



2021 CARMIGNAC'S CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

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Asset managers can play an important part in addressing climate change through their operations, investments, and active ownership. They are also in prime position to influence companies' sustainable practices. Staying humble, while being impactful is key.”

FOREWORD

As stated by the latest UNEP report⁽¹⁾, the world is on track for a 2.6C to 2.8C temperature rise by 2100. Private and public entities must not use the Covid-19 pandemic or the energy crisis to derail environmental goals towards more efficient and greener energy sources. Future innovation towards new technologies such as hydrogen and carbon capture and storage must continue.

Signatory of the United Nations (UN) Principles for Responsible Investment (PRI) since 2012 and a supporter of the Taskforce on Climate-related Financial Disclosures (TCFD) since January 2020, the Carmignac Group is committed to playing its part on the topic both in our operations and in our investments. Since 2019, our firm is carbon neutral⁽²⁾. At investment level 85%⁽³⁾ of our assets are classified as sustainable (either 'Article 8' or 'Article 9' funds) under the European Union's Sustainable Finance Disclosure Regulation (SFDR).

Carmignac represents its commitment to sustainability through three themes: Climate, Empowerment and Leadership (CEL) which is detailed in our CEL Expectations statement⁽⁴⁾ outlining how we expect companies in which we invest to act and disclose within these three perimeters.

We have continued to increase our climate-related engagements through a very structured quarterly engagement plan with companies held in the portfolios and thematic engagements. We use our voting rights to help influence change and signal to companies when we feel more effort can be made on climate change mitigation and transition through the "Say on Climate" resolutions.

As an independent, active asset manager investing on behalf of long-term savers, we think it is part of our fiduciary duty to accompany and influence climate transition and reward those entities that are already contributing to a cleaner and more sustainable world while encouraging others to enhance climate-related disclosures and efforts. As long-term investors in emerging markets, we understand that not all companies can transition at the same pace, so we are mindful to manage our own expectations on companies' climate targets and initiatives.

In 2021, we continued to develop our systems and invest in technology to help better understand and more accurately measure climate risks and opportunities. Our investment team has taken environmental social governance (ESG) integration a step further, embracing the UN Sustainable Development Goals (SDGs) as a valid and valuable framework to identify more impactful investments for both the environment and society to ensure a just transition. We cannot erase all short-term negative externalities that our investee companies have on the environment, but we can allocate our clients' capital towards long term investments taking full advantage of our risk managed approach, impact measurement tools and active ownership practices in addressing climate related issues.

As a group, we are convinced that financial markets need a high level of transparency and collaboration concerning the multiple impacts of climate change. Together we can make a difference. We hope that you will find this report enlightening and instructive.

Maxime CARMIGNAC
Managing Director Carmignac UK

(1) <https://www.unep.org/resources/emissions-gap-report-2022>

(2) For more information, please refer to: [https://fpm.climatepartner.com/tracking/14768-2010-1001/en?utm_source=\(direct\)&utm_medium=climatepartner.com](https://fpm.climatepartner.com/tracking/14768-2010-1001/en?utm_source=(direct)&utm_medium=climatepartner.com)

(3) As of 30th of September 2022.

(4) For more information please refer to: https://carmidoc.carmignac.com/ESGEP_FR_en.pdf

EXECUTIVE SUMMARY

Carmignac, an independent, active asset management company has made climate awareness a formal component of its investment process by becoming a member and supporter of the TCFD in January 2020. The Financial Stability Board created the TCFD to improve and increase reporting of climate-related financial information. Carmignac has welcomed the TCFD framework and has structured this climate report for the second year of reporting since becoming a supporter around the 4 sections: Governance, Strategy, Risk Management, and Metrics & Targets. There have been several new commitments key to strengthening our determination to address climate change through our business activities and investments that we wish to draw your attention to.

In the Governance section, we will introduce Carmignac's structure, climate policies and practices of its own operations to achieve carbon neutrality in its current and future activities.

In the Strategy section, we discuss our sustainable investment key pillars, and also outline the commitments made whereby our French entity, Carmignac Gestion SA and four of our flagship funds (53% of our assets under management as of 30th of September 2022) have put in place projections for implementation of a 2050 net zero plan of action, as has first been discussed in our French Energy Climate Law, Article 29 report in June 2022. Please see this website accompanying link for a full description: https://www.carmignac.fr/fr_FR/responsible-investment/politiques-et-rapports-d-investissement-responsable-7117.

In the Risk Management section, we have formalized the control and monitoring process for our funds with Carbon emissions targets and objectives.

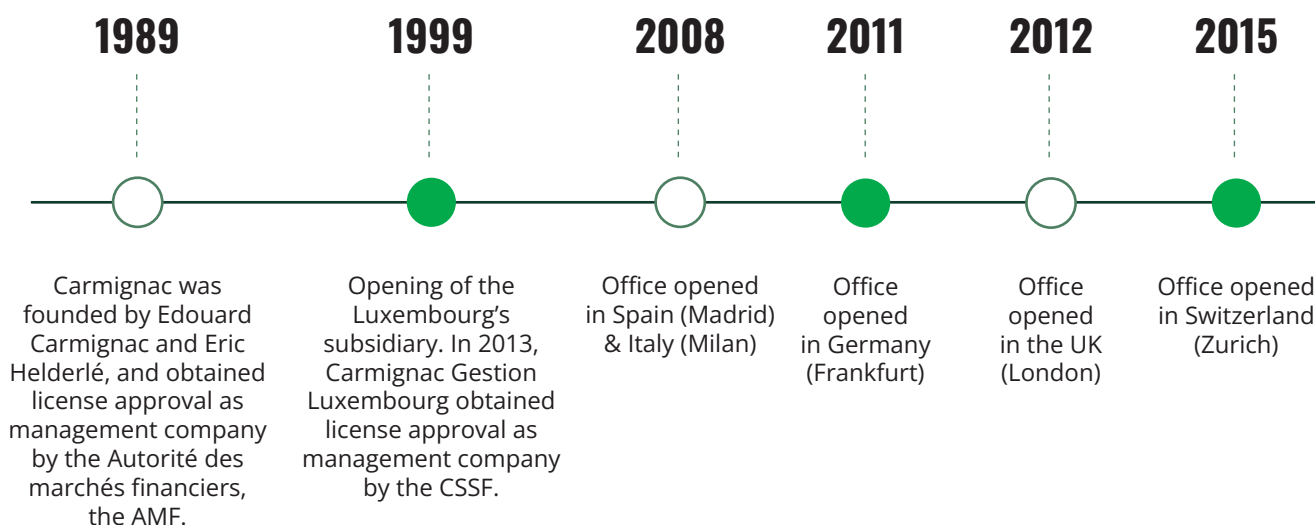
Finally, in the Metrics and Targets section, we have published the carbon emissions' metrics that are disseminated in the periodic annual report of relevant funds by Carmignac since 2017. In addition, we have taken a broader approach incorporating Paris alignment, Physical and Transition risks for all our portfolios. We have also outlined the proposal for implementation of the Net Zero pathway for our French entity and French FCP range of funds.

SECTION A: GOVERNANCE

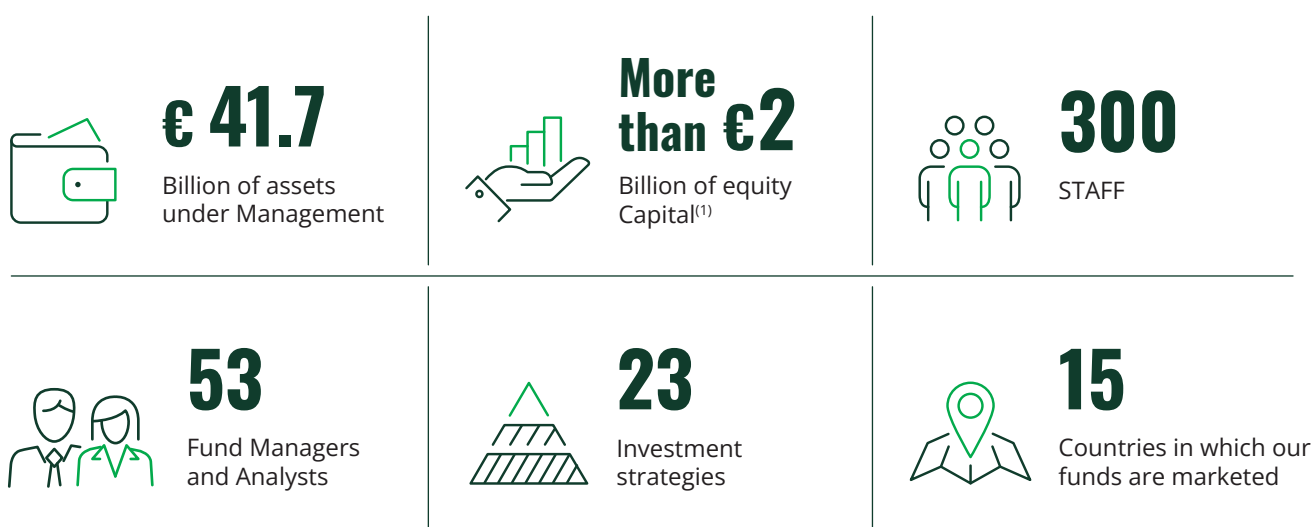


ABOUT CARMIGNAC

Founded by Edouard Carmignac and Eric Helderlé in Paris in 1989, Carmignac is an independent asset management company, entrepreneurial in its nature, which strongly believes in the power of human-driven insight and is actively committed to every client.

