

# Sustainability-related disclosures

## Carmignac Portfolio Human Xperience

- a. **Summary:** This Fund has a sustainable objective and invest into companies which follow good governance practices in accordance with **Article 9** of the Sustainable Finance Disclosure Regulation (SFDR (EU 2019/2088)). The Fund seeks to invest sustainably for long-term growth and implements a thematic investment approach seeking to achieve a positive social outcome by investing in companies with superior employee experience and customer experience ('human experience').
- b. **No significant harm to the sustainable investment objective:** Investments are screened for adherence to global norms on environmental protection, human rights, labor standards and anti-corruption.
- c. **Sustainable investment objective of the financial product:** to achieve positive social outcomes by investing 100% of the portfolio's assets in companies that rank in the top 30% of the investable universe based on customer and employee satisfaction data.
- d. **Investment strategy:** The investment theme is based on the conviction that companies with strong employee experience and customer experience will achieve superior long-term revenues. The Fund adopts a best-in-class socially responsible approach to investment with a prominent focus on investee companies' social practices, by selecting the best issuers in the investable universe based on their differentiating management of customer and employee satisfaction. The investment strategy is based on a bottom-up analysis of companies that are leaders in the areas of employee experience and customer experience. The Fund's investable universe is composed of companies selected through extensive fundamental analysis of the company financial statements and other qualitative and quantitative sources of information to establish the company's social characteristics and potential inclusion in the portfolio. Details on how the socially responsible investment approach is applied is described in the extra-financial analysis section below and can be found on our [website](#).
- e. **Proportion of investments:** 100% of the portfolio's net asset is invested in companies that can demonstrate a positive contribution to society and leadership in the field of customer and employee experience.
- f. **Monitoring of sustainable investment objective:** The ESG performance is published monthly via an ESG factsheet. The Fund's annual report includes an assessment of ESG scores as well as a discussion on the key engagements made during the year.
- g. **Methodologies:** A positive screening is applied to filter the investment universe to identify companies that provide positive customer and employee experiences. The extra-financial component of the analysis primarily draws on publicly disclosed information coming from 1. Surveys; 2. Real-time/news flow and 3. Reported company social metrics. The ratings and selection process are fully integrated to the fundamental company analysis of companies and is conducted according to our proprietary model based 50% based on customer experience and 50% based on employee experience.

- h. **Data sources and processing:** The Fund uses several data sources that most particularly are aggregated progressively into the Carmignac proprietary ESG System START<sup>1</sup>. The sources are namely Yougov, TrueValue Lab, TR Refinitiv for raw company ESG data, MSCI and Impact-Cubed for impact data, ISS Ethix for UN Global Compact, OECD Business and Human Rights Norms-based screening.
- i. **Limitations to methodologies and data:** The Sub-Fund evaluates employee experience and customer experience data maintained within a proprietary database to identify those companies with the best-in-universe human experience. The selection of the inputs is quantitative-driven, proprietary, and a different selection of factors and sources could lead to different scores. Secondly, the Sub-Fund's sustainability risk may differ from the sustainability risk of the Reference indicator.
- j. **Due diligence:** Over 90% of the Funds' assets (listed equities, and corporate bonds if relevant) are assessed for ESG score and risks. Proprietary analysis is combined with the ESG scoring process of Carmignac's proprietary system START<sup>2</sup>.
- k. **Engagement policies:** Carmignac operates active voting and engagement policies that reflect their environmental, social and governance themes. The voting participation target is 100% of all possible votes. 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. **Attainment of the sustainable investment:** To achieve the sustainable objective, the scoring dispersion of companies is monitored on a continuous basis and potential candidates for investments have a score between 1 and 30 / 100.

- **Fund inception date:** 31/03/2021
- **Reference indicator:** MSCI AC World NR (USD) (Reinvested net dividends)
- **ISIN code (A EUR acc share class):** LU2295992163



\*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.

<sup>1</sup> The proprietary ESG system START combines and aggregates market leading data providers ESG indicators. Given the lack of standardisation and reporting of some ESG indicators by public companies, not all relevant indicators can be taken into consideration. START provides a centralised system whereby Carmignac's proprietary analysis and insights related to each company are expressed, irrespective of the aggregated external data should it be incomplete.

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