

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 INVESTISSEMENT
Legal entity identifier: 5493001UQQGPERC77586

Environmental and/or social characteristics

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



Yes



No



It made **sustainable investments 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



It made **sustainable investments with a social objective**: ____%



18. It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 50 % of sustainable investments



with an environmental objective in economic activities that 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 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 a best-in-universe approach to invest in a sustainable manner: 1) ESG integration, 2) Negative screening, 3) Positive screening applying a UN SDG alignment approach, 4) Active Stewardship to promote Environment and Social characteristics, 5) Low-carbon intensity target, 6) Monitoring of Principal Adverse Impacts.

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



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) is

Sustainability

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

applied to at least 90% of issuers. In 2023, the coverage rate of ESG analysis was 100% of issuers, on average, based on 4 quarters ends data.

2) The amount the universe is reduced by (minimum 20% for the equity section of the portfolio):

i) Firm-wide exclusion: 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 negative screening: Equity portfolio positions 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.

In 2023, the universe was reduced by 20.8% for the equity section of the portfolio, on average, based on 4 quarters ends data.

3) Positive screening: the Sub-Fund makes sustainable investments whereby a minimum of 50% of the Sub-Fund's net assets are invested in shares of companies that are considered aligned with relevant United Nations Sustainable Development Goals. The minimum levels of sustainable investments with environmental and social objectives are respectively 5% and 15% 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:

- 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. For further information on the United Nations Sustainable Development Goals, please refer to <https://sdgs.un.org/goals>.

In 2023, 70.0% of the Sub-Fund's net assets were invested according to this positive screening on average based on the end of quarter data. The levels of sustainable investments with environmental and social objectives were respectively 29.5% and 40.5% of the Sub-Fund's net assets on average based on the end of quarter data. Our sustainable investment definition changed in July 2023 to incorporate the SDG alignment to operations and a change to the capex alignment 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 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 16 companies at Carmignac Portfolio Investissement level. At Sub-fund level, we voted for 96.7% of the meetings where we had shareholder rights to exercise.

5) Low-carbon intensity target: The Sub-fund aimed in the equity and corporate bond part of the portfolio to achieve carbon emissions 30% lower than its designated composite reference indicator (MSCI ACWI (USD) (Reinvested net dividends), general market index, measured monthly by carbon intensity (tCO₂/ mUSD revenue converted to Euros; aggregated at portfolio level (Scope 1 and 2 of GHG Protocol). In 2023, the carbon dioxide emissions of the Carmignac Portfolio Investissement portfolio was 75.3% lower than those of its reference, on average, based on 4 quarters ends data.

6) Principal adverse impacts: this Sub-Fund committed to applying the SFDR level II 2019/2088 Regulatory Technical Standards (RTS) annex 1 related to Principal Adverse Impacts whereby 14 mandatory and 2 optional environmental and social indicators (selected by the Sustainable Investment team for pertinence and coverage) 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, Board gender diversity, Exposure to controversial weapons, Excessive CEO pay ratio (optional choice). 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	1795.55	100%
GHG Scope 2	Scope 2 GHG emissions	1452.91	100%
GHG Scope 3	From 1 January 2023, Scope 3 GHG emissions	68743.96	100%
Total GHG	Total GHG emissions	71551.57	99%
Carbon footprint	Carbon footprint	313.40	99%
GHG intensity	GHG intensity of investee companies	709.26	99%
Exposure to fossil fuels	Share of investments in companies active in the fossil fuel sector	6%	99%
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	61%	78%
Energy consumption intensity - Total	Energy consumption in GWh per million EUR of revenue of investee companies - Total	0.20	89%
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	89%
Energy consumption intensity - NACE SectorB	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector B (Mining and quarrying)	0.64	89%
Energy consumption intensity - NACE SectorC	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector C (Manufacturing)	0.14	89%
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)	0.92	89%