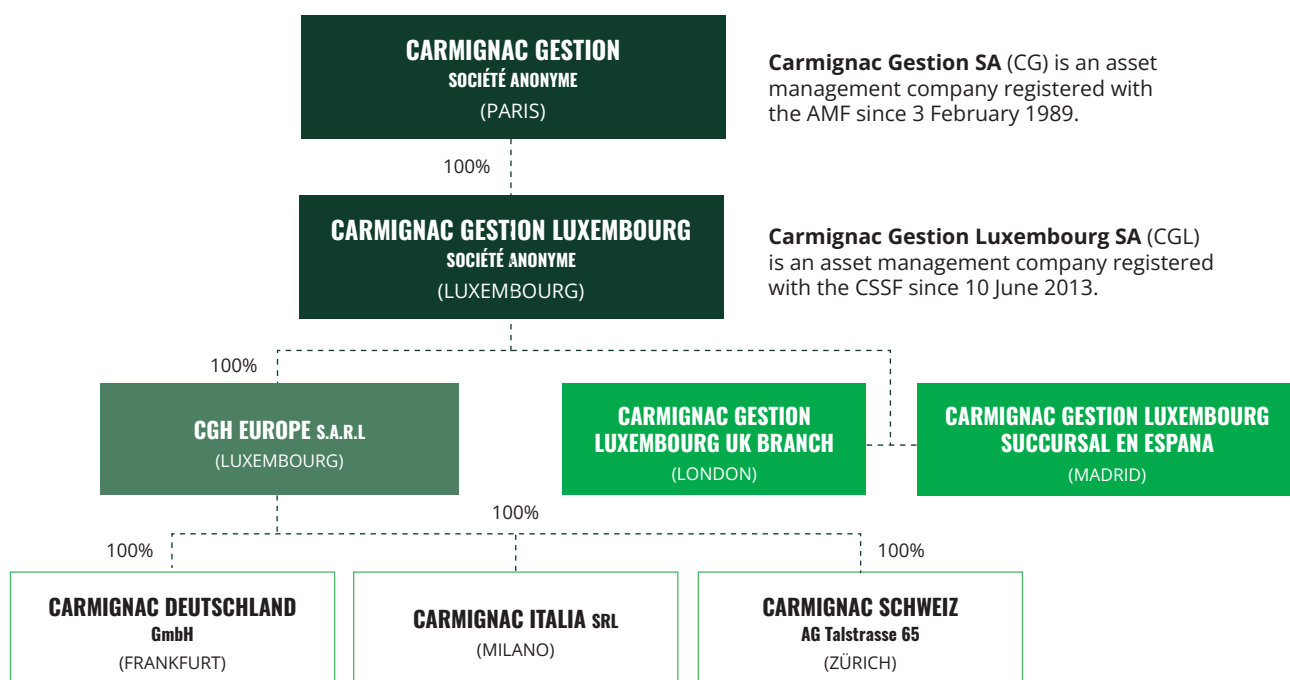


KEY FIGURES



OUR STRUCTURE AND GOVERNANCE

As of 31 December 2021, Carmignac is currently composed of two asset management's firms and one branch (UK) offering products, in addition to 4 subsidiaries and a further branch delivering collective management schemes services which can include of French FCP, Luxembourg Carmignac portfolio SICAV and UK registered OEICs, enabling Carmignac to offer investment vehicles and products adapted to local investor needs and jurisdictions. Good governance practices ensure the consistency and the sustainability of the company strategy, designing the best framework to serve investors' interests.



OUR EXECUTIVE GOVERNANCE

Carmignac is a family-owned and employee-owned company, which ensures an entrepreneurial approach for its employees, through a share ownership structure creating a common alignment with our investors. Carmignac Gestion SA is governed by the CEO and the General Manager under the supervision of the Board of Directors, supported by an audit committee, a remuneration & appointments committee, and the general assembly of the shareholders. The Board of Directors of Carmignac Gestion is composed of 11 internal and external members. Edouard Carmignac, CEO of Carmignac Gestion, is the chair of the Board. The role of the Board is to design and oversee the company's operating strategy. The Board of Directors meets at least twice a year and when necessary.

Carmignac's responsible investment values and strategy at the Carmignac Board of Directors are expressed through the leadership and sponsorship of Maxime Carmignac, Managing Director of the Carmignac, UK Branch. Maxime leads the responsible investment philosophy, strategy and climate related policies at the corporate level. The Board of Directors receives a summary of the responsible investment initiatives and actions and any potential points for discussion prior to each meeting.

ESG GOVERNANCE STRUCTURE

1. ESG GOVERNANCE GROUP

The **ESG Governance group**, is composed of some of our internal Strategic Development Committee members such as the General Manager, Heads of the Investment teams, the Managing Director of the Carmignac UK Branch, as well as the Stewardship Director and the Global Head of Compliance. Although the CEO and General Manager have the ultimate responsibility under the Board of Directors, the ESG Governance Groupe has a crucial decision-making role for all responsible investment practices and decisions at group level. Whilst in 2020 the ESG governance group met several times for the approval of different initiatives of the Responsible Investment roadmap, less meetings were needed in 2021.

Key climate-related actions taken in 2021:

1.

In 2021, Carmignac continued to offset its carbon emissions for all its 7 European offices. A Group level policy is in place to reduce our carbon footprint with several initiatives across our offices. In 2021, our Paris office became the 5th Carmignac office to operate entirely from renewable energy. Electric mobility support schemes were also put at the disposition of staff. These initiatives join the ongoing policies of eliminating plastic bottles, sorting waste, sustainable office supply sourcing, and efficient energy options for lighting, heating, and cooling across all our offices. The calculation of Scope 1 and 2 emissions and most of Scope 3 (upstream employee commuting, business travel and IT services) emissions was completed and offset 848 tonnes of CO₂e combining the already offset 2,629,600 kg CO₂e since 2019. This calculation and offset were enabled under the supervision and control of the climate expert ClimatePartner. The 2021 offset program, which is verified Carbon Standard (VCS) certified can be assessed through the link on our website: <https://fpm.climatepartner.com/tracking/14768-2010-1001/fr>.

2.

Another example of a Group wide policy undertaken for the French Energy Climate law was the approval by the ESG Governance group of a 2050 Net Zero action plan for the French entity, Carmignac Gestion SA and four of our flagship funds which will be further discussed in the strategy section.

3.

The reclassification of our funds under the SFDR “Article 8” and “Article 9” categories such that 90% of the assets under management as of 31/12/2021 were classified as sustainable, with all funds adopting a universe reduction process partially based on environmental criteria. For further information please consult the Transparency codes of relevant funds at https://www.carmignac.lu/en_GB/responsible-investment/template-hub-policies-reports-4528.

4.

A significant milestone in the implementation of the UN SDG Framework to many of our equity fund range was applied to most of the article 9 categorized funds as from 1 January 2022⁽⁵⁾. Specific SDGs linked to environmental goals are applied in this framework. Please refer to our SRI and ESG Thematics fund range overview document⁽⁶⁾ which describes which funds apply this framework as well as those that practice carbon emissions absolute or relative targets.

(5) For more information please refer to our Responsible Investment Hub : https://www.carmignac.co.uk/en_GB/responsible-investment/snapshot-4742
(6) https://carmidoc.carmignac.com/SRI/FO_FR_en.pdf

2. STRATEGIC PRODUCT COMMITTEE (SPC)

The SPC is equally key regarding ESG related policies at the fund level. Led by the Managing Director of the Carmignac UK Branch, Maxime Carmignac, it is also composed of key stakeholders including the Stewardship Director, Global Head of Sales, and the General Manager. Significant fund-level decisions including any climate related policies and practices are made by the SPC. The Committee meets at least monthly to discuss all fund-related decisions and not only climate related policies and practices.

Key climate-related actions taken in 2021:

1. The reclassification of our funds under the European Union’s (EU) Sustainable Finance Disclosure Regulation (SFDR) “Article 8” and “Article 9” categories such that 90% of the assets under management as of 31/12/2021 were classified as sustainable, with all funds adopting a universe reduction process partially based on environmental criteria. For further information please consult the Transparency codes of relevant funds at
2. The application of a 10% minimum EU Taxonomy alignment for Carmignac Portfolio Climate Transition fund (renamed from the Carmignac Portfolio Green Gold fund in 2022) and the measurement of all the Carmignac Equity range of funds for Taxonomy alignment. Please see annex 1 for the results.
3. A significant milestone was the implementation of the UN Sustainable Development Goals Framework to many of our equity fund range was applied to most of the article 9 categorized funds as from 1 January 2022 . Specific SDGs linked to environmental goals are applied in this framework. Please refer to our SRI and ESG Thematics see annex 2 for our fund range overview documents which describes which funds apply this framework as well as those that practice carbon emissions absolute or relative targets.

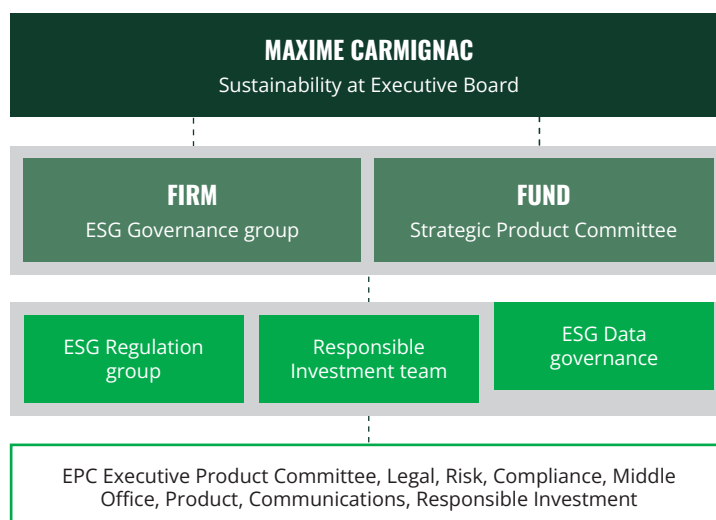
Carmignac’s responsible investment values and strategy at the Carmignac Executive Board are expressed through the leadership and sponsorship of Maxime Carmignac, Managing Director of the Carmignac, UK branch. Maxime leads the responsible investment philosophy, strategy and fund innovation at the corporate level.

