

SFDR-RELATED INFORMATION

ANNEX IV

Periodic disclosure template 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 SECURITÉ
Legal entity identifier: 969500EBHLOT9UB25E97

ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Did this financial product have a sustainable investment objective?	
Yes	No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, 10% of its investments were sustainable <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with a social objective <input type="checkbox"/> 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 COMPLIED WITH?

The fund applies a “best-in-universe” approach (identifying companies whose activities are sustainable) and a “best-efforts” approach (consisting in favouring issuers that exhibit an improvement or strong prospects in terms of ESG practices and performance over time) in order to invest sustainably via a strategy based on four pillars: 1) ESG integration, 2) negative screening, 3) positive screening, 4) active stewardship to promote environmental and social characteristics, and 5) monitoring of principal adverse impacts – PAI).

No failures to achieve the environmental and social characteristics promoted were identified during the year.

● **HOW DID THE SUSTAINABILITY INDICATORS PERFORM?**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

This fund uses sustainability indicators derived from its four-pillar approach to measure the attainment of each of the environmental or social characteristics it promotes:

- 1) **Coverage rate of ESG analysis:** ESG integration, through ESG rating via Carmignac’s proprietary “START” (System for Tracking and Analysis of a Responsible Trajectory) platform, is applied to at least 90% of securities. In 2023, the ESG analysis coverage rate was 97.3% of the securities in the portfolio (excluding cash and derivatives), on average, based on quarter-end data.

- 2) **Reduction of the investment universe:**
 - a. **Exclusions at management company level:** unsustainable activities and practices are identified using an approach based on international standards and rules in the following areas: (a) controversies concerning the OECD Guidelines, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the principles of the United Nations Global Compact, (b) controversial weapons, (c) thermal coal production, (d) energy producers, (e) tobacco, (f) adult entertainment.
 - b. **Negative screening specific to the fund:** Equity portfolio positions with an MSCI rating for the environmental or social pillars of below 2.5 (on a scale from 0 to 10), or with an overall MSCI rating of CCC (on a scale from AAA to CCC), are excluded from the fund’s investment universe. Companies with a START score of C or above (on a rating scale of A to E) may re-enter the fund once the portfolio manager has carried out ad-hoc analysis (which may entail engagement with the issuer). The table below details the correspondences between the MSCI and START ratings used by the fund for negative screening.

MSCI lower limit		START rating		MSCI upper limit
8	≤	A	≤	10
6	≤	B	<	8
4	≤	C	<	6
2	≤	D	<	4
0	≤	E	<	2

In 2023, the portfolio’s investment universe was reduced by 20.2%, on average, based on quarter-end data.

- 3) **Positive screening (sustainable investment):** at least 10% of the fund’s net assets are invested in (i) green bonds, social or sustainable bonds issued by public or corporate issuers, and bonds linked to sustainable development (“sustainability-linked bonds”), or (ii)

bonds issued by companies considered as being aligned with the United Nations Sustainable Development Goals (as listed below). The minimum levels of sustainable investments with environmental and social objectives are 1% and 3% of the fund's net assets, respectively.

An investment/issuer is aligned when at least one of the following three thresholds is reached:

- a. Goods and services:** At least 50% of their revenue derives from goods or services linked to at least one of the following nine United Nations Sustainable Development Goals, out of 17: (1) No poverty, (2) Zero hunger, (3) Good health and well-being, (4) Quality education, (6) Clean water and sanitation, (7) Affordable and clean energy, (9) Industry, innovation and infrastructure, (11) Sustainable cities and communities and (12) Responsible consumption and production; or
- b. Capital expenditure (CapEx):** at least 30% of capital expenditure is on business activities related to at least one of the following nine United Nations Sustainable Development Goals, out of 17: (1) No poverty, (2) Zero hunger, (3) Good health and well-being, (4) Quality education, (6) Clean water and sanitation, (7) Affordable and clean energy, (9) Industry, innovation and infrastructure, (11) Sustainable cities and communities and (12) Responsible consumption and production; or
- c. Operations:**
 - i. The issuer has been given "aligned" status, for operational alignment, for at least three of the 17 UN Sustainable Development Goals, determined on the basis of evidence provided by the issuer regarding its policies, practices and objectives in line with these Sustainable Development Goals. "Aligned" status corresponds to an operational alignment score greater than or equal to +2 (on a scale from -10 to +10), as determined by the external rating provider selected by the management company; and
 - ii. The issuer has not been given the "non-aligned" status, for operational alignment, for any of the 17 United Nations Sustainable Development Goals. "Non-aligned" status corresponds to an operational alignment score of less than or equal to -2 (on a scale from -10 to +10), as determined by the external rating provider selected by the management company.

