



X. Hovasse



J. Mouawad

Recommended minimum investment horizon: **5 years**



FUND SUSTAINABILITY QUARTERLY REPORT

JUNE 2021

Report Overview

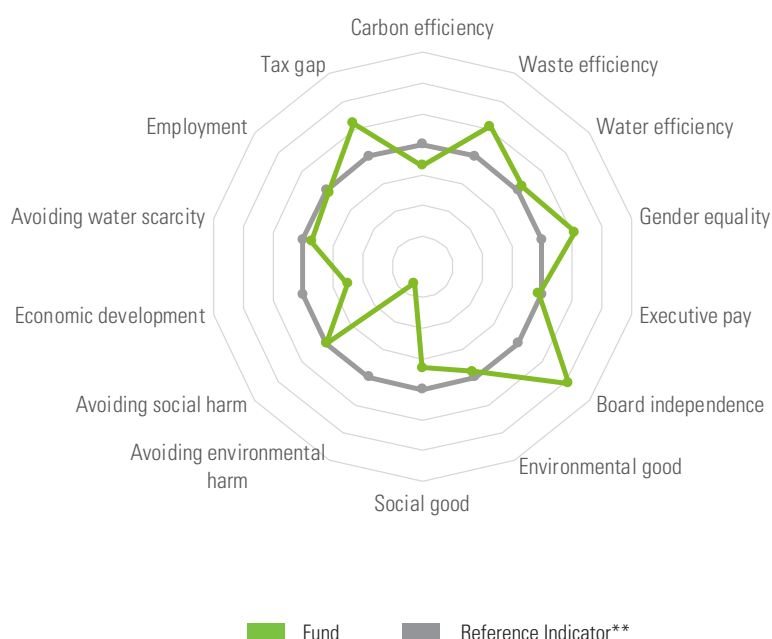
In addition to analysing financial metrics, we recognise the importance of assessing the sustainability of our investments. We do this by reviewing a company's operational practices (ESG indicators), their products and services' societal and environmental value (outcomes), and their alignment to achieving the UN Sustainable Development Goals (SDGs). Business activities have both positive and negative impact that varies in scale; by comparing the Fund with its Reference Indicator, we demonstrate the good, as well as the potential harm, associated with our active investment approach.

PROFILE

- **Fund Inception Date:** 15/05/2019
- **Fund Manager:** Xavier Hovasse since 15/05/2019, Joseph Mouawad since 15/05/2019
- **Fund AUM:** 35M€
- **Domicile:** United Kingdom
- **Reference Indicator:** 50% MSCI EM (EUR) (Reinvested net dividends) + 50% JP Morgan GBI-EM (EUR). Quarterly rebalanced.
- **Base Currency:** GBP
- **Dividend Policy:** Accumulation
- **Fund Type:** UCITS
- **Legal Form:** OEIC
- **Subscription/Redemption:** Daily
- **Order Placement Cut-Off Time:** Before 12:00 (GMT)
- **Morningstar Category™:** Other Allocation

Portfolio ESG indicators & outcomes

Many indicators can illustrate company sustainability performance. We focus on a subset that we believe are relevant, and for which we have coverage, for reporting ESG risks, opportunities and outcomes.



HOW TO INTERPRET THIS GRAPH:

The centre of the circle corresponds to the lowest relative value, and the outer edge the maximum relative value, for each factor. The area outside the Reference Indicator (RI) line indicates positive ESG-related and outcomes performance versus the RI. Conversely, the area inside the RI line indicates negative performance versus the RI. For example, in the case of 'Carbon efficiency', if the Fund line is further towards the outer edge of the graph than the RI line, the Fund is more carbon efficient than its RI.