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	89%
Energy consumption intensity - NACE Sector F	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector F (Construction)	0.00	89%
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 vehicles and motorcycles)	0.06	89%
Energy consumption intensity - NACE Sector H	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector H (Transporting and storage)	2.00	89%
Energy consumption intensity - NACE Sector L	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector L (Real estate activities)	0.00	89%
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%	99%
Emissions to water	Tons of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.00	1%
Hazardous waste	Tons of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	59.29	38%
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	6%
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	100%
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	0.39	99%
Gender pay gap	Average unadjusted gender pay gap of investee companies	10%	32%
Board gender diversity	Average ratio of female to male board members in investee companies	37%	100%
Controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00	99%
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)	564.12	72%

● ...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 by the Sub-Fund as well as the attainment of its sustainable objective:

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. As of 30/12/2022, the coverage rate of ESG analysis was 100% of issuers (excluding cash and derivatives).

2) The amount the equity universe is reduced by (minimum 20%): Negative screening and exclusions of unsustainable activities and practices reflected in low ESG scores from START, MSCI and or ISS scores and research have been 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, (e) carbon intensity limits, (f) companies involved in tobacco production, (g) companies involved in adult entertainment. Extended exclusions include the oil and gas sector, conventional weapons, gambling and animal protein processing companies. The universe is further reduced by the number of companies deemed not aligned according to our SDG alignment assessment. As of 30/12/2022, the universe was reduced by 21.17% of the portfolio.

3) Alignment with Sustainable Development Goals: the Sub-Fund makes sustainable investments whereby a minimum of 50% 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 in relation to business activities which align positively with one of the 9 out of 17 United Nations Sustainable Development Goals selected by Carmignac. As of 30/12/2022, 66.8% of the Sub-Fund's net assets were invested in sustainable investments as defined above.

4) Active stewardship: Environmental and social related company engagements leading to 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. In 2022, we engaged with 81 companies at Carmignac level, and 19 companies at Sub-Fund level. Thus, we exercised almost 100% of the votes for the companies in which we had holdings (98%).

The Sub-Fund aimed to have a carbon footprint (measured by carbon intensity) at least 30% lower than its reference indicator. As of 30th December 2022, the carbon dioxide emissions of the Sub-Fund (measured tCO₂/ mUSD revenue converted to Euros; aggregated at portfolio level (Scope 1 and 2 of GHG Protocol) were 72.3 % lower than those of its reference indicator (MSCI AC World NR (USD) dividends reinvested).

In addition, regarding the Principal Adverse Impact (PAI) monitoring, the Sub-Fund has applied the SFDR level II 2019/2088 Regulatory Technical Standards (RTS) annex 1 whereby 14 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 , Board gender diversity, Exposure to controversial weapons, Excessive CEO pay ratio (optional choice). Sovereign issuers are monitored for social norm violations of their GHG intensity.

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	3785	99%
GHG Scope 2	Scope 2 GHG emissions	1737,5	99%
GHG Scope 3	From 1 January 2023, Scope 3 GHG emissions	107632,5	99%
Total GHG	Total GHG emissions	113152,5	99%
Carbon footprint	Carbon footprint	460,3575	99%
GHG intensity	GHG intensity of investee companies	757,8075	99%
Exposure to fossil fuels	Share of investments in companies active in the fossil fuel sector	7%	99%
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	71%	99%
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	22%	99%
Energy consumptionintensity - Total	Energy consumption in GWh per million EUR of revenue of investee companies - Total	0,1525	99%
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	99%
Energy consumption intensity - NACE SectorB	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector B (Mining and quarrying)	0,82	99%
Energy consumption intensity - NACE SectorC	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector C (Manufacturing)	0,16	99%
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)	1,32	99%

	supply)		
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	99%
Energy consumption intensity - NACE Sector F	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector F (Construction)	N/A	99%
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 vehicles and motorcycles)	0,0275	99%
Energy consumption intensity - NACE Sector H	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector H (Transporting and storage)	4,5175	99%
Energy consumption intensity - NACE Sector L	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector L (Real estate activities)	0,01	99%
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%	99%
Emissions to water	Tons of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	69,48	99%
Hazardous waste	Tons of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	54,7125	99%
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	568,2675	99%
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%	99%
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	45%	99%
Gender pay gap	Average unadjusted gender pay gap of investee companies	85%	99%
Board gender diversity	Average ratio of female to male board members in investee companies	32%	99%
Controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	99%
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)	101,6	99%

● ***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 50% 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 5% and 15% 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:

- g) **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
- h) **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

i) **Operations:**

- v. 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
- vi. 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.