In 2023, 16.3% of the fund's net assets were invested in sustainable investments, on average, based on quarter-end data. The sustainable investment levels with environmental and social objectives are 8.2% and 8.1% of the fund's net assets respectively, on average, based on quarter-end data. Our definition of sustainable investment changed in July 2023 to include the alignment of operations with the SDGs and a modification of the alignment threshold for capital expenditure, which was increased from 30% to 50%. The average percentage of sustainable investments stated above therefore reflects the definition of sustainable investment in place at the time: using the previous definition for Q1 and Q2 and the current definition for Q3 and Q4 2023 respectively.

- 4) Active stewardship for bondholders:** companies' environmental and social engagement efforts leading to an improvement in companies' sustainable development policies are measured using the following indicators: (a) level of active engagement and voting policies,

(b) number of engagement efforts, (c) voting rate and (d) participation in shareholder (or bondholder) meetings. In 2023, we engaged with 60 companies at Carmignac level, and 8 companies at Carmignac Sécurité level.

5) Principal adverse impacts – PAI: Moreover, as regards monitoring principal adverse impacts (“PAI”), and in accordance with Annex 1 to Commission Delegated Regulation (EU) 2022/1288, the fund monitors 16 mandatory environmental and social indicators, and two optional indicators to demonstrate the impact of sustainable investments with respect to these indicators: greenhouse gas (GHG) emissions, carbon footprint, GHG intensity of investee companies, exposure to companies active in the fossil fuel sector, share of 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 and radioactive waste ratio, water usage and recycling (optional choice), violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (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 pay ratio (optional choice). Where appropriate, sovereign issuers are monitored for violations of social norms and their GHG intensity.

In 2023, we replaced Impact Cubed with MSCI as our data provider for the monitoring of PAIs, as MSCI offered greater transparency and greater flexibility for the creation of our own tools using the raw data provided by MSCI. Please find below performance data with respect to the principal adverse impact indicators for 2023, based on average quarter-end data, for the portfolio’s equity and bond components:

PAI indicators	Based on data provided by the company	Fund	Hedging
Scope 1 GHG	Scope 1 GHG emissions	420698.30	80.10%
Scope 2 GHG	Scope 2 GHG emissions	31421.53	80.10%
Scope 3 GHG	From 1 January 2023, Scope 3 GHG emissions	2001971.26	80.10%
Total GHG	Total GHG emissions	2436350.38	80.10%
Carbon footprint	Carbon footprint	1052.77	80.10%
GHG intensity level	GHG intensity of companies	1071.82	89.34%
Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	23%	89.34%
Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and production of investee companies from non-renewable energy sources compared with renewable energy sources, expressed as a percentage	71%	65.04%

Energy consumption intensity per high impact climate sector -Total	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector -Total	1.08	70.63%
Energy consumption intensity per high impact climate sector - NACE Sector A	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - NACE Sector A (Agriculture, forestry and fishing)	0.00	70.63%
Energy consumption intensity per high impact climate sector - NACE Sector B	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - NACE Sector B (Mining and quarrying)	1.66	70.63%
Energy consumption intensity per high impact climate sector - NACE Sector C	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - NACE Sector C (Manufacturing)	0.88	70.63%
Energy consumption intensity per high impact climate sector - NACE Sector D	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - NACE Sector D (Electricity, gas, steam and air conditioning supply)	4.20	70.63%
Energy consumption intensity per high impact climate sector - NACE Sector E	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - NACE Sector E (water supply, sewerage, waste management and remediation activities)	1.47	70.63%
Energy consumption intensity per high impact climate sector - NACE Sector F	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - NACE Sector F (Construction)	0.00	70.63%
Energy consumption intensity per high impact climate sector - NACE Sector G	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - NACE Sector G (Wholesale and retail trade; repair of motor vehicles and motorcycles)	0.00	70.63%
Energy consumption intensity per high impact climate sector - NACE Sector H	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - NACE Sector H (Transportation and storage)	1.06	70.63%
Energy consumption intensity per high impact climate sector - NACE Sector L	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - NACE Sector L (Real estate activities)	1.11	70.63%
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	1%	79.21%
Emissions relating to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.00	0.10%
Hazardous waste	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	1.96	36.28%
Water usage and recycling	Average amount of water consumed and recovered by investee companies (in cubic metres) per million EUR of revenue	0.00	0.89%
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.00	90.85%

Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	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	0.20	78.54%
Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	14%	24.02%
Board gender diversity	Average ratio of female to male board members in investee companies	37%	79.19%
Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00	79.29%
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).	79.77	55.15%
Greenhouse gas intensity (sovereign and supranational)	GHG intensity of investee countries (tonnes of CO ₂ e emissions per million EUR of the country's GDP)	353.96	74.63%
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	74.63%

● *...AND COMPARED WITH PREVIOUS PERIODS?*

This fund uses sustainability indicators derived from its four-pillar approach to measure the attainment of each of the environmental or social characteristics it promotes:

- 1) **Coverage rate of ESG analysis:** ESG integration, through ESG rating via Carmignac's proprietary "START" (System for Tracking and Analysis of a Responsible Trajectory) platform, is applied to at least 90% of securities. As of 30 December 2022, the ESG analysis coverage rate was 94.71% of the securities in the portfolio (excluding cash and derivatives).
- 2) **Reduction of the investment universe:** negative screening and exclusions of unsustainable activities and practices, reflected in low ESG scores from START, MSCI and ISS ("Institutional Shareholder Services") ESG, are carried out on the basis of the following indicators: (a) practices that are harmful to society and to the environment, (b) controversies concerning the OECD guidelines and the UN Global Compact principles, (c) controversial weapons, (d) thermal coal production, (e) energy producers that have not set a target for alignment with the Paris Agreement, (f) companies involved in tobacco

production and (g) companies involved in adult entertainment. As of 30 December 2022, the investment universe of the portfolio was reduced by 21.77%.

- 3) Stewardship for bondholders:** companies' environmental and social engagement efforts leading to an improvement in companies' sustainable development policies are measured using the following indicators: (a) level of active engagement and voting policies, (b) number of engagement efforts, (c) voting rate and (d) participation in shareholder (or bondholder) meetings. In 2022, we engaged with 81 companies at Carmignac level, and 12 companies at Carmignac Sécurité level.

Moreover, as regards monitoring principal adverse impacts ("PAI"), and in accordance with Annex 1 to Commission Delegated Regulation (EU) 2022/1288, the fund monitors 16 mandatory environmental and social indicators, and two optional indicators to demonstrate the impact of sustainable investments with respect to these indicators: greenhouse gas (GHG) emissions, carbon footprint, GHG intensity of investee companies, exposure to companies active in the fossil fuel sector, share of non-renewable energy consumption and production, energy consumption intensity per high impact climate sector, activities negatively affecting biodiversity-sensitive areas, emissions in water, hazardous waste and radioactive waste ratio, water usage and recycling (optional choice), violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (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 pay ratio (optional choice). Where appropriate, sovereign issuers are monitored for violations of social norms and their GHG intensity.

Please find below performance data with respect to the principal adverse impact indicators for 2022, based on average quarter-end data, for the portfolio's equity and bond components:

PAI indicators	Based on data provided by the company	Fund	Hedging
Scope 1 GHG	Scope 1 GHG emissions	663,505	34%
Scope 2 GHG	Scope 2 GHG emissions	60,335	34%
Scope 3 GHG	From 1 January 2023, Scope 3 GHG emissions	2,563,660	34%
Total GHG	Total GHG emissions	3,287,500	34%
Carbon footprint	Carbon footprint	541.6375	34%
GHG intensity level	GHG intensity of companies	1,169.14	34%
Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	11%	34%
Share of non-renewable energy consumption	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared with renewable energy sources, expressed as a percentage	67%	34%
Share of non-renewable energy production	Share of non-renewable energy production of investee companies from non-renewable energy sources compared with renewable energy sources, expressed as a percentage	55%	0%

Energy consumption intensity per high impact climate sector – Total	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – Total	1.41	34%
Energy consumption intensity per high impact climate sector – NACE Sector A	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector A (Agriculture, forestry and fishing)	N/A	0%
Energy consumption intensity per high impact climate sector – NACE Sector B	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector B (Mining and quarrying)	1.5025	34%
Energy consumption intensity per high impact climate sector – NACE Sector C	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector C (Manufacturing)	0.465	34%
Energy consumption intensity per high impact climate sector – NACE Sector D	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector D (Electricity, gas, steam and air conditioning supply)	10.9625	34%
Energy consumption intensity per high impact climate sector – NACE Sector E	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector E (water supply, sewerage, waste management and remediation activities)	N/A	0%
Energy consumption intensity per high impact climate sector – NACE Sector F	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector F (Construction)	0.45	34%
Energy consumption intensity per high impact climate sector – NACE Sector G	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector G (Wholesale and retail trade; repair of motor vehicles and motorcycles)	0.0175	34%
Energy consumption intensity per high impact climate sector – NACE Sector H	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector H (Transportation and storage)	1.515	34%
Energy consumption intensity per high impact climate sector – NACE Sector L	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector L (Real estate activities)	0.63	34%
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%	34%
Emissions relating to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	536.4	34%
Hazardous waste	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	1.2425	34%
Water usage and recycling	Average amount of water consumed and recovered by the investee companies (in cubic metres) per million EUR of revenue	8098.2225	34%
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	2%	34%
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	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	12%	34%
Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	86%	34%
Board gender diversity	Average ratio of female to male board members in investee companies	35%	34%

Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	34%
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).	72.4	34%

● ***WHAT WERE THE OBJECTIVES OF THE SUSTAINABLE INVESTMENTS THAT THE FINANCIAL PRODUCT PARTIALLY INTENDED TO MAKE AND HOW DID THE SUSTAINABLE INVESTMENT CONTRIBUTE TO SUCH OBJECTIVES?***

The fund invested at least 10% of its net assets in green, social or sustainable bonds, or sustainability-linked bonds, as well as in bonds issued by companies aligned with the United Nations Sustainable Development Goals.

