

# Sustainability-related disclosures

## Carmignac Portfolio Global 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 and countries 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. **Good governance** in the companies in which we invest is monitored and measured initially through the proprietary ESG system START and is complemented by proprietary analysis. Specific governance indicators include board independence, management committee composition and skills, minority shareholder treatment and remuneration. Corporate behaviour indicators concern accounting practices, tax and anti-bribery. In addition, these investments are also subject to norms- based exclusions and controversy screens for abuses and lack of adherence to the OECD and UN Global Compact principles.
- e. **Investment strategy:** The Fund aims to outperform the reference indicator over a recommended minimum investment period of 3 years. The Fund employs a global and flexible, fixed income investment strategy that capitalises on numerous investment opportunities including sovereign debt (developed and emerging markets), credit (investment grade, high yield, financials and convertibles), currency strategies 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” webpage.
- f. **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.
- g. **Methodologies:** The corporate bond universe is reduced by more than 20% through:
  - 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 2/10 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.

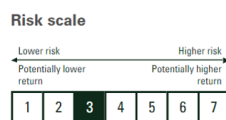
In addition, a minimum 90% of portfolio holdings are analysed for ESG risks and opportunities:

- **Corporate bonds:** ESG research system START is used to centralise raw ESG Data, proprietary scoring and revenue impact for corporate bond issuers
- **Government debt:** Proprietary ESG scoring system is used to monitor and score government issuers' debt through environmental, social and governance factors

- h. **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-based screening. For our proprietary Global Sovereign ESG Scoring system, ESG indicators are obtained from public sources such as the World Bank, Bloomberg New Energy Finance and the IMF.
- i. **Limitations to methodologies and data:** The Fund's sustainability risk may differ from the sustainability risk of the Reference indicator. In terms of methodology, using MSCI environmental and social pillars ratings as thresholds and our internal ESG scoring to reduce the universe by 20% is one method but there are other ones available. Our focus is to combine external inputs with internal insights in order to limit the risk of being backward-looking.
- j. **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.
- k. **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.
- l. **Designated reference benchmark:** The Fund has designated its reference indicator JP Morgan GBI Global (EUR) as a reference benchmark. The reference indicator is a general market index and it is not used as a designated ESG performance index. The portfolio ESG ratings are published on a monthly basis on the website, in 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:** JP Morgan GBI Global (EUR)
- **ISIN code\* (A EUR acc share class):** LU0336083497

Recommended  
minimum investment  
horizon



\*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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The Fund may not be offered or sold, directly or indirectly, for the benefit or on behalf of a "U.S. person", according to the definition of the US Regulation S. The Fund presents a risk of loss of capital. The risks and fees are described in the KIIDs (Key Investor Information Document). The Fund's prospectus, KIIDs and annual reports are available at [www.carmignac.com](http://www.carmignac.com) or upon request to the Management Company. The KIIDs must be made available to the subscriber prior to subscription. The investor should read the KIID for further information. • **In Switzerland**, the Fund's prospectus, KIIDs and annual reports are available at [www.carmignac.ch](http://www.carmignac.ch) or through our representative in Switzerland, CACEIS (Switzerland), S.A., Route de Signy 35, CH-1260 Nyon. The paying agent is CACEIS Bank, Paris, succursale de Nyon/Suisse, Route de Signy 35, 1260 Nyon. The KIID must be made available to the subscriber prior to subscription. • **In the United Kingdom**, the Fund's prospectus, KIIDs, NAV and annual reports are available in English at [www.carmignac.co.uk](http://www.carmignac.co.uk), upon request to the Management Company or for the French Fund, at the offices of the Facilities Agent at BNP PARIBAS SECURITIES SERVICES, operating through its branch in London: 55 Moorgate, London EC2R. This material was prepared by Carmignac Gestion and/or Carmignac Gestion Luxembourg and is being distributed in the UK by Carmignac Gestion Luxembourg UK Branch (Registered in England and Wales with number FC031103, CSSF agreement of 10/06/2013).

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