As of 29/12/2023, the Sub-Fund had 70.0% of the portfolio’s net assets invested in sustainable investments as per our definition above mentioned on average based on the end of quarter data. The minimum levels of sustainable investments with environmental and social objectives were respectively 29.5% and 40.5% of the Sub-Fund’s net assets on average based on the end of quarter data. Our sustainable investment definition changed in July 2023 to incorporate the SDG alignment to operations and a change to the capex alignment 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 used the following mechanisms to ensure our sustainable investments do not cause significant harm to any environmental or social sustainable investment objective:

1) Universe reduction process:

i) Firm-wide exclusion: 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 negative screening: Equity portfolio positions 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.

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.

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

According to Carmignac approach defined, the Principal Adverse Impacts indicators have been monitored on a quarterly basis. Adverse impacts are identified for their degree of severity. After internal discussion 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.

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

Carmignac applied 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 acted 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 applied 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 identification 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 14 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 indicators: 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.

Asset allocation describes the share of investments in specific assets.

We identified that Anheuser-Busch was one of the main contributors to the underperformance of Carmignac Portfolio Investissement for the hazardous waste PAI in 2022.

We engaged with Anheuser-Busch in 2023 because they were ranked fourth in the list of companies that contributed the most to packaging pollution. We asked them what they are doing to reduce waste pollution post-consumer and if they are working with legislators. They informed us that they are looking at lightweighting initiatives, and increasing the recycled content of their products. Solutions they are looking at include: promoting recycled packaging, rethinking their distribution model, offering pickup for empty returnable bottles, offering last mile solutions, and offering more convenient solutions.

From a legislative perspective it varies from market to market but the challenges are not just in developing markets as glass recycling figures in the US dropped. This requires a systems re-thinking, so they engage more at the municipal level and campaigning.



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 section of the portfolio :

Larger investments	Sector	% Assets	Country
ELI LILLY & CO	Health Care	4.70%	United States
HERMES INTERNATIONAL	Consumer Discretionary	4.23%	France
MICROSOFT CORP	Information Technology	4.15%	United States
AMAZON.COM INC	Consumer Discretionary	3.41%	United States
ASTRAZENECA PLC	Health Care	3.30%	United Kingdom
ALIBABA GROUP HOLDING	Consumer Discretionary	3.22%	China
AIRBUS GROUP	Industrials	3.07%	France
ADVANCED MICRO DEVICES INC	Information Technology	2.89%	United States
FACEBOOK INC	Telecommunication	2.75%	United States
S&P GLOBAL INC	Financials	2.71%	United States
INTERCONTINENTAL EXCHANGE	Financials	2.54%	United States
NOVO NORDISK AS	Health Care	2.42%	Denmark
HUMANA INC	Health Care	1.83%	United States
ESSILOR INTERNATIONAL	Health Care	1.83%	France
T-MOBILE US INC	Telecommunication Services	1.78%	United States

Source: Carmignac, 29.12.2023

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

What was the proportion of sustainability-related investments?

In 2023, the Sub-Fund had 70.0% of the portfolio's net assets invested in sustainable investments as per our definition above mentioned, on average, based on 4 quarters ends data.