As mentioned above, an investment/issuer is aligned when at least one of the following three thresholds is reached:

- i. **Goods and services:** at least 50% of their revenue derives from goods or services linked to at least one of the following nine United Nations Sustainable Development Goals, out of 17: (1) No poverty, (2) Zero hunger, (3) Good health and well-being, (4) Quality education, (6) Clean water and sanitation, (7) Affordable and clean energy, (9) Industry, innovation and infrastructure, (11) Sustainable cities and communities and (12) Responsible consumption and production; or
- ii. **Capital expenditure (CapEx):** at least 30% of capital expenditure is on business activities related to at least one of the following nine United Nations Sustainable Development Goals, out of 17: (1) No poverty, (2) Zero hunger, (3) Good health and well-being, (4) Quality education, (6) Clean water and sanitation, (7) Affordable and clean energy, (9) Industry, innovation and infrastructure, (11) Sustainable cities and communities and (12) Responsible consumption and production; or
- iii. **Operations:**
 - a. The issuer has been given “aligned” status, for operational alignment, for at least three of the 17 UN Sustainable Development Goals, determined on the basis of evidence provided by the issuer regarding its policies, practices and objectives in line with these Sustainable Development Goals. “Aligned” status corresponds to an operational alignment score greater than or equal to +2 (on a scale from -10 to +10), as determined by the external rating provider selected by the management company; and

- b. The issuer has not been given the status of secular “non-aligned”, in terms of operational alignment, with any of the 17 United Nations Sustainable Development Goals. “Non-aligned” status corresponds to an operational alignment score of less than or equal to -2 (on a scale from -10 to +10), as determined by the external rating provider selected by the management company.

These thresholds represent a significant commitment from the issuer with respect to its contribution. To find out more about the United Nations sustainable development goals, please visit <https://sdgs.un.org/goals>.

TO WHAT EXTENT DID THE SUSTAINABLE INVESTMENTS THAT THE FINANCIAL PRODUCT PARTIALLY MADE NOT CAUSE SIGNIFICANT HARM TO ANY ENVIRONMENTAL OR SOCIAL SUSTAINABLE INVESTMENT OBJECTIVE?

The management company used the following mechanisms to ensure that the fund's responsible investments do not cause significant harm to any of the environmental or social sustainable investment objectives:

- 1) Reduction of the investment universe** (minimum 20% of the portfolio's equity and corporate bond components):
 - i) Exclusions at management company level:** unsustainable activities and practices are identified using an approach based on international standards and rules in the following areas: (a) controversies concerning the OECD Guidelines, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the principles of the United Nations Global Compact, (b) controversial weapons, (c) thermal coal production, (d) energy producers, (f) tobacco, (g) adult entertainment.
 - ii) Negative screening specific to the fund:** Bond portfolio positions with an MSCI rating for the environmental or social pillars of below 2.5 (on a scale from 0 to 10), or with an overall MSCI rating of CCC (on a scale from AAA to CCC), are excluded from the fund's investment universe. Companies with a START score of C or above (on a rating scale of A to E) may re-enter the fund once the portfolio manager has carried out ad-hoc analysis (which may entail engagement with the issuer).
- 2) Active stewardship for bondholders:** ESG engagement efforts with companies, contributing to a heightened awareness and improvement in companies' sustainable development policies, are measured using the following indicators: (a) level of active engagement and voting policies, (b) number of engagement efforts, (c) voting rate and (d) participation in shareholder (or bondholder) meetings.

HOW HAVE THE ADVERSE IMPACT INDICATORS BEEN TAKEN INTO ACCOUNT?

Indicators for adverse impacts are monitored on a quarterly basis. Adverse impacts are identified based on severity. After discussion with the investment team concerned, a plan of action including an execution schedule is drawn up.

In general, dialogue with the company is the preferred plan of action in order to influence the mitigation of adverse impacts by the company concerned. In such cases, engagement with the company is included in Carmignac's quarterly engagement plan, in accordance with Carmignac's engagement policy. Divestment may be an option, with an exit strategy determined in advance within the limits of this policy.

WERE SUSTAINABLE INVESTMENTS COMPLIANT WITH THE OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES AND THE UN

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.

GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS? DETAILED DESCRIPTION:

The management company applies a screening process for controversies regarding the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights to all of the fund's investments.