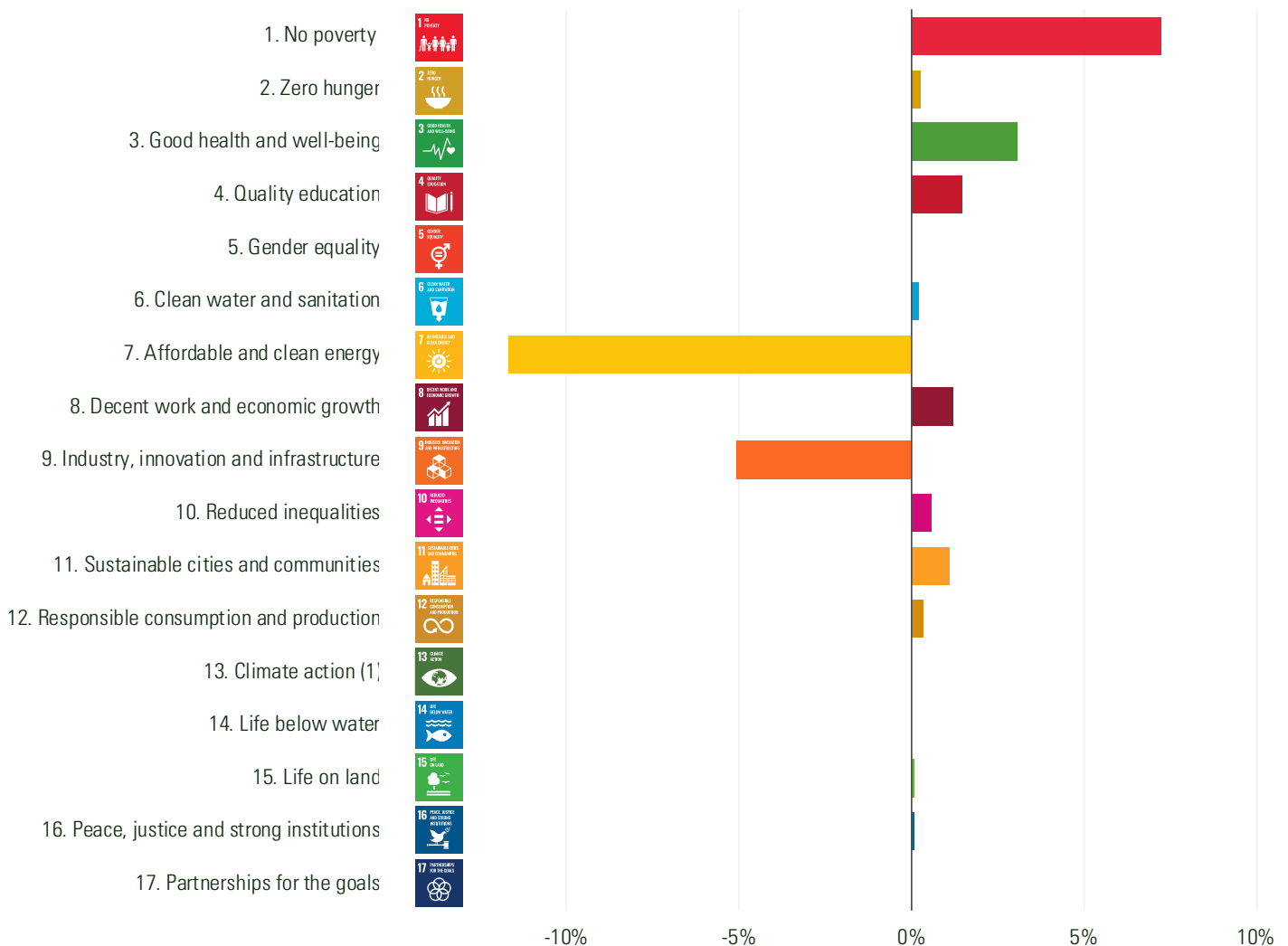
Please see the **Understanding the Graphs** and **Data Methodology** sections for further information.