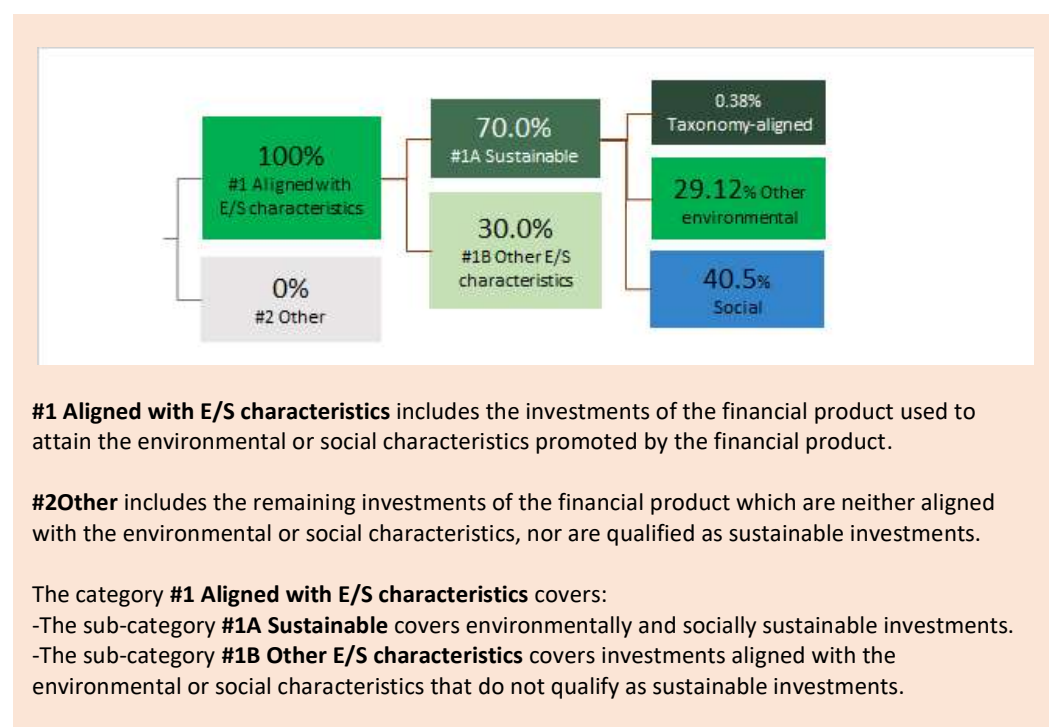
What was the asset allocation?

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, 100% of issuers have been covered by the ESG analysis thus 100% of issuers were aligned with these E/S characteristics, on average, based on 4 quarters ends data.

The Sub-Fund makes sustainable investments whereby a minimum of 50% of the Sub-Fund's net assets are invested in shares of companies that are considered aligned with relevant United Nations Sustainable Development Goals ("the SDGs"), aforementioned. In 2023, this positive screening has been applied and 70.0% of the Sub-Fund's net assets were invested in shares of companies positively aligned with the United Nations Sustainable Development Goals, on average, based on 4 quarters ends data.

In addition, the minimum levels of sustainable investments with environmental and social objectives were respectively 5% and 15% of the Sub-Fund's net assets. In 2023, 29.5% of the Sub-Fund's net assets were invested in sustainable investments with environmental objectives, and 40.5% in sustainable investment with social objectives, on average, based on 4 quarters ends data.

The #2 Other investment (in addition to cash and derivatives which may be used for hedging purposes, if applicable) were equity, corporate bonds or sovereign bonds investments which were not classified as sustainable investment. They were investments made strictly in accordance with the Sub-Fund's investment strategy and had the purpose of implementing the Sub-Fund's investment strategy. All such investments were made 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 were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. These instruments were not used to achieve the environmental or social characteristics promoted by the Sub-Fund.



● In which economic sectors were the investments made?

Please find below the average top sectors based on 12 month end data for 2023 for the equity section of the portfolio :

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.

Larger economic sectors	% Assets
Health Care	19.5%
Information Technology	19.2%
Consumer Discretionary	15.9%
Financials	9.8%
Industrials	8.6%
Telecommunication Services	8.0%
Consumer Staples	6.2%
Materials	2.7%
Energy	1.9%
Energy Equipment & Services	1.4%
Oil, Gas & Consumable Fuels	0.5%
Real Estate	0.8%
Utilities	0.7%

Source: Carmignac, 29.12.2023



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

As of 29/12/2023, 0.38% 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 activities complying with the EU Taxonomy⁹?