The management company acts in accordance with the principles of the United Nations Global Compact (UNGC), the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the Organisation for Economic Co-operation and Development (OECD) guidelines allowing multinational enterprises to assess the standards applicable to them, including, but not limited to, violations of human rights, employment law and standard practices relating to climate.

The fund applies a controversy screening process to all its investments. Companies implicated in major controversies regarding the environment, human rights and international employment law, among other infractions, are excluded. The screening process identifies controversies on the basis of the OECD Guidelines for Multinational Enterprises and the principles of the United Nations Global Compact. This is generally referred to as "standards-based screening" and it includes restrictive screening controlled and measured using Carmignac's proprietary ESG system "START". Company controversies are researched and rated using data extracted from the ISS ESG database.

The EU Taxonomy sets out a "do no significant harm" principle whereby 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.



HOW DID THIS FINANCIAL PRODUCT TAKE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS INTO CONSIDERATION?

The management company is committed to applying the regulatory technical standards (RTS) referred to in Annex 1 of Delegated Regulation (EU) 2023/1288, which define 14 mandatory environmental and social indicators, and two optional indicators to demonstrate the impact of sustainable investments with respect to these indicators: greenhouse gas (GHG) emissions, carbon footprint, GHG intensity of investee companies, exposure to companies active in the fossil fuel sector, share of non-renewable energy consumption and production, energy consumption intensity per high impact climate sector, activities negatively affecting biodiversity-sensitive areas, emissions in water, hazardous waste and radioactive waste ratio, water usage and recycling (optional choice), violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (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 pay ratio (optional choice). Where appropriate, sovereign issuers are monitored for violations of social norms and their GHG intensity.

As part of its PAI strategy, Carmignac identifies companies that are performing worse than the benchmark on PAI indicators. Our third-party data provider MSCI allows us to track the impact of our funds for each PAI.

The fund's PAI values are compared against the values for the reference benchmark. If one of the fund's PAIs underperforms the reference benchmark beyond a certain threshold, we look for the companies that contributed the most to the underperformance of the PAI in question. These companies are considered to be outlier stocks.

Identifying companies that are performing worse than the index in terms of PAI allows us to engage in dialogue with the companies to ensure that they are committed to reducing their impact.

We identified the Public Power Corporation as one of the main contributors to Carmignac Sécurité's underperformance in terms of the energy consumption intensity indicator in 2022.

In 2023, we engaged with the Public Power Corporation after it announced that it had not achieved the sustainability performance target (SPT) for its sustainable development-linked bond (SLB) in March 2021. The sustainable development performance target was a 40% reduction of scope 1 emission by the end of 2022. The company only achieved a reduction of 36%. This event triggered engagement with the company to understand its reasons for failing to meet the SPT, and the implications for its climate strategy and objectives.

The company explained to us the exceptional circumstances that led to the SPT not being met for the SLB in March 2021. The energy crisis caused by the war in Ukraine caused an increase in the production of lignite to maintain a secure electricity supply for the Greek electricity grid.

Carmignac also holds another SLB in its portfolios, issued by the company in July 2021. The latter's target was to reduce its scope 1 emissions from their level in 2019 by 57%, by December 2023.

We encouraged the company to publicly present its strategy for the achievement of the second SLB's target before the maturity date in December 2023. We also asked the company to provide investors with more clarity regarding its revised downgrading plan.

We expressed our support for the company's commitment to having certified objectives based on scientific data.

WHAT WERE THE TOP INVESTMENTS OF THIS FINANCIAL PRODUCT?

Please find below the top 15 investments for 2023 based on average month-end data for the bond component of the portfolio:

The list consists of the investments constituting **the greatest proportion of investments** of the financial product during the reference period, namely:

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Largest investments	Sector	% of assets	Country
United States 0.12% 15/04/2026	Government bonds	1.41%	United States
GREECE 0.00% 12/02/2026	Government bonds	1.22%	Greece
NETHERLANDS 0.25% 07/06/2024	Government bonds	0.84%	Netherlands
ITALY TV 15/04/2025	Government bonds	0.80%	Italy
GREECE 3.45% 02/04/2024	Government bonds	0.78%	Greece
GREECE ZC 12/02/2026	Government bonds	0.75%	Greece
SPAIN 0.65% 30/11/2027	Government bonds	0.56%	Spain
POSCO 0.50% 17/01/2024	Materials	0.56%	South Korea
ITALY 3.80% 01/08/2028	Government bonds	0.56%	Italy
ITALY TV 28/06/2026	Government bonds	0.52%	Italy
ANDORRA 1.25% 06/05/2031	Government bonds	0.51%	Andorra
ITALY 4.00% 30/10/2031	Government bonds	0.49%	Italy
ITALY 1.50% 21/06/2024	Government bonds	0.48%	Italy
IPSOS 2.88% 21/06/2025	Services of	0.47%	France
NE PROPERTY 1.75% 23/08/2024	Telecoms Property	0.44%	Romania

Source: Carmignac, 29/12/2023

WHAT PERCENTAGE OF INVESTMENTS WERE SUSTAINABILITY RELATED?

