single issuer derivative instruments, the firm-wide exclusions are applied. In addition, the Sub-Fund applies compensation calculation (netting of a long position with an equivalent issuer short positions using derivatives) for the purpose of illustrating the ESG rating of the portfolio, carbon emissions and for measuring adverse impacts.

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 companies.

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

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[5]?

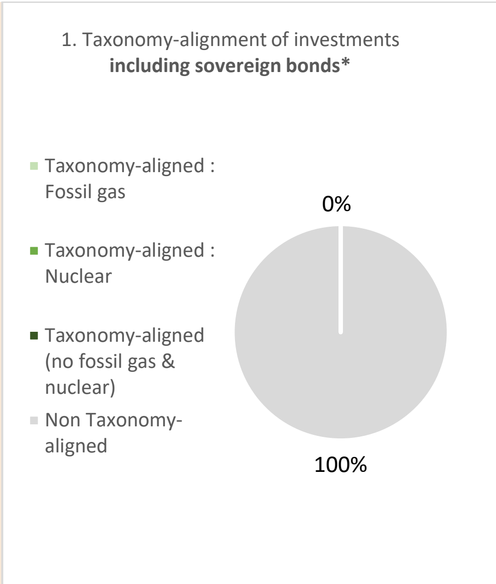
☐ Yes :

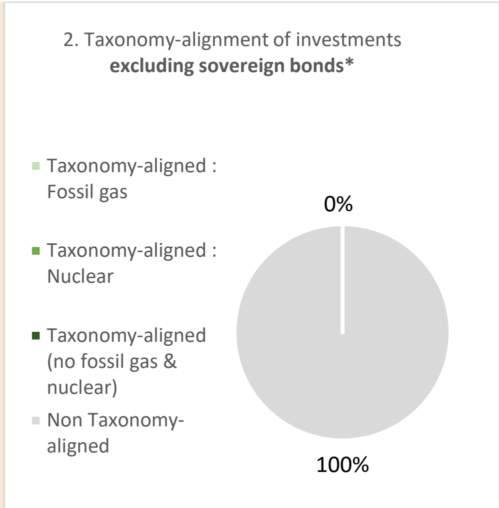
☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are 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.

[5] 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 Commussion Delegated Regulation (EU) 2022/1214.





*The graph represents 100% of the total investments.

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

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.

What is the minimum share of investments in transitional and enabling activities?

As the Sub-fund does not have a minimum Taxonomy alignment there is no current minimum share of transitional and enabling activities.

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 is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum level of sustainable investments with environmental objectives that are not aligned with the EU taxonomy is 1% of the Sub-Fund's net assets.

What is the minimum share of socially sustainable investments?

The minimum level of sustainable investments with social objectives is 3% of the Sub-Fund's net assets.

What investments are included under "#2 Other", what is their purpose and are 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.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

N/A

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

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-emerging-patrimoine/a-eur-acc/fund-overview-and-characteristics