

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

**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 MULTI EXPERTISE  
**Legal entity identifier:** 969500JCSUVMRMFQ7C26

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

**Yes**

   **No**

<p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ___%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ___%</p>	<p><input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>
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## What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes environmental and social characteristics.

At least 60% of the UCIs in which the fund invests promote environmental and/or social characteristics, in accordance with article 8 of the SFDR and/or have a minimum objective of sustainable investment (as defined in article 9 of the SFDR).

The underlying funds, in which the fund invests, and which are classified as article 8 or 9 by their fund manager will, as a minimum, promote environmental and social characteristics by applying best-in-universe and best-efforts approaches to invest in a sustainable manner: 1) ESG integration, 2) Negative screening through a universe reduction process, and 3) Active Stewardship to promote Environment and Social characteristics.

The fund has not designated a benchmark as its sustainability benchmark, for the purposes of assessing the extent to which the environmental and social characteristics promoted by the fund are being achieved.

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

The sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by this financial product are the SFDR categories of the selected funds, and the three-pillar approach used by the selected sub-funds:

**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), which includes internal and external ESG ratings, is applied to at least 90% of the articles 8 and 9 Carmignac's underlying funds holdings

**2) Negative screening:** negative screening is applied to the equity and corporate bond sections (of the respective initial investment universes of the underlying article 8 and 9 funds:

i) At the underlying fund manager level, this negative screening and exclusion of unsustainable activities and practices, reflected in low ESG scores from START, MSCI and ISS ("Institutional Shareholder Services") ESG, is carried out on the basis of the following indicators: (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.

In the case of securitisation instruments, in particular CLOs (collateralised loan obligations), the manager carries out an ad hoc analysis of the environmental and/or social characteristics of eligible securitisation vehicles. This analysis results in systematic rating of eligible securitisation instruments in Carmignac's ESG platform, START. The Fund may not invest in the lowest-rated instruments.

**3) 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.

### Sustainability indicators

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

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A.

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

N/A.

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

N/A.

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

N/A.

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

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

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



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

**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.

- ✘ **YES**, Carmignac, CCC, as manager of the articles 8 and 9 underlying invested funds invested in this fund, 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 (chosen by the Sustainable Investment team for pertinence and coverage) 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 (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). To mitigate the adverse impacts if detected, further assessment is performed to identify an engagement strategy or potential divestment from the company as is outlined under the Carmignac Engagement policy and Principal Adverse Impact policy. These information will be disclosed in the annual reports. Carmignac, as manager of this fund, cannot guarantee that this financial product will take into account the main negative impacts on sustainability factors in its other investments, but will do its utmost to take them into consideration.

No



### *What investment strategy does this financial product follow?*

The Fund is mainly invested in UCIs managed by Carmignac. However, the Fund may invest in external UCIs when the desired allocation cannot be made exclusively in UCIs managed by Carmignac. The manager gives preference to units of UCIs authorised for marketing in France.

Investment in units or shares of UCIs and the allocation between the various assets will depend on market conditions and portfolio diversification opportunities and will be determined at the discretion of the management company in order to achieve the right balance between the risk associated with each investment and the expected return. Subject to regulatory investment limits, the Fund will invest between 65% and 100% of its net assets in UCIs.

As the fund is managed on an active, flexible basis, its asset allocation may differ substantially from that of its reference indicator. As such, the portfolio manager manages exposure to the different markets and eligible asset classes, based on expectations of changes in risk/return ratios. The investment policy takes into account the principle of risk spreading by means of the diversification of investments.

For the underlying funds managed by Carmignac, their investment universes are assessed against the ESG risks and opportunities recorded in "START" (System for Tracking and Analysis of a Responsible Trajectory), Carmignac's proprietary ESG platform. Extra-financial analysis is implemented in the investment strategy through the activities described below, which actively reduce the funds investment universes. The underlying funds apply strict standards-based negative screening to companies in order to exclude unsustainable activities and practices, reflected in low ESG scores from START, MSCI and ISS ESG as well as research, and based on the following indicators: (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.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

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

- at least 60% of the underlying funds, in which the fund invests, are classified as article 8 or 9 by the manager.
- ESG analysis applied to at least 90% of the underlying funds classified article 8 and 9 by the manager.
- The initial investment universes of the underlying funds classified article 8 and 9 are actively reduced.

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

The Sub-Fund does not commit a minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy.

**Good governance**

practices include sound management structures, employee relations, remuneration of staff and tax compliance.

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

The evaluation is carried out at the level of the underlying article 8 and 9 funds within the SFDR regulation, in which Carmignac Multi Expertise invests, through ratings provided by the funds.

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

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

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

- 1) Publish a global tax policy that outlines the company's approach to responsible tax;
- 2) Report on their tax governance and risk management processes to the competent authorities; and
- 3) File appropriate returns in each of the countries in which they operate (country-by-country reporting, "CBCR").

These considerations inform the management company's actions with respect to companies and its votes in favour of greater transparency, for example via support for shareholder resolutions.

As regards sovereign issuers, the following governance criteria are assessed: ease of doing business, tax positioning, debt ratio expressed per year of tax receipts, current account balance and economic freedom.