● ***WHAT WAS THE ASSET ALLOCATION?***

At least 90% of the fund's investments are intended to attain the environmental or social characteristics it promotes, in accordance with the binding elements of the investment strategy. In 2023, the ESG analysis coverage rate was 97.3% of the securities in the portfolio (excluding cash and derivatives).

Minimum share of sustainable investments:

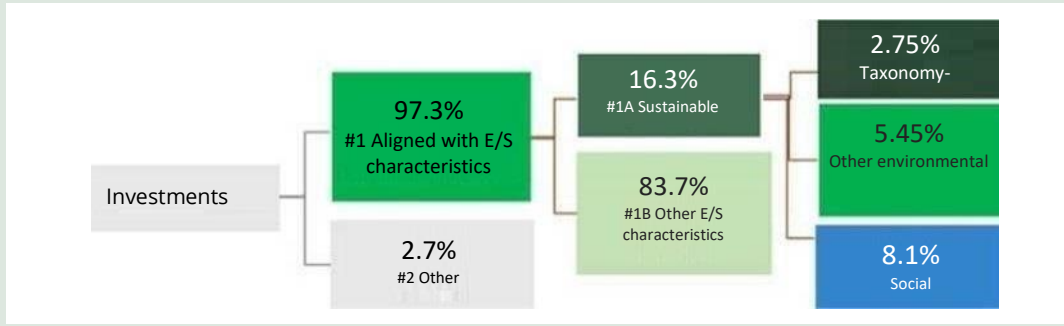
The fund invested at least 10% of its net assets in green, social or sustainable bonds, or sustainability-linked bonds, as well as in bonds issued by companies positively aligned with the United Nations Sustainable Development Goals. The minimum levels of sustainable investments with environmental and social objectives are 1% and 3% of the fund's net assets, respectively. As well as making sustainable investments accounting for at least 10% of the net assets, the fund may target companies whose goods and services, Capex and operations are not aligned with the Sustainable Development Goals taken into consideration.

In 2023, sustainable investments accounted for 16.3% of the fund's net assets, on average, based on quarter-end data. The minimum levels of investments promoting E/S characteristics, and with environmental and social objectives will be 1% and 3% of the Fund's net assets, respectively. In 2023, these proportions were 8.2% and 8.1% of the fund's net assets respectively, on average, based on quarter-end data.

Share of #2 Other investments:

In addition to cash and derivatives (which may be used for the purposes of efficient portfolio management and/or hedging and/or exposure, as applicable), this category includes investments in corporate bonds or in sovereign bonds that are not classed as sustainable investments. Such investments are carried out in strict compliance with the fund's investment strategy and in order to implement the fund's investment strategy. All these investments are subject to ESG analysis (including via our proprietary ESG model for sovereign bonds). For corporate bonds, minimum safeguards are assessed to ensure that their business activities comply with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights. These instruments are not used to attain the environmental or social characteristics promoted by the fund. In 2023, this proportion was 2.7% of the fund's net assets, on average, based on quarter-end data.

Asset allocation describes the share of investments in specific assets.



#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.

#2 Other 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

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from the 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 the green operational activities of investee companies.

IN WHICH ECONOMIC SECTORS WERE THE INVESTMENTS MADE?

Please find below the main economic sectors in which investments were made in 2023, based on average month-end data, for the bond component of the portfolio:

Economic sectors	% of assets
Finance	20.8%
Energy	9.3%
Energy equipment and services	5.0%
Oil, gas and fuel	4.3%
Utilities	5.3%
Consumer discretionary	5.2%
Industry	4.0%
Property	3.7%
Telecom Services	2.3%
Materials	1.5%
Healthcare	1.2%
IT	1.0%
Consumer Staples	0.8%

Source: Carmignac, 29/12/2023

Enabling activities

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



Transitional activities

are activities for which low-carbon alternatives are not yet available and, among other things, whose greenhouse gas emission levels correspond to the best performances achievable.

TO WHAT EXTENT WERE THE SUSTAINABLE INVESTMENTS WITH AN ENVIRONMENTAL OBJECTIVE ALIGNED WITH THE EU TAXONOMY?

The fund has an environmental objective linked to the Sustainable Development Goals and not to the European Taxonomy. In 2023, its alignment with the EU Taxonomy was 2.75%.

DID THE FINANCIAL PRODUCT INVEST IN FOSSIL GAS AND/OR NUCLEAR ENERGY RELATED ACTIVITIES COMPLYING WITH THE EU TAXONOMY?