BOARD OF DIRECTORS

ESG GOVERNANCE

ESG TEAM & COMMITTEES

ESG OPERATIONS



SECTION B: STRATEGY



We believe every company must play its part in climate change mitigation. We collaborate with the companies we invest in to achieve emissions transparency and to transition to climate-friendly policies. To reduce climate related risks, Carmignac has several energy specific exclusions policies. Since March 2020, Carmignac has tightened its policy of excluding coal producers and coal, nuclear and gas power plants by incorporating a tolerance trajectory for CO2/kWh emissions in line with the Paris Agreement and a limit of 10% of turnover or 20m tonnes from thermal coal production. Carmignac is committed to a total exit from coal (mines and power plants) by 2030 in all regions of the world.

Our **strategy to address Climate-Related Risks and Opportunities** including indicators and sustainable practices is, in part, based on the following three pillars: ESG Integration, Exclusions process, and Engagement. While ESG integration of climate-related risk and opportunities has a short-term impact on investment decisions, both the exclusion and engagement policies are applied over the long term to ensure an appropriate investment universe of companies with sustainable objectives. For those companies where improvements can be made, time is taken to influence their operations, policies, and practices.

PILLAR 1: ESG INTEGRATION

As a responsible investor, we consider part of our fiduciary duty to actively identify and assess ESG risks and opportunities when investing on behalf of our clients. We integrate ESG analysis⁽⁷⁾ into our equities and fixed income investment process via our proprietary ESG research system START (System for Tracking and Analyzing a Responsible Trajectory), which incorporates human insights and differentiated ESG data sources. Sovereign bond investments are also subject to ESG analysis using our two proprietary scoring process models (Global or Impact) which includes a fundamental Environmental pillar. Climate indicators identified to help if issuers have risks and how they are contributing to mitigation of climate change within the first pillar of the ESG integration process will be discussed in full below.

ESG ANALYSIS

We believe that to deliver long-term value, a company needs to be just as focused on its business practices as on its financial performance. In our view, business practices are a key lever that drives financial return, in the same way that revenues or costs would. We believe that business conduct should consider sustainability or it may face decline.

(7) For more information please refer to : https://carmidoc.carmignac.com/SRIIP_FR_en.pdf

Within equities and fixed income, with START as the basis, all ESG analysis is a coordinated effort between the Portfolio Managers, the Research Analysts and the ESG Analysts through the following three steps.



FINANCIAL ANALYSIS



ESG ANALYSIS



COMPANY VALUATION

A full description of the ESG Integration Policy for all 3 asset classes (equities, corporate bonds and sovereign bonds) and its procedures can be found on Carmignac's website.

START METHODOLOGY

START is our proprietary ESG research system that enables us to systematically integrate ESG research into the investment research process. The system combines third-party data sources with our in-house analysis to provide a forward-looking view of how a company is managing its stakeholders and therefore its ESG risks and benefitting from opportunities. We strongly believe that a company that looks after its stakeholders creates sustainable and positive financial, societal, and environmental value. ESG risks are critical to understanding a company's business practices as well as forecasting its financial performance. Our ESG research system is built on a framework formed from past academic research and the guidelines of various industry bodies such as the Sustainable Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI)⁽⁸⁾, to conduct comprehensive ESG analysis. We also use external company ESG data collated from a selection of leading data providers (S&P Trucost, TR Refinitiv, ISS ESG).



The following represents a summary of the four step **START** process, for a full description, please visit our website:

- 1. GROUP:** Companies are allocated to one of Carmignac's proprietary ESG-90 industry groups.
- 2. COLLECT:** Large amounts of raw data concerning business practices are collected from a range of specialised data sources
- 3. RANK:** The companies are ranked against their peers and given baseline rating A-E,
- 4. ANALYSE:** A being the best. In-house expertise is applied to existing analysis.

(8) For more information please refer to: <https://www.sasb.org/>
 (9) For more information please refer to: <https://www.globalreporting.org/>

CLIMATE INDICATORS

START enables us to systematically integrate ESG research into the investment process. The system combines third-party data sources with our in-house analysis to provide a forward-looking view of how a company is managing its stakeholders and therefore its ESG risks and benefitting from opportunities incorporating 31 ESG related indicators relevant to measure ESG corporate risks. 12 climate indicators are sourced from raw ESG company data are measured and integrated into START.

ENVIRONMENTAL	RATIONALE
Energy Usage and CO2 Emissions	Companies that reduce their CO2 emissions through renewable energy use and energy efficiencies can have lower costs associated with financing and regulatory compliance.
Carbon Emissions – Direct & First Tier Indirect (Tonnes CO2e)	
Carbon Intensity - Direct & First Tier Indirect (Tonnes CO2e/USD mn)	
Flaring of Natural Gas	
Total Energy Use / Revenues	
Renewable Energy Use Ratio	
Energy Use Total	
Pollution and Waste	By limiting waste production, companies can improve their materials usage efficiency and reduce cost from the needs to dispose waste.
Total Waste / Revenues	
Waste Recycled / Total Waste	
Accidental Spills	
Water and Other Natural Resources	Companies that manage water use efficiently will have less risk to their production methods and for the environment.
Water Use / Revenues	
Water Recycled	
Fresh Water Withdrawal Total	

In addition, we think that it is key to integrate ESG criteria in the monitoring of Sovereign bonds. While external solutions are slowly being developed, we have chosen to build our own proprietary models to ensure ESG integration and to provide material information to our investors. Two models have been developed in the last years:

1

A “Global Sovereign” ESG Risk model: which tries to assess Environmental, Social and Governance risks faced by developed and emerging countries

2

An EM “Impact” model (that aims to guide impact investment across emerging countries).

The Global Model and EM Impact Model include the following climate indicators:

#	Criteria	Source	“Global model” weights	“EM Impact model” weights
ENVIRONMENTAL				
1	CO ₂ emissions per capita	Our World In Data – Oxford University	20%	33%
2	Share of Renewables in total installed capacity	BNEF (Bloomberg New Energy Finance)	20%	33% (with a malus for high or increasing coal usage)
3	Share of Coal in total installed capacity	BNEF (Bloomberg New Energy Finance)	20%	-
4	Ambient PM2.5 (fine particles)	Institute for Health Metrics and Evaluation	20%	33%
5	Ratification of Paris Accords	United Nations Framework Convention on Climate Change	Malus of 0.2 if not ratified	-
6	Environmentally controlled solid waste treatment	World bank report "What a waste 2.0". Data from United Nations Statistics, OECD, and regional and national reports	20%/3	-
7	Health years lost due to unsafe sanitation	Institute for Health Metrics and Evaluation	20%/3	-
8	Health years lost due to unsafe water	Institute for Health Metrics and Evaluation	20%/3	-

PILLAR 2: CLIMATE RELATED EXCLUSION PROCESS

Carmignac is fully committed to actively managing investments on behalf of investors through our thorough proprietary analysis and company engagements. It is part of Carmignac’s fiduciary duty to offer suitable investments which consider ESG impacts. With this in mind, we believe our investments should be made in companies with sustainable business models and which are exhibiting long-term growth perspectives. As such, we have compiled an exclusion list with companies that do not meet Carmignac’s investment standards due to their business activities or breaches of international norms.

CLIMATE RELATED EXCLUSIONS AT CARMIGNAC: IN FOCUS

COAL EXIT STRATEGY BY 2030

Carmignac has committed to a long-term total phase-out of coal-related investments across OECD countries and the rest of world. Should there be any future coal-related investments permitted within the confines of Carmignac's Exclusion Policy⁽¹⁰⁾, a total exit from coal mining and coal-fired power generating companies will be implemented by 2030. This coal exit strategy⁽¹¹⁾ will be implemented with an effective zero % tolerance threshold.

COAL MINING

Since 2018, Carmignac has excluded mining companies which derive more than 10% of their revenue from thermal coal mining or produce more than 20 million tonnes of thermal coal. We pledge through our equity and corporate debt investments that we will not directly finance companies planning new coal mining projects. Should an investee company through acquisitions be involved in new coal plants projects, Carmignac will disinvest from these companies within a defined timeframe. Facing the climate emergency, Carmignac encourages companies to make credible commitments to reduce their dependence on coal mining within a 2-year rolling timeframe to align their activities with the Paris Agreement. On an exceptional basis, mining companies which produce over 20 million tons of thermal coal per year, but for which coal does not represent a core business and, in addition, contribute positively to the energy transition through other business activities, can be considered for investment.

COAL-FIRED POWER GENERATORS

Carmignac recognises the importance of encouraging companies to reduce their dependence on coal power generation to align their activities with the Paris Agreement. For this purpose, we have adopted the criteria using gCO₂/kWh, following the threshold recommended by the International Energy Agency (IEA) to keep global temperature rise below 2 degrees, as set out by the Paris Agreement:

	2019	2020	2021	2022	2023	2024	2025
Max. gCO ₂ /kWh	429	408	393	374	354	335	315

When gCO₂/kWh data is not available, we will exclude power generating companies based on production or revenue levels of >10% originating from coal. We will also exclude those companies planning new coal-fired electricity plant capacity.

NON-CONVENTIONAL ENERGY EXIT

Carmignac will seek to implement a non-conventional energy exit plan by 31 December 2022 for its investments across the six funds⁽¹²⁾ that have been accredited with the Belgium label Towards Sustainability in line with the 2030 Coal exit plan. However, for investments in the non-OECD countries, a 2040 exit plan is more appropriate given the higher reliance to hydrocarbons in developing countries and the slower transition pace.