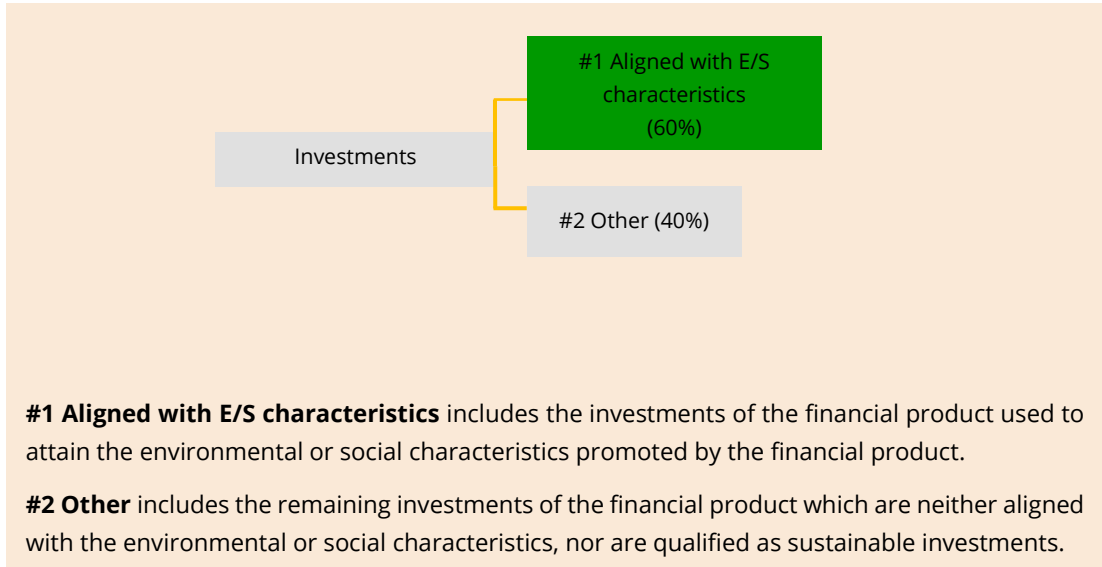


## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

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



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

The use of derivatives does not contribute to the attainment of the fund's environmental and/or social characteristics.





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

The minimum level of alignment with the Taxonomy, i.e. the minimum share of the fund’s investments deemed to contribute on an ongoing basis to the above environmental objectives, is 0% of assets. The actual level of alignment with the Taxonomy is calculated and published annually.

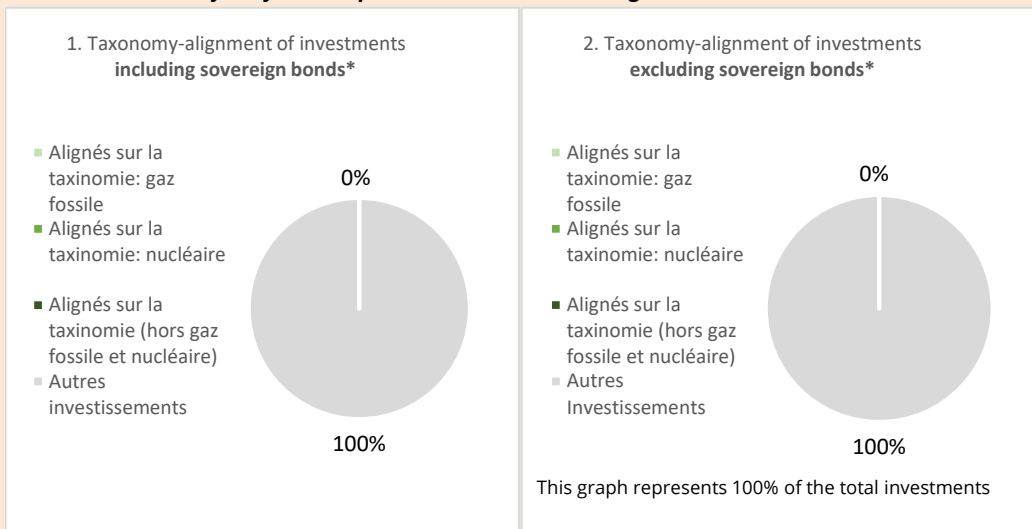
**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

Yes:

In fossil gas                       In nuclear energy

No

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




\* For the purpose of these graphs, “sovereign bonds” consist of all sovereign exposures.

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

The Fund does not have a minimum share of investments in transitional and enabling activities, as it is not committed to a minimum share of environmentally sustainable investments aligned with the EU taxonomy.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to 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.

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



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

N/A.



***What is the minimum share of socially sustainable investments?***

N/A.



***What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?***

This fund promotes an allocation of at least 60% of the portfolio in investments complying with environmental and social characteristics (#1 Aligned with I/S characteristics).

A proportion of the fund's investments (maximum 40% of net assets #Other) will not be used to achieve the fund's environmental and/or social characteristics.

These investments may include all asset classes set out in the specific investment policy, in particular cash and derivatives, as well as UCIs that are neither article 8 nor 9 within the SFDR meaning. They may be used by the management team for performance, diversification, liquidity and hedging purposes.

The fund does not take into account minimum environmental or social guarantees for these investments.



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

N/A.

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

N/A.

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

N/A.

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

N/A.

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

N/A.

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



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**  
<http://www.carmignac.com>, in the "Funds" and "Responsible Investment" sections.