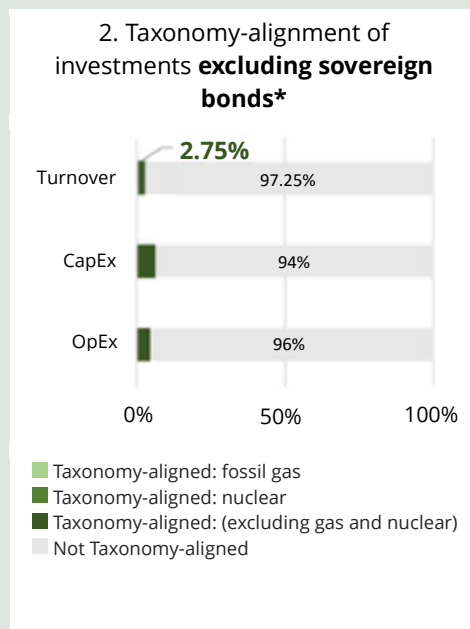
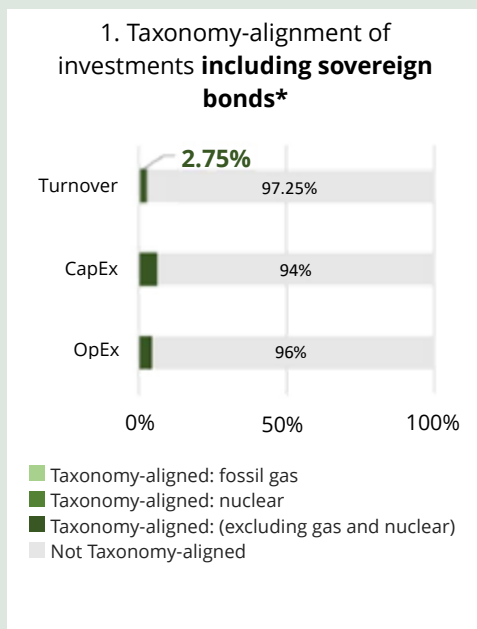
Yes:

In fossil gas

In nuclear energy

No:

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.*



¹ 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 do no significant harm to any EU Taxonomy objective – 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.

 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 THE INVESTMENTS MADE IN TRANSITIONAL AND ENABLING ACTIVITIES?

N/A.

HOW DID THE PERCENTAGE OF INVESTMENTS THAT WERE ALIGNED WITH THE EU TAXONOMY COMPARE WITH PREVIOUS REFERENCE PERIODS?

As of 30 December 2022, its alignment with the EU Taxonomy was 5.30%.



WHAT WAS THE SHARE OF SUSTAINABLE INVESTMENTS WITH AN ENVIRONMENTAL OBJECTIVE THAT WERE NOT ALIGNED WITH THE EU TAXONOMY?

In 2023, sustainable investments with an environmental objective that were not aligned with the EU Taxonomy accounted for 5.45% of the net assets, on average, based on quarter-end data.



WHAT WAS THE SHARE OF SOCIALLY SUSTAINABLE INVESTMENTS?

In 2023, sustainable investments with a social objective accounted for 8.1% of the net assets, on average, based on quarter-end data.



WHAT INVESTMENTS WERE INCLUDED UNDER “OTHER”, WHAT WAS THEIR PURPOSE AND WERE THERE ANY MINIMUM ENVIRONMENTAL OR SOCIAL SAFEGUARDS?

The remainder of the portfolio (i.e. beyond the minimum share of 90%) may also promote environmental and social characteristics but is not systematically covered by ESG analysis. These assets may include securities for which ESG analysis may be carried out after the financial instrument in question is acquired by the fund. Cash (and equivalent instruments) and derivatives (used for hedging or exposure purposes) are also included under “#2 Other”.

At corporate issuer level, investments that are not sustainable investments are assessed to ensure compliance with global standards on environmental protection, human rights, employment practices and anti-corruption measures through controversy screening (“standards-based” approach). These investments are analysed on the basis of the minimum safeguards in place to ensure that their business activities comply with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.



WHAT ACTIONS HAVE BEEN TAKEN TO COMPLY WITH THE ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS DURING THE REFERENCE PERIOD?

The actions below were carried out by Carmignac in 2023 to support the investment process in accordance with environmental and social characteristics:

ESG integration

- We continued to develop our proprietary ESG system, known as START, which gathers together the raw ESG-related data for investee companies on a single interface, including impact, carbon and controversy data, and exclusive analyses by our analysts.
- We developed our methodology for alignment with the United Nations Sustainable Development Goals (SDGs) through operations, which we use for a wide selection of funds. This methodology helps us to assess the extent to which a company's operational practices are aligned with the United Nations SDGs.