(10) https://carmidoc.carmignac.com/SRIEXP_FR_en.pdf

(11) https://carmidoc.carmignac.com/SRICOS_FR_en.pdf

(12) Carmignac Emergents, Carmignac Portfolio Emergents, Carmignac Portfolio Grande Europe, Carmignac Portfolio Grandchildren, Carmignac Portfolio Patrimoine Europe

PILLAR 3: ENGAGEMENT AND VOTING

As a responsible investor that manages high conviction portfolios, active ownership is an integral part of Carmignac's overall strategy and forms the foundation of our approach to investing responsibly. We use our role as an investor to encourage our investee companies to mitigate their contribution to climate change and other relevant environmental issues. We also encourage them to manage the climate risks which can affect their businesses. This is done through engagement⁽¹³⁾ and voting⁽¹⁴⁾.

We have continued to increase our climate-related engagements through a very structured quarterly engagement plan with companies held in the portfolios through thematic engagements regarding all climate related and environmental issues including CO2e targets, biodiversity, waste, and water. We use our voting rights to help influence change, escalate concerns and signal to companies when we feel more efforts can be made on climate change mitigation and transition through the "Say on Climate" resolutions. Voting against these resolutions can be very impactful.

CARMIGNAC'S APPROACH TO ENGAGEMENT ON CLIMATE

Climate change poses an existential threat to the planet and its people. It is also a key source of systemic risk for our economies and the financial markets.

Our approach to engagement with our investee companies can be done individually (one on one engagement meetings), through collaborative engagements (with other investors through CA 100+ initiative) and public policy engagement (through the PRI for example).

We expect every investee company to:

1. Play an active role in acknowledging, measuring and mitigating the contribution of their activities to climate change, in line with the goals set out by the Paris Agreement

ACKNOWLEDGMENT: We expect the boards of our investee companies to understand and recognise the contribution of their companies' activities to climate change. This includes the extent of the negative externalities their companies produce on the environment.

MEASUREMENT: We expect our investee companies to measure the emissions their activities produce and in so far as they can start to include scope 3 carbon emissions. Carbon dioxide emissions are classified in the following three categories: scope 1 (direct emissions from their operations), scope 2 (indirect emissions from their operations) and scope 3 (indirect upstream and downstream emissions i.e. from up and down their value chain) as is stated in the Greenhouse Gas Protocol.

MITIGATION IN LINE WITH THE GOAL OF THE PARIS AGREEMENT: The goal of the Paris Agreement is to limit global warming to well below 2, preferably 1.5 degrees Celsius, compared to pre-industrial levels⁽¹⁵⁾.

Since the conclusion of the Paris Agreement, an increasing number of corporates have stepped up their ambitions and commit to ambitious environmental targets, including often 'net-zero' targets. While we do encourage all our investee companies to commit to a target of net-zero⁽¹⁶⁾ emissions by 2050, we expect this commitment to be sufficiently transparent and robust. This means they should:

(13) For more information, please refer to our Shareholder Engagement Policy: https://carmidoc.carmignac.com/ESGFP_FR_en.pdf

(14) For more information, please refer to our Voting Policy: https://carmidoc.carmignac.com/SRIVP_INT_en.pdf

(15) For more information, please consult: <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

(16) "Net zero means cutting greenhouse gas emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere, by oceans and forests for instance." <https://www.un.org/en/climatechange/net-zero-coalition>

2. Contribute to the development of a lower carbon economy

- Clearly explain the scope of activities included in their commitment – especially whether scope 3 emissions are included. Explain the type of GHG emissions covered i.e. carbon dioxide and other GHGs or carbon dioxide only.
- Set short-term and medium-term targets (i.e. 'milestones') to provide sufficient information and comfort to investors regarding how they intend to achieve their ambitious long-term net-zero target alongside other corroborating measures (i.e. capital allocation, pay linked to transition goals)
- Ideally, we would like these targets to be 'science-based' i.e. aligned with what the latest climate science considers appropriate to reach the goal of the Paris Agreement. Note that science-based targets do not include the use of offsets. Validation of science-based targets by the Science-Based Targets initiative (SBTi)⁽¹⁷⁾ provides additional comfort through independent assurances to investors regarding the robustness of the targets set.
- We encourage all our investee companies to voluntarily report in line with the recommendations set out by TCFD⁽¹⁸⁾.

a) In addition to tackling the risks of emissions that their activities directly or indirectly (scope 1,2 and 3) create, companies should also seek to seize the opportunities of a transition to a lower carbon economy.

b) They should also ensure that their activities remain aligned with evolving regulation on the topic (for example carbon pricing and taxes) and consumer demand. This is important as a company's lack of understanding of and preparedness to the implications of the transition for their business activities can create the risk of 'stranded assets'⁽¹⁹⁾.

c) Whilst we focus on the climate change risk, it is not the only environmental topic of fundamental importance for us as an investor. We believe our investee companies' actions should address their broader impact on the environment including biodiversity, water, waste and deforestation considerations as they are all intertwined.

3. Take into consideration their exposure to the physical and transition risks of climate change over the long-term and the potential impact of these risks on the company

In line with the recommendations of the TCFD, we expect our investee companies:

- To be transparent regarding the risks of a transition⁽²⁰⁾ to a lower carbon economy and the physical risks of climate change on the company⁽²¹⁾.
- To undertake scenario analysis⁽²²⁾. This is useful for a company to better understand the risks and opportunities of the transition, especially given the uncertainties surrounding the topic.

(17) <https://sciencebasedtargets.org/>

(18) <https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf>

(19) Concept introduced by Carbon Tracker: "Stranded assets are now generally accepted to be those assets that at some time prior to the end of their economic life (as assumed at the investment decision point), are no longer able to earn an economic return (i.e. meet the company's internal rate of return), as a result of changes associated with the transition to a low-carbon economy (lower than anticipated demand / prices). Or, in simple terms, assets that turn out to be worth less than expected as a result of changes associated with the energy transition". For more information, please refer to: <https://carbontracker.org/terms/stranded-assets/>

(20) 2017 TCFD report, page 5: "transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organizations."

(21) 2017 TCFD report, page 6: "Physical risks resulting from climate change can be event driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications for organizations, such as direct damage to assets and indirect impacts from supply chain disruption. Organizations' financial performance may also be affected by changes in water availability, sourcing, and quality; food security; and extreme temperature changes affecting organizations' premises, operations, supply chain, transport needs, and employee safety."

(22) 2017 TCFD report, page 25: "scenarios provide a way for organizations to consider how the future might look if certain trends continue or certain conditions are met. In the case of climate change, for example, scenarios allow an organization to explore and develop an understanding of how various combinations of climate-related risks, both transition and physical risks, may affect its businesses, strategies, and financial performance over time".

WHO CONDUCTS THE ENGAGEMENT?

Company engagement is conducted by the 3 groups within the Investment team – The portfolio management team (composed from research analysts, Portfolio Managers (PMs)), ESG analysts and the Governance analyst. The Governance Analyst coordinates the Engagement plan, involving engagements with around 80-100 companies annually, she enlists the ESG analysts for their area of expertise as support and collaborating with the sector analysts and PMs for joint decisions of engagement rationale whereas the oversight of the Engagement Policy is performed by the CIO, Edouard Carmignac and Managing Director of the UK Branch, Maxime Carmignac. Furthermore, at an operational level, a Responsible Investment Governance group, composed of Maxime Carmignac, the Stewardship Director, and the Governance Analyst define the annual engagement program, in coordination with PM and Analyst as well as to ensure ongoing oversight.

SHARING ENGAGEMENT INFORMATION

Summaries of company engagements undertaken by the Responsible Investment team are shared with the Investment team to highlight the main points of discussion and potential follow-ups. All company engagements are also recorded in the Investment Research data base, Verity, and shared between the Responsible Investment team and Investment teams to monitor our investee companies. Information recorded includes the engagement notes, a summary of the engagement and the identified action points requested from the company.

AUDITING OUR ENGAGEMENT RECORDS

At Carmignac, 12 of our funds have a French Label ISR . In the context of the label audits, several times per year, our engagement approach and records are audited by Ernst and Young. This is the opportunity to improve our communication to clients on this topic by sharing best practices in the industry and complying with the increased transparency expectations of the label. In 2021, we took Ernst & Young's recommendation into account and included the number of engagements performed per fund, and this will appear in our respective funds' annual reports.

(20) 2017 TCFD report, page 5: "transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organizations."

(21) 2017 TCFD report, page 6: "Physical risks resulting from climate change can be event driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications for organizations, such as direct damage to assets and indirect impacts from supply chain disruption. Organizations' financial performance may also be affected by changes in water availability, sourcing, and quality; food security; and extreme temperature changes affecting organizations' premises, operations, supply chain, transport needs, and employee safety."

(22) 2017 TCFD report, page 25: "scenarios provide a way for organizations to consider how the future might look if certain trends continue or certain conditions are met. In the case of climate change, for example, scenarios allow an organization to explore and develop an understanding of how various combinations of climate-related risks, both transition and physical risks, may affect its businesses, strategies, and financial performance over time".

(23) For more information on SRI labelled funds please refer to our RI hub: https://www.carmignac.fr/en_GB/responsible-investment/template-hub-sri-thematic-funds-4526



CASE STUDY*

CARMIGNAC PORTFOLIO CLIMATE TRANSITION is a sustainable thematic equity fund (UCITS) investing in innovative companies that are actively addressing or contributing to climate change mitigation across the whole renewable energy and industrial value chain. We engaged with RWE during 2021 to understand the progress of their coal exit and carbon emissions reduction trajectory. While remaining a significant fossil fuel related carbon emitter, it has a government supported plan for decarbonation which allowed its entry to the transition theme and investable universe in the Climate Transition Portfolio. In late 2020, the Science Based Target Initiative confirmed their decarbonisation plan was in line with the Paris Agreement. RWE's energy generation is expected to be climate neutral by 2040 thanks to a focus on renewable and storage technologies. RWE intends to cover the increasing demand for electricity whilst protecting climate. Between 2012 and 2021, the company reduced its carbon emissions by nearly 100 million tonnes – equivalent to a reduction of more than 55%. The following measures are being implemented by RWE to reduce their impact on climate:

- All opencast mines in Germany to be decommissioned by 2030.
- The electricity generation from lignite will end step-by-step by 2030.
- RWE has decommissioned its last hard coal-fired power plants in Germany and the UK.
- RWE is to convert both its plants in the Netherlands to biomass.
- RWE has boosted its plan of increasing renewable to reach 50 GW capacity + by 2030 through the purchase of Consolidated Edison Inc and a pipeline of 24GW in onshore wind, solar and batteries in the US.

