

Sustainability related disclosures

Carmignac Portfolio Flexible Bond

- a. **Summary:** This Fund has (E) environmental and (S) social characteristics and promotes investment into companies which follow good governance practices in accordance with **Article 8** of the Sustainable Finance Disclosure Regulation (“SFDR”).
- b. **No sustainable investment objective:** This Fund promotes environmental or social characteristics and partially invests in sustainable investments. It applies either a best-in-universe perspective to identify companies that conduct sustainable activities or a best-efforts approach to favour issuers showing an improvement in their practices and their ESG performance overtime. The fund employs active engagement in its investments.
- c. **Environmental or social characteristics of the financial product:** This Fund promotes environmental and social characteristics. It is not accredited with a sustainability label.
- d. **Investment strategy:** The Fund aims to outperform the reference indicator over a recommended minimum investment period of 3 years. The Fund employs a flexible fixed income investment strategy that aims to take advantage of the variety and diversity of investment opportunities across the fixed income universe globally including sovereign debt (developed and emerging markets), credit (investment grade, high yield, financials and convertibles) and money market instruments. The portfolio is managed with a total return mindset to participate in rising markets, while implementing a defensive approach, by hedging the portfolio to market risks, in declining markets. In addition, the Fund seeks to invest sustainably and implements a socially responsible investment approach as described in the extra-financial analysis section below and can be found on our [website](#) and our [“Responsible Investment” web page](#).
- e. **Monitoring of environmental or social characteristics:** The environmental and social characteristics of the fund are monitored and published monthly via an ESG factsheet. The Fund’s annual report includes an assessment of ESG scores and carbon emissions compared to the Fund’s reference indicators as well as a discussion on the key engagements made during the year.
- f. **Methodology:** There are four manners in which the Fund establishes environmental and social characteristics:
 - 1) Firm-wide exclusion list (controversial weapons, tobacco, adult entertainment, thermal coal producers etc.)
 - 2) Exclusion of poorly ESG-rated companies according to the overall MSCI rating (CCC & B)
 - 3) Negative screening based on E and S criteria (MSCI rating of 2 or below on one of the two pillars)In regard to points 2) and 3), if a company is rated A, B or C (A to E range) in our proprietary ESG system START, it can be reintegrated into our investment universe. This action will automatically require a proprietary qualitative analysis and an engagement with the company.
- g. **Data sources and processing:** The Fund uses several data sources that most particularly are aggregated into the Carmignac proprietary ESG System START and a proprietary Sovereign debt ESG assessment subject to monthly reports. The START sources are S&P Trucost for carbon data, TR Refinitiv for raw

company ESG data, MSCI and Impact-Cubed for impact and SDG alignment data, ISS Ethix for UNGC and OECD Business and Human Rights Norms screening.

- h. **Limitations to methodologies and data:** The Fund’s sustainability risk may differ from the sustainability risk of the Reference indicator.
- i. **Due diligence:** Over 90% of the Funds’ assets (corporate bonds and sovereign debt) are assessed for ESG score and risks. Proprietary analysis is combined with the ESG scoring process of Carmignac's proprietary system START.
- j. **Engagement of policies:** Carmignac operates an engagement policy that reflects their environmental, social and governance themes for the corporate bond issuers. An Engagement plan is established to identify engagements with companies in which we are invested that show poor management of ESG related risks, where Carmignac has identified a specific theme, or where a specific impact or investigation of a controversy is required.
- k. **Designated reference benchmark:** The Fund has designated its reference indicator ICE BofA ML Euro Broad Market Index , coupons reinvested as a reference benchmark. The reference indicator is a general market index of euro denominated investment grade debt publicly issued in the eurobond or Euro member domestic markets, including euro- sovereign, quasi-government, corporate, securitized and collateralized securities, and it is not used as a designated ESG performance index. The portfolio ESG ratings are published on a monthly basis at [website](#), our “Responsible Investment” webpage. A description and methodology and composition of the benchmark can be found in the Prospectus.

- **Fund inception date:** 14/12/2007
- **Reference indicator:** ICE BofA Euro Broad Market Index , coupons reinvested.
- **ISIN code (A EUR acc share class):** LU0336084032



*For the A EUR acc share class. Risk Scale from the KIID (Key Investor Information Document). Risk 1 does not mean a risk-free investment. This indicator may change over time.

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