Sustainable development report

- We added ESG data to our fund reports for our Article 8 and 9 funds, detailing the performance of ESG indicators against our reference benchmarks and the alignment of their investments with the UN Sustainable Development Goals.
- We further refined our focus to three key sustainable development themes: the climate (C), emancipation (E) and leadership (L). We published a guide for investee companies on our ESG-related expectations for these themes: https://carmidoc.carmignac.com/ESGGUIDE_INT_EN.pdf

Commitments

- Target of 100% of votes: we succeeded in participating in nearly 100% (95% in 2023) of all the possible votes at annual general meetings. We engaged with 60 companies on ESG matters and began to publish quarterly reports on the main voting statistics and examples of engagement efforts.
- Stewardship Code: We were approved by the FRC to become a signatory to the Stewardship Code by complying with all of the principles, as formalised in our annual stewardship report: https://carmidoc.carmignac.com/SWR_CH_en.pdf
- Regulatory consultation: Comprehensive contribution to the European Commission's consultations, either directly, or through the working groups of our fund associations: EFAMA, AI, UK, Alfi Luxembourg and AFG, France. We were asked to present the French regulator with our methodology for reducing our investment universe based on ESG criteria without sector biases, which was adopted within the context of the industry's new guidelines.

Transparency

- We created a new sustainable investment centre on our website to showcase our ESG approach, policies and reports: https://www.carmignac.com/en_US/sustainable-investment/overview
- We have launched an ESG result calculator so that investors can assess the social and environmental contributions of their investments in our responsible and sustainable funds. Our ESG result calculator is above all a teaching tool to help them to understand what their savings are indirectly financing. It reflects our commitment to transparency and reinforces our sustainable investment approach.
It is available here: https://www.carmignac.co.uk/en_GB/sustainable-investment/esg-outcomes-calculator

Collaborative engagement

Carmignac believes that direct engagement and collaborative engagement are worthwhile, and that a combination of the two leads to the most impactful and effective engagement efforts. It is by working together that investors can have the most effective impact on the companies in the portfolio with regard to important ESG matters, including market-wide systemic risks, and ultimately help to improve the way the markets operate. We stepped up our participation in Climate 100+ with this in mind.

With regard to engagement specifically, we have a fiduciary duty to fully exercise our shareholder rights and engage with the companies in which we invest. Dialogue is maintained by the financial analysts, portfolio managers and ESG team. We believe that our engagement allows us to better understand how companies manage their non-financial risks and improve their ESG profile, while delivering long-term value creation for our clients, society and the environment. Each interaction covers one of the following five topics: 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. Carmignac has introduced and maintains policies and guidelines to ensure the company correctly identifies, foresees and manages any situation constituting a potential or confirmed conflict of interest. For more information on our engagement policies, please visit the website.

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 the ESG team. We believe that our engagement leads to a better understanding of how companies manage their non-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 at Carmignac level, and 8 companies at Carmignac Sécurité level.

In 2023, Carmignac held two meetings with Total Energies.

These two meetings were an opportunity for Carmignac to give the company feedback about its climate strategy. We acknowledged the efforts made by the company to address a series of sustainability issues and the maturing of its energy transition strategy.

The key points discussed with the company are highlighted below:

- Responsibility for indirect CO2 emissions (scope 3);
- Change in investments in low carbon energy;
- Use of offsetting mechanisms instead of technology able to reduce carbon emissions directly;
- Articulation of the environmental benefits of the gas expansion strategy using an analysis of prospective scenarios compared with other viable technologies.

Carmignac consequently voted against the company's 2023 report on sustainable development and climate progress. We remain concerned about the fact that the company's report lacks significant information required for us to understand and compare its energy transition strategy with its peers' strategies. We also believe that the management is not sufficiently willing to acknowledge the company's responsibility for the emissions from its products. In our view this position will not be tenable in the medium- or long-term from a legal viewpoint.



HOW DID THIS FINANCIAL PRODUCT PERFORM COMPARED WITH THE REFERENCE BENCHMARK?

N/A.

- ***HOW DID THE REFERENCE BENCHMARK DIFFER FROM A BROAD MARKET INDEX?***

N/A.

- ***HOW DID THIS FINANCIAL PRODUCT PERFORM WITH REGARD TO THE SUSTAINABILITY INDICATORS AIMED AT DETERMINING THE ALIGNMENT OF THE REFERENCE BENCHMARK WITH THE SUSTAINABLE INVESTMENT OBJECTIVE?***

N/A.

- ***HOW DID THIS FINANCIAL PRODUCT PERFORM COMPARED WITH THE REFERENCE BENCHMARK?***

N/A.

- ***HOW DID THIS FINANCIAL PRODUCT PERFORM COMPARED WITH THE BROAD MARKET INDEX?***

N/A.

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

CARMIGNAC GESTION

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