Source: Impact Cubed and S&P Trucost as at 30/06/21. *For the share class FP Carmignac Emerging Patrimoine A Class Accumulation. Risk Scale from the KIID (Key Investor Information Document). Risk 1 does not mean a risk-free investment. This indicator may change over time. **The Reference Indicator used for this comparison is 50% MSCI EM (EUR) (reinvested net dividends) Index and 50% ICE BofA Global Emerging Markets Corporate Plus Index, which is different from the Fund's official Reference Indicator. Portfolio composition may vary over time and without prior notice. (1) Sustainable Finance Disclosure Regulation (SFDR) 2019/2088. For more information please refer to <https://eur-lex.europa.eu/eli/reg/2019/2088/oj>.

Portfolio SDG alignment versus Reference Indicator

Companies can impact society and the environment both positively and negatively through the products they sell and services they offer. This impact can be shown by mapping the products and services to the UN’s Sustainable Development Goals (SDGs) and calculating the weighted average of revenue exposures for each SDG. This exercise is also completed for the Reference Indicator, which is subtracted from the Fund result to determine the net active SDG alignment. For more information regarding the SDGs please visit: <https://sdgs.un.org/goals>.

% SDG alignment vs. Reference Indicator** (Misaligned <0%/ Aligned >0%)



HOW TO INTERPRET THIS GRAPH:














This graph is based on revenue calculations for companies with products and services that are deemed to be either aligned or misaligned to the SDGs. Negative values indicate lower alignment of the portfolio to an SDG than the Reference Indicator (RI). Positive values indicate higher alignment of the portfolio to an SDG than the RI. Each company revenue stream is considered either aligned, misaligned or neutral for each SDG. For example, in the case of SDG 1 “No poverty”, +10% means that on a net basis, the portfolio is 10% more aligned to eliminating poverty, compared to the RI; -10% means that on a net basis, the portfolio is 10% less aligned to eliminating poverty than the RI.

Please see the **Data Methodology** sections for further information.

Source: Impact Cubed and S&P Trucost as at 30/06/21. (1) In order not to duplicate SDG alignment attribution, business activities that are common to SDG 13 ‘Climate Action’ and SDG 7 ‘Affordable and Clean Energy’ are identified under SDG 7. **The Reference Indicator used for this comparison is 50% MSCI EM (EUR) (reinvested net dividends) Index and 50% ICE BofA Global Emerging Markets Corporate Plus Index, which is different from the Fund’s official Reference Indicator.

10 most positively SDG-aligned holdings in the portfolio

The business activities shown are solely those that are positively contributing to the SDGs. A maximum of three positively-aligned SDGs are shown for each company.

Company	SDG	Business activity (% of revenue)	SDG	Business activity (% of revenue)
QINGDAO HAIER CO LTD	 11 SUSTAINABLE CITIES AND COMMUNITIES	Household Appliances:63.72% A/C Heating & Fridge Equip:20.91% Refrigerators & Freezers:15.37%		
LG CHEM LTD	 7 AFFORDABLE AND CLEAN ENERGY	Energy Storage Systems:39.23	 3 GOOD HEALTH AND WELL-BEING	Generic Pharma:2.10%
GRUPO BANORTE	 1 NO POVERTY	Banks:81.20% Auto Finance:1.35% Other Financial Services:0.88%	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Bulk Warehouse REIT:0.09%
KOTAK MAHINDRA BANK	 1 NO POVERTY	Retail Banking:27.61% Corporate Banking:25.52% Life Insurance:20.29% Banks:3.62%		
LENOVO	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Mobile Phones:10.32%		
GAZPROM	 1 NO POVERTY	Banks:5.06%		
IHH HEALTHCARE	 3 GOOD HEALTH AND WELL-BEING	Hospitals:96.99% Health Care REIT:1.16%	 4 QUALITY EDUCATION	Educational Services:1.86%
JD HEALTH INTERNATIONAL INC	 3 GOOD HEALTH AND WELL-BEING	Pharmacies:100.00%		
CHONGQING ZHIFEI BIOLOGICAL PRODUCTS CO LTD	 3 GOOD HEALTH AND WELL-BEING	Pharma & Specialty Distribution:91.87% Biotech:8.13%		
BYD CO LTD	 8 DECENT WORK AND ECONOMIC GROWTH	Vehicle Batteries:7.65%		

Positive SDG alignment of the 15 largest positions in the portfolio

The holdings are sorted according to their weight in the portfolio. A maximum of three positively-aligned SDGs are shown for each company.