VOTING FOR CLIMATE

The exercise of our voting rights using proxy voting is an essential part of Carmignac's commitment to active ownership and we take our responsibility seriously. This is reflected in our ambitious objective of 100% voting participation for all votes cast on behalf of our clients across shareholder and bondholder meetings. In line with the escalation policy contained in our Engagement Policy document⁽²⁴⁾, this means Carmignac may vote against the management of a company where:

- ▶ The investee company does not align with our ESG best practice expectations set out in our voting policy; or
- ▶ We want to put additional pressure on the company to complement an engagement or because an engagement has not been successful (escalation of engagement).

We have put in place processes and policies such that our voting practices reflect our objective of maximising long-term returns for investors and our own values and practices around specific ESG themes, in line with our focus on CEL.

We expect climate change considerations to be an integral part of a company's strategy. As an active owner, we have a duty to hold our investee companies accountable on their climate strategy and effectiveness.

The voting decision is taken by the PM with the recommendations from the Responsible Investment team. ISS has been chosen as our Proxy voter. For further information on our Voting Policy, please visit the Carmignac website: https://carmidoc.carmignac.com/SRIVP_FR_en.pdf.

“SAY ON CLIMATE”

An increasing number of companies give shareholders the ability to have a say on their climate emission disclosures and on their strategic plan to reduce these emissions. These shareholder resolutions called ‘say-on-climate’ can be beneficial for corporates as a way of ensuring their climate plan and/ or performance is aligned with the expectations of their shareholders. At the investor level, say-on-climate resolutions are a useful tool to directly provide our approval or concerns relating to a company’s climate emissions and plan for reducing these emissions. We may sanction a company’s lack of ambition or misalignment with the goals of the Paris Agreement through a vote against their ‘say-on-climate’ resolution. We may also use our vote against the chair of the board in instances such as when a company’s actions have created direct material environmental damage.

CARMIGNAC’S COMMITMENT TO THE PARIS AGREEMENT (2015)⁽²⁵⁾

Carmignac became a supporter of the TCFD in January 2020. We have evolved our annual Climate report and engagements with investee companies around the 4 TCFD pillars: Governance, Strategy, Risk Management and Metrics. Carmignac will proceed in measuring climate Physical and Transition risks of its portfolios in 2022.

Taking a step further and in the context of the French Energy Climate law (Article 29), the French asset manager Carmignac Gestion SA would like to frame its climate policy in reference to the Paris Agreement (2015) Article 2 as is recommended by the law which states.

“a) Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change; (b) Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production; and (c) Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.”

Secondly, considering the Paris Agreement Article 4, Carmignac will take its responsibilities as a global asset manager and contribute to climate change mitigation effects of both our operations as a financial investment services firm, as well as in the companies in which we invest. With investments in both developed and emerging markets, we recognize that there will not be the same speed of advance in developing countries, and we commit to use our influence to encourage best practices, clarity and transparency of the investee companies regarding their climate policies.

Carmignac will rely significantly on the TCFD framework to engage with companies to understand their governance, strategy, risk management and metrics in relation to their climate and environmental ambitions, targets, and impacts. Carmignac recognizes that reducing carbon emissions in companies’ operations, products and services, downstream and upstream direct and indirect emissions can be a long process which is why, both as an entity, Carmignac Gestion SA and within its FCP range of fund, we will seek to commit to a stepped approach to reducing emissions over the long-term with emission targets set in line with the European Union’s targets for 2030, and every five years thereafter until a net zero carbon emissions target is achieved in 2050.

(25) For more information on the Paris Agreement, please refer to: http://unfccc.int/files/essential_background/convention/application/pdf/english_paris_agreement.pdf

CARMIGNAC'S CURRENT EMISSIONS AND PRACTICES WITHIN ITS FUND RANGE

Carmignac has been measuring the carbon emissions (total emissions, carbon intensity, % fossil fuels) of each of its portfolios (equity and corporate bond holdings) since 2017. The results have been disclosed in the annual reports of each fund. Carmignac funds' emissions have been consistently lower than the equivalent amount invested of its relevant benchmarks since 2019. This relatively low-level carbon footprint has been achieved partially by the carbon emission targets put in place for the most part of the equity fund range.

Carbon emissions of the funds with CO₂ targets versus their respective benchmarks can be consulted in the monthly factsheets of each fund which is published on the Carmignac fund webpage. These targets, for the most part, are relative targets measuring Scope 1 and 2 emissions, where the fund must remain 30% below the funds benchmarks' relative emissions. The Chinese Carmignac China New Economy fund, a French Fonds Commun de Placement FCP and its Luxembourg Carmignac Portfolio SICAV Sub-fund equivalent, the Carmignac Portfolio China New Economy fund, have put in place an absolute reduction target of 5% per year of carbon intensity (Total Carbon emissions / million revenues) with base year set at 31 December 2021 (Scope 1 and 2 emissions).

ALIGNMENT STRATEGY WITH LONG-TERM BIODIVERSITY OBJECTIVES

The environmental changes being driven by climate change are disturbing natural habitats and species in ways that are still only becoming clear. There are signs that rising temperatures are affecting biodiversity, while changing rainfall patterns, extreme weather events, and ocean acidification are putting pressure on species already threatened by other human activities. The threat posed by climate change to biodiversity is expected to increase, yet thriving ecosystems also have the capacity to help reduce the impacts of climate change. Carmignac therefore fully understands the importance of nature, biodiversity and ecosystems, as these are essential for human existence and good quality of life. However, the weight of growing populations and their contribution to Nature has not unfortunately had the same virtues, as described in the IPBES11 report 2019.

AUDITING OUR ENGAGEMENT RECORDS

“more food, energy and materials than ever before are now being supplied to people in most places, this is increasingly at the expense of nature's ability to provide such contributions in the future, and frequently undermines nature's many other contributions, which range from water quality regulation to sense of place. The biosphere, upon which humanity as a whole depends, is being altered to an unparalleled degree across all spatial scales. Biodiversity – the diversity within species, between species and of ecosystems – is declining faster than at any time in human history”

Carmignac has acknowledge this concerning deterioration to frame a Biodiversity policy within our investments, in reference to the Convention on Biological Diversity objectives of 1992.



**CONSERVATION
OF BIOLOGICAL
DIVERSITY**



**SUSTAINABLE USE
OF THE ESSENTIAL
COMPONENTS OF
BIODIVERSITY**



**FAIR AND EQUITABLE
SHARING OF THE
BENEFITS ARISING
OUT OF THE GENETIC
RESOURCES**

To increase awareness of the biodiversity risks inherent in our investments across a global universe and in the three core asset classes (Equities, corporate and sovereign debt), Carmignac has informed itself through the work performed by the Intergovernmental Science Policy Platform on Biodiversity and Ecosystem Services (IPBES).

Through their assessments, policy support, building capacity, knowledge, communication and outreach, we have been able to identify the 5 pressures on Biodiversity survival as defined by the IPBES: 1) Land/Sea/Fresh water use change, 2) Direct exploitation, 3) climate change, 4) pollution, 5) invasive alien species.

Extract from the IPBES report:

“The figures show examples of declines in nature at the global level, highlighting the loss of biodiversity caused by direct and indirect drivers of change.

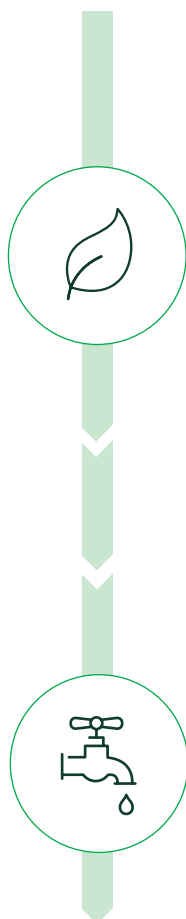
Direct drivers (land and sea use change, direct exploitation of organisms, climate change, pollution, and invasive alien species) result from a range of deep societal causes. These causes may be demographic (e.g., human population dynamics), socio-cultural (e.g., consumption patterns), economic (e.g., trade), technological, or related to institutions, governance, conflict, and epidemics. These are the indirect factors, which are themselves underpinned by societal behaviours and values. The coloured bands represent the relative global impact of direct drivers on (from top to bottom) terrestrial, freshwater and marine ecosystems, based on an estimate from a systematic global review of studies published since 2005. Land and sea use change and direct exploitation account for more than 50% of the global impact on terrestrial, marine and freshwater ecosystems, but each factor has a dominant influence in some contexts {2.2.6}. The circles illustrate the magnitude of negative anthropogenic impacts on different aspects of nature for various time scales, based on a global synthesis of indicators {2.2.5, 2.2.7}.”