☐ Yes:

☐ In fossil gas

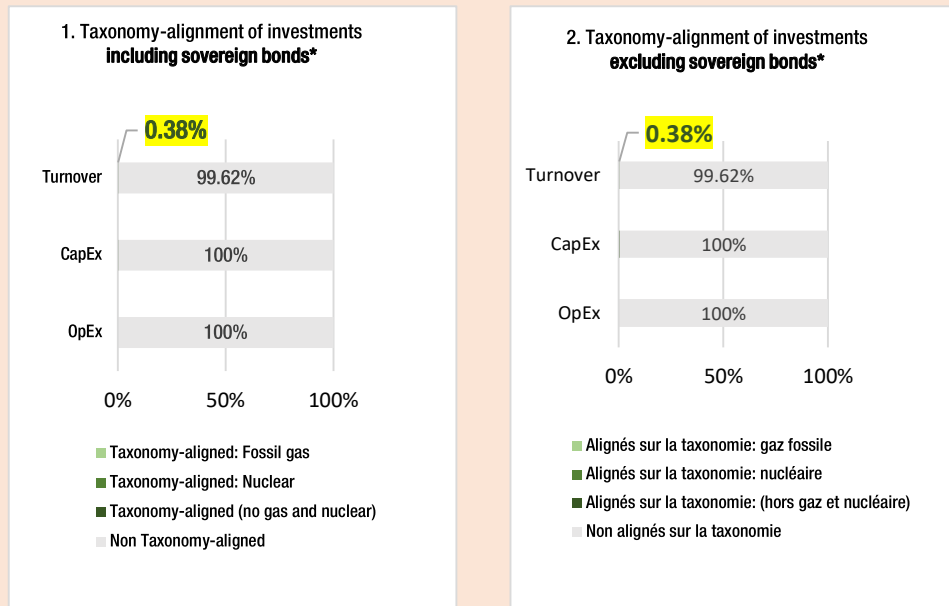
☐ In nuclear energy

☒ No:

⁹ 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.

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

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.

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

Not Applicable

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

In 2022, 1.49% of investments were aligned with the EU Taxonomy.

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



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

In 2023, 29.12% of the Sub-Fund's net assets were invested in sustainable investments with environmental objectives not aligned with the EU Taxonomy, on average, based on 4 quarters ends data.



What was the share of socially sustainable investments?

In 2023, 40.5% of the Sub-Fund's net assets were invested in sustainable investments with social objectives, 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. Cash (and cash equivalent), as well as derivatives (used either for hedging purposes) are also included under “#2 Other”.

In addition, the do no significant harm, exclusionary process and adverse impacts are monitored for all the Sub-Funds’ assets.

At issuer level (for equities and corporate bonds), non sustainable 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 investment 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+.

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 16 companies in this particular Sub-Fund.

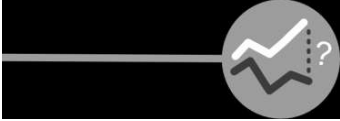
In 2023, Carmignac held two meetings with Total Energies.

These two meetings were an opportunity for Carmignac to provide feedback to the company on its climate strategy. We acknowledged the company's efforts regarding its performance on a range of sustainability issues and the maturing of its energy transition strategy.

We highlight below the key points of discussion with the company:

- Responsibility for indirect CO2 emissions (Scope 3);
- Evolution of low-carbon energies capex;
- Use of offsetting mechanisms instead of technology to reduce carbon emissions directly;
- Articulation of environmental benefits of the gas expansion strategy using forward looking scenario analysis against other viable technologies.

As a result, Carmignac voted against the company's 2023 sustainability & climate progress report. We remain concerned that the company's report is missing material information to enable us to understand and compare its energy transition strategy with peers. Also, we think there is insufficient appetite by management to acknowledge the company's responsibility for its products' emissions. We think this stance will not be tenable in the medium to long term from a legal perspective.



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

- ***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

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