Company	Weight in the portfolio	SDG	Business activity (% of revenue)	SDG	Business activity (% of revenue)
QINGDAO HAIER CO LTD	0.83%	 11 SUSTAINABLE CITIES AND COMMUNITIES	Household Appliances:63.72% A/C Heating & Fridge Equip:20.91% Refrigerators & Freezers:15.37%		
LG CHEM LTD	1.44%	 7 AFFORDABLE AND CLEAN ENERGY	Energy Storage Systems:39.23%	 3 GOOD HEALTH AND WELL-BEING	Generic Pharma:2.10%
GRUPO BANORTE	1.20%	 1 NO POVERTY	Banks:81.20% Auto Finance:1.35% Other Financial Services:0.88%	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Bulk Warehouse REIT:0.09%
KOTAK MAHINDRA BANK	0.47%	 1 NO POVERTY	Retail Banking:27.61% Corporate Banking:25.52% Life Insurance:20.29% Banks:3.62%		
LENOVO	0.61%	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Mobile Phones:10.32%		
GAZPROM	3.04%	 1 NO POVERTY	Banks:5.06%		
IHH HEALTHCARE	0.37%	 3 GOOD HEALTH AND WELL-BEING	Hospitals:96.99% Health Care REIT:1.16%	 4 QUALITY EDUCATION	Educational Services:1.86%
JD HEALTH INTERNATIONAL INC	0.40%	 3 GOOD HEALTH AND WELL-BEING	Pharmacies:100.00%		
CHONGQING ZHIFEI BIOLOGICAL PRODUCTS CO LTD	0.95%	 3 GOOD HEALTH AND WELL-BEING	Pharma & Specialty Distribution:91.87% Biotech:8.13%		
BYD CO LTD	0.00%	 8 DECENT WORK AND ECONOMIC GROWTH	Vehicle Batteries:7.65%		
ICICI LOMBARD GENERAL INSURANCE	0.58%	 1 NO POVERTY	P&C Insurance Premiums:61.59% Comm'l Prop & Multi-Peril Prem:22.94% Investment Income - P&C:12.89% P&C Insurance:1.65% Fees & Other Income - P&C:0.92%		
MERCADOLIBRE INC	0.60%	 1 NO POVERTY	Financial Transaction Processors:35.58%		
ENN ENERGY HOLDINGS	1.32%	 11 SUSTAINABLE CITIES AND COMMUNITIES	Utility Line Construction:9.00% Cooking Appliances:2.35%		
DABUR INDIA	0.58%				
KINGSOFT CLOUD HOLDINGS LTD	0.46%				