Carmignac will seek new methodologies to be able to more accurately measure investment impacts on these 5 pressures as has been identified by IPBES before the 31st of December 2022, across our whole fund range. In the meantime, we have been able to measure potential negative impacts on biodiversity and eco-systems, through the monitoring of our biodiversity footprint, carbon footprint, water emissions and hazardous waste, in our sustainable fund range (Article 8 and 9 funds under SFDR 2019/2088). These indicators can be found for each fund in scope of this report in the Principal Adverse Impacts section when they are available:

BIODIVERSITY FOOTPRINT: KEY INDICATORS⁽²⁶⁾

	Carmignac Emergents	% reported by companies	Carmignac Sécurité	% reported by companies	Carmignac Investissement	% reported by companies	Carmignac Patrimoine	% reported by companies
1 - Biodiversity footprint	12.57%	0%	0.00%	0%	0.00%	0%	0.39%	0%
2 - Water Consumption	4.48	0%	496.69	0%	1.61	0%	181.26	0%
3 - Dangerous waste	0.22	16%	2.92	27%	0.07	18%	4.20	19%
4 - Carbon Intensity	454.97	41%	796.76	65%	284.27	63%	459.75	67%

METHODOLOGIES TO OBTAIN THE ABOVE BIODIVERSITY PRINCIPAL ADVERSE INDICATORS AT THE PORTFOLIO LEVEL FOR CARMIGNAC FUNDS



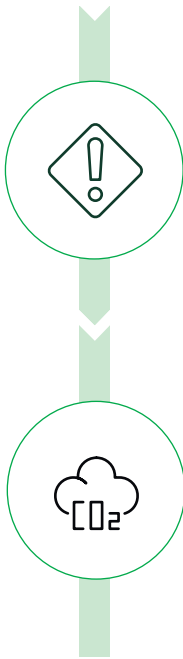
1. BIODIVERSITY FOOTPRINT (Source: Impact Cubed)

Impact Cubed uses a proxy indicator by applying the IUCN Red List Index to the geographic breakdown of company activities. The Red List Index captures the level of aggregate extinction risk across groups of species. At a country level, a weighted average is calculated from the proportion of each species' (in the index) global range based in that country. This is a value between 0 and 1, where lower values indicate higher extinction risk. Based upon peer reviewed science reports such as Newbold et al's (2016) "Has land use pushed terrestrial biodiversity beyond the planetary boundary? A global assessment," Impact Cubed has set a threshold of 0.72 to classify a country as biodiversity sensitive or not. If a country falls below 0.72, they are assigned a value of 1 to indicate they are biodiversity sensitive and are assigned 0 otherwise. Companies then receive a weighted average value based upon their geographic exposure to biodiversity sensitive countries. A portfolio weighted average is used to calculate the fund level value.

NB: The limit to this biodiversity indicator is that it does not take into consideration in isolation the recommended IPBES 5 pressures: land and water use, exploitation of plants and animals, pollution and invasive exotic species.

2. WATER CONSUMPTION (Source: Impact Cubed)

Tonnes of emissions to water generated by investee companies per million euros invested, weighted average. Impact Cubed uses the average amount of untreated waste-water in a country as a proxy for water emissions and applies the country average untreated to treated waste-water to the total water reported by the company. Bottom-up analysis based on all company revenue and business activities mapped to a country-sector average.



3. DANGEROUS WASTE (Source: Impact Cubed)

Tonnes of hazardous waste generated by investee companies per million euros invested, weighted average. Hazardous waste as reported by company. Bottom-up analysis based on company revenue(s) and business activity/ies mapped to a country-sector average.

4. CARBON INTENSITY (Source: S&P Trucost)

Trucost uses company disclosed Green House Gas (GHG) Scope 1 and Scope 2 (CO₂e) emissions where available. In instances it is not available, Trucost 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 for the monitoring of biodiversity impacts.

HOW ARE THESE BIODIVERSITY INDICATORS USED IN THE INVESTMENT PROCESS?



MONITORING

Carbon footprint, water usage and hazardous waste are all indicators present in START that is integrated in the investment rationale, firstly through a scoring system including these indicators, and secondly, through the proprietary analysis and direct dialogue with companies on the biodiversity related issues. These indicators are considered in the overall ESG risk rating process of companies.

Secondly, at the level of our Article 8 and 9 funds, the monitoring of the Principle Adverse Impact indicators provides a second source for identifying these specific metrics as mentioned above and are detailed in the following section of this report.



ENGAGEMENT

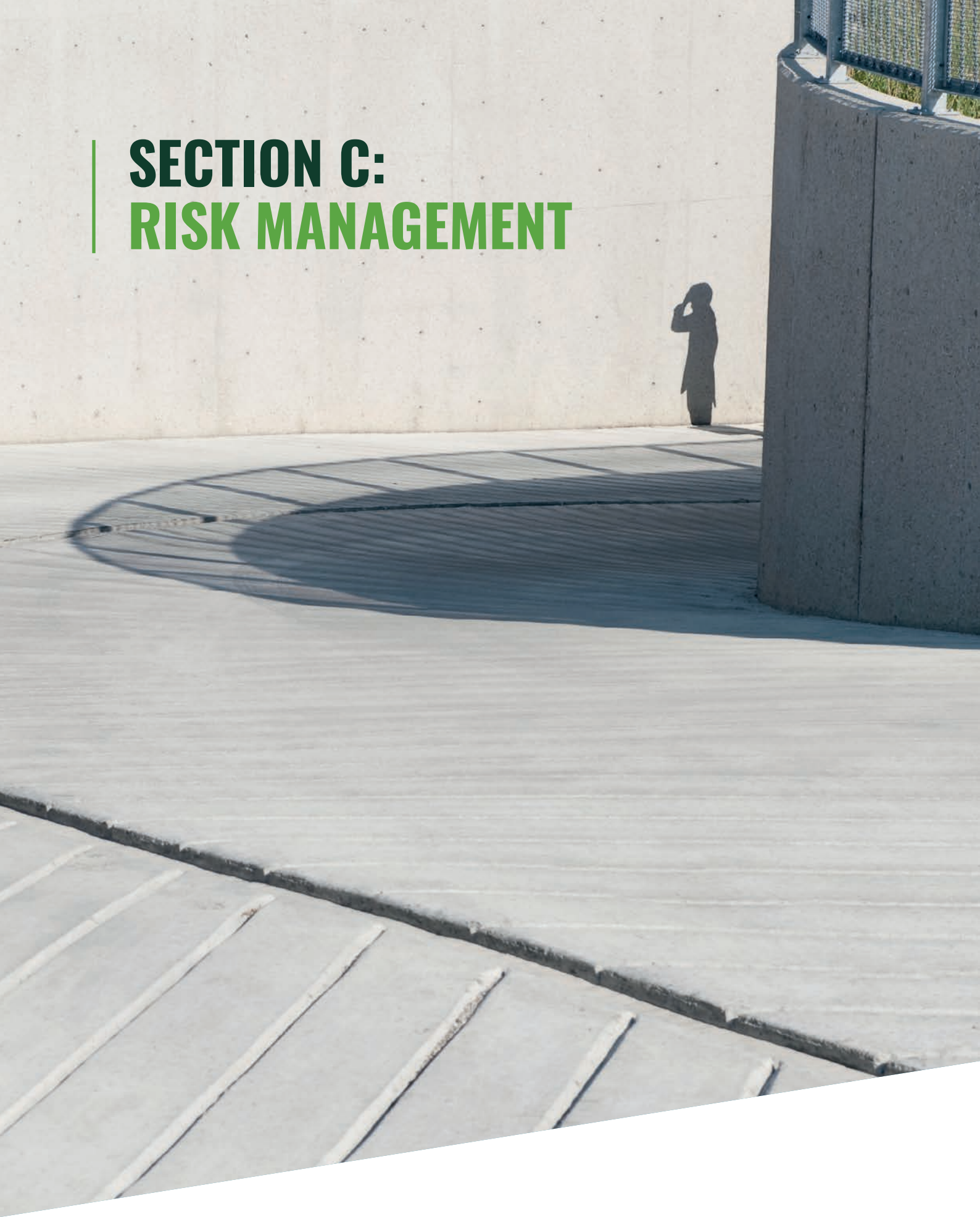
As previously mentioned, Carmignac has put in place an active ownership policy where thematic engagement is part of a 5-pillar engagement program. Carmignac will seek to add biodiversity into its climate engagement plan in a more formal sense, once more granular and focused data can be obtained. Up until now, engagement on biodiversity sensitive topics such as pesticides, water use, and anti-pollution methods have been discussed during focused engagements in industries of the companies in which we are invested in and are most vulnerable to biodiversity impacts such as, fertilisers, agricultural sectors, mining, energy, and consumers products such as beverages.



REPORTING

Biodiversity sensitive indicators (biodiversity footprint, carbon footprint, water emissions and hazardous waste), will be reported in the Principle Adverse Impacts reports yearly as from 2023 as of 31 December 2022 data. This information is also available in the European ESG template (EET) since June 2022 for our Luxembourg Sicav fund range with data as of 31st of December 2021.

SECTION C: RISK MANAGEMENT



OUR APPROACH

The ability to manage market risks effectively has been a cornerstone of Carmignac's investment style since inception. This is partially explained by the pioneering of the "Patrimoine" fund range applied in flexible funds with an active management of the exposure to macroeconomic, systemic, market and other factors' risks. Over 2021 we have formulated a climate-related control and monitoring approach given the prevalence of other relative and absolute carbon target emissions for many of the Carmignac Equity fund range.

INDEPENDENT OVERSIGHT: THE RISK MANAGEMENT TEAM

Risk oversight lies at the heart of the investment process. It is inseparable from the search for performance. We pay close attention to identifying, quantifying, and analysing the risks attached to our investment process. The Risk Management team is responsible for the day-to-day monitoring of portfolios' risk profile. The Risk Management team reports directly to the General Manager of Carmignac Gestion, Christophe Peronin, and is independent of the investment management team. He also chairs the Carmignac Risk Committee. There are currently six people in the team, led by Patrick Temfack who has more than 20 years of experience in this field. Throughout the day, the risk oversight team monitors compliance with the different investment constraints set for each fund and provides investment management teams with a detailed report.

These constraints are as follows:



REGULATORY CONSTRAINTS: Laid down by the regulator in the fund's home country (AMF in France, CSSF in Luxembourg and CBI in the UK), these apply to all asset management market participants.