UNDERSTANDING THE GRAPHS

Spider graph ESG Indicators and Outcomes explained

Factor	Measured by	Fund	Reference Indicator**	% data estimated	
				Fund	Ref. Indicator**
Carbon Efficiency⁽¹⁾	Tonnes of CO2 (scope 1 & 2 ⁽²⁾) emissions per €1m revenue	503.45	380.75	12.34%	21.80%
Waste Efficiency	Tonnes of waste generated per €1m revenue	8.12	767.00	51.65%	61.55%
Water Efficiency	Thousand cubic metres fresh water used per €1m revenue	10.53	11.79	58.34%	58.45%
Gender Equality	Percentage of women in boards and top management	14.16	13.11	16.55%	11.96%
Executive Pay	Ratio of executive level pay to average employee pay	80.10	79.52	0.00%	6.94%
Board Independence	Percentage of independent board members	51.56	48.52	18.08%	12.90%
Environmental Good⁽³⁾	Percentage of portfolio allocated to environmental solutions	4.13	4.64	0.00%	0.00%
Social Good⁽³⁾	Percentage of portfolio allocated to help alleviate social issues	0.15	17.60	0.00%	0.00%
Avoiding Environmental Harm⁽³⁾	Percentage of portfolio allocated to environmentally destructive industries	20.33	11.02	0.00%	0.00%
Avoiding Social Harm⁽³⁾	Percentage of portfolio allocated to industries aggravating social issues	2.18	2.22	0.00%	0.00%
Economic Development	Median income of portfolio weighted geography of economic activities (\$)	29 530.22	26 753.24	0.00%	0.00%
Avoiding Water Scarcity	Geographic water use (World Resource Institute scale 0-5 from least to most water scarce areas)	2.55	2.53	0.00%	0.00%
Employment	Percentage of unemployment in portfolio weighted area of economic activity	5.60	5.63	0.00%	0.00%
Tax Gap	Estimated % tax avoided by corporate tax mitigation schemes	2.00	2.42	0.00%	0.00%

Source: Data as at 30/06/21; sourced from Impact Cubed and Trucost. Please see the **Data Methodology** section for further information.

The Reference Indicator used for this comparison is 50% MSCI EM (EUR) (reinvested net dividends) Index and 50% ICE BofA Global Emerging Markets Corporate Plus Index, which is different from the Fund's official Reference Indicator. (1) Trucost coverage of 83.0% of the portfolio. The carbon efficiency figure is then rebased to 100, (excludes cash, securities not in scope (sovereign bonds and derivative instruments). (2) Refer to **Glossary. (3) Refer to **Data Methodology**. The information in this document relating to the sustainability of portfolios according to Impact Cubed IC (the "Information", "Impact-Cubed"), The Information has been obtained from, or is based on, sourced believed by Impact-Cubed to be reliable, but it is not guaranteed as to its accuracy or completeness. No representation, warranty, or undertaking, express or limited, is given as to the accuracy or completeness of the information or opinions contained in this document by Impact-Cubed, any of its partners or employees, or any third party involved in the making or compiling of the Information, and no liability is accepted by such persons for the accuracy or completeness of any information or opinions. None of the Information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. The Information is strictly confidential and is the property of Impact-Cubed. Any use of the Information requires a license from Impact-Cubed. The Information may not be reproduced, further distributed or published in whole or in part by any recipient without prior written permission from Impact-Cubed. The Information may not be used to create derivative works or to verify or correct other information.

DATA METHODOLOGY

Data: Carbon data is sourced from S&P Trucost; for the carbon calculation methodology please see below. All other data is sourced from Impact Cubed.

Data coverage: Data represents listed equities and corporate bond securities (including quasi-sovereigns where applicable) only (derivatives, cash and sovereigns are out of scope).

Estimated data: This is the percentage of positions by weight in the portfolio that did not report the data used to calculate an indicator. Gaps in company reporting are estimated with proprietary models with quality checks run on reported data to identify outliers. In rare instances, the numbers reported by companies are implausible and these are replaced with more reliable estimates. The percentage of estimated data is disclosed in the *Understanding the Graphs* section in this report.

Carbon emissions (S&P Trucost) methodology: Trucost uses company disclosed emissions where available. In the instance it is not available, they use their proprietary EEIO model. The model uses the revenue breakdown of the company by industry sector to estimate the carbon emissions. For further information, please visit: www.spglobal.com/spdji/en/documents/additional-material/faq-trucost.pdf. Although S&P Trucost does report Scope 3 emissions where available, such emissions are commonly considered to be poorly defined and inconsistently calculated by companies. As a result, we have chosen not to include them in our portfolio emission calculations. To calculate the portfolio carbon emissions, the companies' carbon intensities (tonnes of CO₂e /USD mn revenues) are weighted according to their portfolio weightings (adjusted for holdings for which carbon emissions are not available), and then summed.

Environmental & Social Good / Harm: The four related factors are formed by categorising company products and services. By taking a conservative approach to linking company activities with environmental and social outcomes, around 10% of products and services are counted as creating environmental or social good, 10% as creating environmental or social harm, and 80% as neutral. The products and services are classified using a proprietary industry classification system and then mapped to the SDGs using official SDG documentation. A geographic component is incorporated for products and services which would only score positively in a limited number of countries; for example, access to telecommunications is a specific sub-category in the SDGs, but companies providing such services would only positively contribute to the SDGs if they operate in a country with limited existing services. For 'avoiding environmental harm' and 'avoiding social harm', a Fund scores better when avoiding companies with revenues from 'negative products'. See the Glossary for the definition on types of revenues that contribute to the factors.

Portfolio ESG indicators & outcomes graph: Standard deviations of each indicator are used to unify the scale of the graph.

Portfolio SDG alignment versus Reference Indicator graph: Company business activities are divided into business lines according to revenue. These business activities are mapped to the SDGs, and the weighted average of revenue exposures for each SDG is calculated. This incorporates the direct or indirect relationship between revenues and SDGs. This exercise is also completed for the Reference Indicator, which is subtracted from the Fund result to determine the net active SDG alignment.

10 most positively SDG-aligned holdings in the portfolio table: The business activities shown are solely those that are positively contributing to the SDGs. A maximum of three positively-aligned SDGs are shown for each company. To decide on which issuers to show, the percentage revenue is multiplied by the total revenue figure, and then summed for each issuer. These are then ranked according to the largest positively-aligned revenue amount.

Positive SDG alignment of the 15 largest positions in the portfolio table: The holdings are sorted according to their weight in the portfolio. A maximum of three positively-aligned SDGs are shown for each company.

GLOSSARY

ESG: E for Environment, S for Social, G for Governance

GHG Protocol scope definitions⁽¹⁾

Scope 1: Greenhouse gas emissions directly generated from burning fossil fuels and production processes which are owned or controlled by the company.

Scope 2: Greenhouse gas emissions from consumption of purchased electricity, heat or steam by the company.

Scope 3: Other indirect greenhouse gas emissions, such as from the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities not covered in Scope 2, outsourced activities, waste disposal, etc.

Environmental Good: Benefits to the environment as a result of positive products i.e. clean technologies such as wind turbines, solar panels, water purification, waste management and electric vehicles.

Social Good: Benefits to society as a result of socially-positive products i.e. education, healthcare and access to financial services.

Avoiding Environmental Harm: Damage to the environment as a result of negative products such as coal mining, coal-based power generation and factory farming

Avoiding Social Harm: Damage to society as a result of socially-harmful products such as tobacco, alcohol, junk food and weapons.

UN SDGs

	NO POVERTY		AFFORDABLE AND CLEAN ENERGY		CLIMATE ACTION
	ZERO HUNGER		DECENT WORK AND ECONOMIC GROWTH		LIFE BELOW WATER
	GOOD HELTH AND WELLBEING		INDUSTRY, INNOVATION AND INFRASTRUCTURE		LIFE ON LAND
	QUALITY EDUCATION		REDUCED INEQUALITIES		PEACE, JUSTICE AND STRONG INSTITUTIONS
	GENDER EQUALITY		SUSTAINABLE CITIES AND COMMUNITIES		PARTNERSHIPS FOR THE GOALS
	CLEAN WATER AND SANITATION		RESPONSIBLE CONSUMPTION AND PRODUCTION		

(1) for info direct from document <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>.

Main risks of the fund

EQUITY: The Fund may be affected by stock price variations, the scale of which is dependent on external factors, stock trading volumes or market capitalization.

INTEREST RATE: Interest rate risk results in a decline in the net asset value in the event of changes in interest rates. **CREDIT:** Credit risk is the risk that the issuer may default. **EMERGING MARKETS:** Operating conditions and supervision in “emerging” markets may deviate from the standards prevailing on the large international exchanges and have an impact on prices of listed instruments in which the Fund may invest. The Fund presents a risk of loss of capital.

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Important legal information

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