STATUTORY CONSTRAINTS: These follow the description of the investment strategy, and therefore investment rules, set out in the fund prospectus and/or any other relevant documentation.



INTERNAL CONSTRAINTS: Determined by Carmignac's Risk Committee, these are more restrictive internal rules aimed at reducing risks identified as being significant when taking macroeconomic conditions into account, even if they would be permissible from a regulatory and statutory point of view. These rules may be reviewed and if necessary, adjusted at the Risk Committee's discretion.

THE RISK MANAGEMENT TEAM HAS ALSO FORMALISED AND EMBEDDED SUSTAINABILITY RISK INTO THEIR OVERSIGHT:

The development and investment in Carmignac's IT systems has enabled an effective process to be implemented using a combination of additional functions and the CMGR compliance management tool to monitor the sustainability risks and rules of each fund's prospectus on key indicators such as:

- Carbon emissions targets;
- Universe reductions;
- Exclusion lists;
- ESG scoring rules;
- EU taxonomy eligibility
- Sustainable investment % minimums

The Risk Management team participates in fund associations specialist working groups to define and create best practices, notably in terms of sustainability risks within the general risk function on an ex-ante and ex-post nature.

INTERNAL CONTROL AND CLIMATE RISK AWARENESS

Carmignac operates 3 levels of controls for climate risks and monitoring at the fund level. These constraints are as follows:

1.

The Responsible Investment team in tandem with the Investment Team is responsible for flagging relevant new risks which may arise due to escalating climate change impacts. They are also responsible for respecting and updating exclusion lists that include high CO2 emitters, achieving carbon targets and engaging with companies specifically on carbon emissions and other environmental related disclosures and risk mitigation policies. Carbon emissions are monitored at a portfolio level through the portfolio management system which the PMs monitor daily relative to the benchmark for all funds, as well as through START.

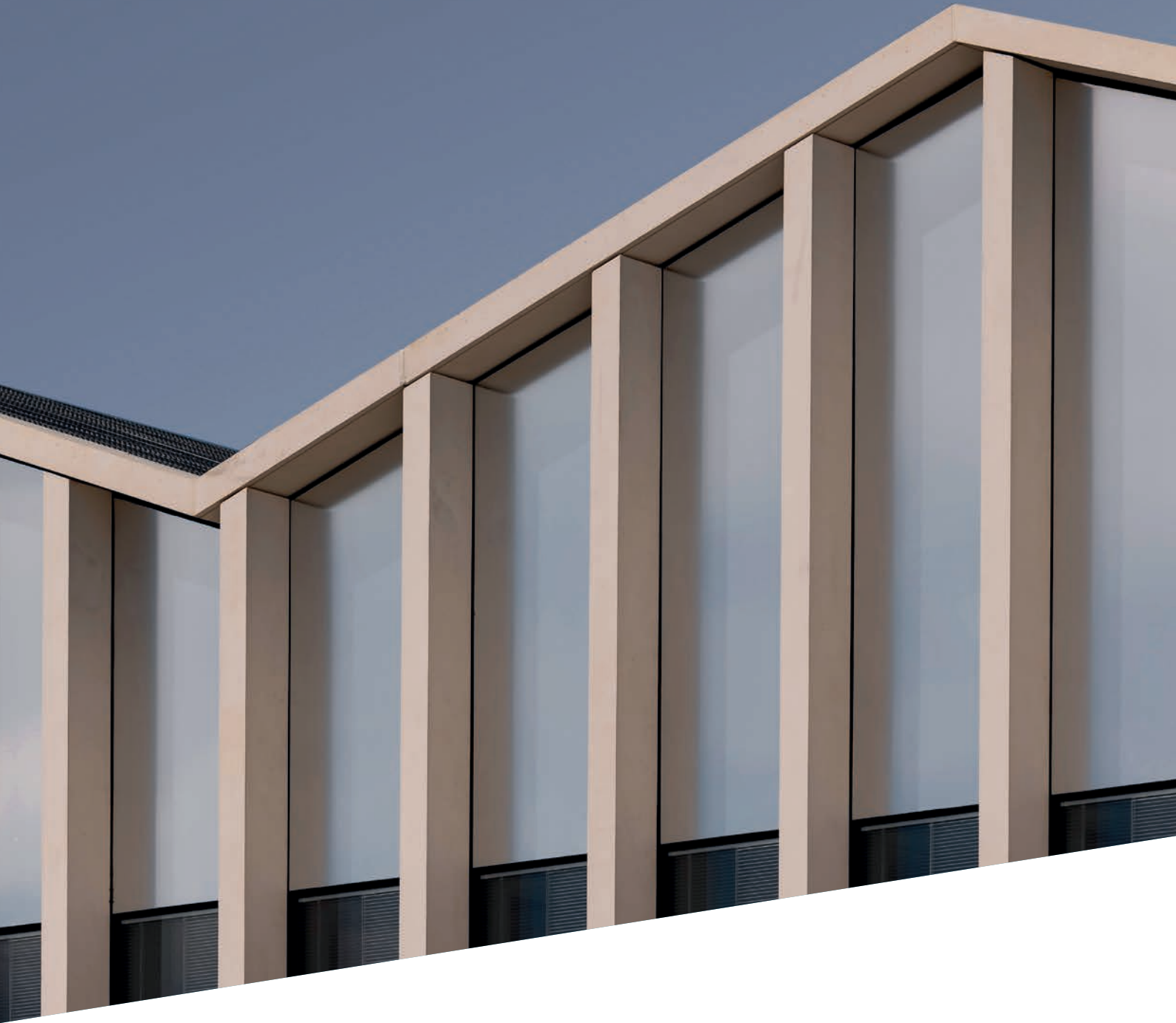
2.

The Risk Management team monitor the extra financial constraint of portfolio regarding carbon intensity, when relevant

3.

The Responsible Investment approach including the climate and carbon reporting is incorporated in the review from the Compliance & Internal Control team in the conduct of the Pluri-Annual Compliance Monitoring Program.

SECTION D:
KEY METRICS
AND TARGETS



Carbon emissions are monitored and measured for investments in the below mentioned funds monthly using S&P Trucost data and calculation methodology. Please find more details on the carbon calculation methodology further down in this section. Our CO2 objectives are achieved and measured either through a carbon emissions reduction target in absolute or relative terms versus the reference indicators or through investing in companies that are transitioning away from fossil fuels. Please refer to the funds' respective prospectuses for more detail on the specific carbon policies. Risks arising from climate change can be divided into two categories: physical and transition risks.

PHYSICAL RISKS

Physical risks refer to risks related to extreme weather events such as floods, wildfires, storms etc. Physical risks involve risks to infrastructures, impact on operations, water and raw material availability and supply chain disruptions (IPCC, 2020⁽²⁷⁾). The frequency and intensity of physical risks vary considerably and is difficult to predict. The financial consequences of such events can be very important. In fact, climate-related hazards have resulted in losses of around \$5.2 trillion between 1980 and 2018.

We implement three Climate Change Scenarios for 2030 and 2050. These future climate change scenarios are based on IPCC Representative Concentration Pathways and Shared Socioeconomic Pathways and informed by the TCFD technical guidelines⁽²⁸⁾. The Sustainable dataset from S&P Trucost evaluates climate change physical risks for decadal averages from the 2020s to the 2090s⁽³⁰⁾.

High Climate Change Scenario (SSP5-8.5): Low mitigation scenario in which total greenhouse gas emissions triple by 2075 and global average temperatures rise by 3.3-5.7C by 2100.

Medium Climate Change Scenario (SSP2-4.5): Strong mitigation scenario in which total greenhouse gas emissions stabilize at current levels until 2050 and then decline to 2100. This scenario is expected to result in global average temperatures rising by 1.3-2.4C by 2100.

Low Climate Change Scenario (SSP1-2.6): Aggressive mitigation scenario in which total greenhouse gas emission reduce to net zero by 2050, resulting in global average temperatures rising by 1.3-2.4C by 2100, consistent with the goals of the Paris Agreement. Please find below tables describing the physical risk score of each fund relative to a certain Physical Risk type (with 100 being the worst score and 0 being the best score). A 2030 Medium Warming Scenario is chosen for this analysis. Please find the detailed physical and transition risks methodology in the annex.

(27) For more information, please follow this link: https://www.ipcc.ch/site/assets/uploads/2021/02/Risk-guidance-FINAL_15Feb2021.pdf

(28) For more information, please follow this link: <https://www.fsb-tcfd.org/wp-content/uploads/2017/06/FINAL-2017-TCFD-Report-11052018.pdf>

(29) For more information, please follow this link: https://www.support.marketplace.spglobal.com/en/datasets/alternative/trucost_climate_change/physical_risk_scores_and_financial_impact_methodology_220901.pdf

SICAV FUNDS ⁽³⁰⁾	Wildfire	Heatwave	Cold wave	Water Stress	Flood Score	Sea Level Rise	Tropical Cyclone	Total	Coverage
Carmignac Portfolio Human Xperience	16,6	10,8	32,4	63,3	3	3,9	3	132,9	100%
Carmignac Portfolio Family Governed	16,5	11,5	33,5	59,6	2,4	3,7	3,6	130,9	97%
Carmignac Portfolio Grandchildren	15,7	10,9	32,3	63,6	2,7	4,3	2,9	132,5	97%
Carmignac Portfolio Investissement	17,1	10,8	33,3	63,5	3,2	5,2	3,7	136,8	88%
Carmignac Portfolio Emergents	16,4	12,6	32,2	68,4	3	5,5	7,3	145,4	87%
Carmignac Portfolio Grande Europe	11,2	10,1	31,6	51,4	2,9	4,9	1,8	113,9	87%
Carmignac Portfolio Climate Transition	17,6	12	33,3	54,2	3,7	4,8	4,7	130,1	83%
Carmignac Portfolio Euro-Entrepreneurs	7,9	9,5	34,2	45,5	3,4	6,4	1,5	108,3	78%
Carmignac Portfolio Emerging Discovery	14,6	15,4	28,9	67,3	3,7	2,7	11,7	144,4	60%
Carmignac Portfolio China New Economy	12,5	12,2	36,4	70,8	1,5	8,8	8,3	150,5	60%
Carmignac Portfolio Patrimoine	14,2	10,4	33	59	3,2	5,3	3,6	128,5	56%
Carmignac Portfolio Long-Short European Equities	11,9	10,2	33,1	52,2	3	5,8	2,9	119,1	51%
Carmignac Portfolio Credit	8,6	11,3	30,5	46,3	2,3	5,4	3,5	108,1	51%
Carmignac Portfolio Emerging Patrimoine	16	12,2	32,6	65,5	2,8	6,2	7,6	142,8	45%
Carmignac Portfolio Sécurité	8,3	9,6	32,7	48,9	2,9	5,8	1,5	109,7	38%
Carmignac Portfolio Patrimoine Europe	10,5	10	31,7	51,1	2,9	5,3	1,8	113,4	37%
Carmignac Portfolio Flexible Bond	8,9	11	31	54,6	2,6	4,5	2,9	115,6	35%
Carmignac Portfolio Emerging Markets Debt	8,6	9	31,7	46,9	1,5	11	2,4	111,1	16%
Carmignac Portfolio Global Bond	11,1	10,5	30	47,7	1,9	5,4	5,1	111,7	13%

Source: Climate risk issuer data from S&P Trucost, composition of data Carmignac 31/12/2021.

(30) SICAV (société d'investissement à capital variable – open-ended investment company) is a type of undertaking for collective investment. SICAVs allow investors to pool their capital and have it invested on the financial markets by a specialist company. Investors in a SICAV are effectively shareholders, and they can express their views on the company's management at general meetings.

FCP FUNDS ⁽³¹⁾	Wildfire	Heatwave	Cold wave	Water Stress	Flood Score	Sea Level Rise	Tropical Cyclone	Total	Coverage
Carmignac Investissement	17,1	10,7	33,3	63,1	3,4	5,1	3,6	136,4	91%
Carmignac Investissement Latitude	17,1	10,7	33,3	63,1	3,4	5,1	3,6	136,4	87%
Carmignac Emergents	16,4	12,6	32,2	68,4	3	5,5	7,3	145,4	87%
Carmignac Profil Réactif 100	14,7	11,3	32,6	60	3	5,1	4,3	131	72%
Carmignac Profil Réactif 75	14,3	11,2	32,5	59,3	3	5,1	4,2	129,6	64%
Carmignac China New Economy	12,5	12,3	36,3	70,7	1,5	8,8	8,3	150,4	61%
Carmignac Patrimoine	14,1	10,4	32,9	58,9	3,1	5,1	3,8	128,4	60%
Carmignac Profil Réactif 50	13,6	10,9	32,4	58,4	2,9	5,1	3,9	127,3	55%
Carmignac Long-Short European Equities	11,8	10,2	33,1	52,1	3	5,8	2,8	118,9	53%
Carmignac Euro-Entrepreneurs	9,6	9,8	33,8	47,9	2,6	9,2	2,9	115,9	50%
Carmignac Sécurité	8,3	9,6	32,7	48,8	2,9	5,8	2,1	110,1	43%
Carmignac Credit 2025	7,7	11,4	31,4	49,4	1,9	4,6	5,1	111,5	41%

OEIC FUNDS ⁽³²⁾	Wildfire	Heatwave	Cold wave	Water Stress	Flood Score	Sea Level Rise	Tropical Cyclone	Total	Coverage
FP Carmignac Global Equity Compouenders	15,7	10,9	32,3	63,6	2,7	4,3	3	132,5	99%
FP Carmignac European Leaders	10,7	9,8	31,9	52,1	2,9	4,3	2,1	113,7	86%
FP Carmignac Emerging Markets	16,4	12,6	32,2	68,4	2,9	5,6	7,3	145,3	86%
FP Carmignac Emerging Discovery	14,2	14,9	29,4	67,3	3,7	2,9	12,4	144,7	60%
FP Carmignac Patrimoine	14,6	10,3	32,9	60	3,2	5,9	3,5	130,3	51%
FP Carmignac Emerging Patrimoine	15,7	12,1	32,8	66,5	2,8	6,9	8,2	145	37%
FP Carmignac Global Bond	9	10,7	30,1	53,7	1,7	5,8	6	117,2	11%

Source: Climate risk issuer data from S&P Trucost, composition of data Carmignac 31/12/2021.

(31) FCP (fonds commun de placement – French common fund) are owned collectively and they issue units. The unitholder (i.e. the person investing their savings) delegates fund management to a company. This management company acts on behalf and in the sole interests of unitholders.

(32) OEICs are open-ended investment companies which pool investors' money and spread it across a wide range of investments, such as equities, fixed-interest securities etc.

TRANSITION RISK

Transition risks refer to the risks associated with the transition to a low carbon economy. Transitioning to a lower-carbon economy can result in extensive policy, legal, technology and market changes related to climate change (IPCC, 2020⁽³³⁾).

Although transition risks may pose varying levels of financial risks, the magnitude of risks can be reduced by developing awareness and flexibility. Quantifying transition risk can be understood as analysing a full range of outcomes.

To assess portfolio alignment under the various warming scenarios, Trucost use a transition pathway approach. The Alignment data adopts the following two key methodologies highlighted by the SBTi:

- ▶ The Sectoral Decarbonisation Approach (SDA)
- ▶ The Greenhouse gas Emissions per unit of Value Added (GEVA)

The SDA is applied to companies with high-emitting, homogeneous business activities. Its main principle is that companies in each industry must converge toward emissions intensities consistent with a 2°C scenario by 2050 from their unique starting points⁽³⁴⁾. The manner of allocating carbon budgets in the SDA is time-specific, industry-specific, and company-specific²⁶.

GEVA is applied to companies with lower emitting or heterogeneous business activities.²⁶ It recognizes that many companies have diverse business activities, most of which do not have clear transition pathways defined in climate scenarios. For these companies, GEVA entails applying a contraction of carbon intensity principle under which a company should make emissions reductions consistent with rates required for the overall economy, from each company's unique base year emissions intensity.

Both methodologies are underpinned by the concept of a Fair Share Carbon Budget, an approach which combines the convergence and rate of reduction approaches⁽³⁵⁾. This approach defines the average rate of reduction in emissions for an industry. However, it does recognise if companies will be better or worse than that average. It requires underperforming companies to reduce absolute emissions at a faster rate than average whilst on the contrary, the opposite is true for high performing companies.

We believe the scenarios created by S&P Trucost are well designed for transition risk. By tailoring the Design Judgement Framework set out by the Portfolio Alignment Team for benchmarks to the Trucost data, we were able to assess its relevance and meaning.

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Type of Data built?	Single (Independent) Scenario Approach
How are the scenarios selected?	SDA and GEVA methodologies are able to calculate Carbon Budgets for various degree warming scenarios using a Carbon Budget Approach
Are absolute emissions, production capacity, or emissions intensity units used?	Absolute emissions
What scope of emissions are included?	Scope 1 and 2
How are emissions baselines quantified?	Based off the Company's declared base year
How are forward-looking emissions estimated?	N/A
How is alignment measured?	N/A
How is alignment expressed as a metric?	Undershoot/Overshoot of Degree Alignment
How should counterparty-level scores be aggregated?	Company and Portfolio Level

Carmignac quantify transition risks using a climate scenario carbon budget analysis. Please find below tables describing the budget overshoot/undershoot of each fund's financed emissions relative to a certain alignment Gap scenario. A positive number infers a budget overshoot whilst a negative number infers a budget undershoot. Please find a full description of transition and physical risks methodology in the appendix section.

SICAV FUNDS	Alignment Gap Well Below 2°C (tCO2e)	Alignment Gap 2°C (tCO2e)	Alignment Gap 3°C (tCO2e)	Alignment Gap 4°C (tCO2e)	Alignment Gap 5°C (tCO2e)	Coverage
Carmignac Portfolio Human Experience	1326	261	-490	-722	-892	100%
Carmignac Portfolio Grandchildren	1494	-1696	-5375	-5706	-5945	97%
Carmignac Portfolio Family Governed	1936	514	-478	-782	-1008	97%
Carmignac Portfolio Investissement	17049	-14889	-40336	-46574	-51219	88%
Carmignac Portfolio Grande Europe	12784	-17414	-56785	-59561	-61556	87%
Carmignac Portfolio Emergents	80588	35118	2491	-7588	-15191	87%
Carmignac Portfolio Climate Transition	115959	-143348	-177063	-189387	-198303	83%
Carmignac Portfolio Emerging Discovery	70008	46228	29850	24912	21117	60%
Carmignac Portfolio China New Economy	16739	-25	-11812	-15374	-18165	56%
Carmignac Portfolio Patrimoine	512478	71874	-258633	-336824	-393863	56%
Carmignac Portfolio Long-Short European Equities	117914	76262	47586	38789	32372	51%
Carmignac Euro-Entrepreneurs	45357	25365	11699	7493	4490	50%
Carmignac Portfolio Credit	866945	385922	105259	32328	-21613	48%
Carmignac Portfolio Emerging Patrimoine	130986	68855	28693	17243	8646	45%
Carmignac Portfolio Sécurité	1165799	220118	-324898	-462034	-561266	38%
Carmignac Portfolio Flexible Bond	476560	-2796	-312183	-403751	-472356	34%
Carmignac Portfolio Patrimoine Europe	9945	-3593	-19784	-21325	-22423	37%
Carmignac Portfolio Emerging Markets Debt	11088	2615	-3073	-4801	-6054	16%
Carmignac Portfolio Global Bond	143313	10285	-74660	-98914	-117146	13%

FCP FUNDS	Alignment Gap Well Below 2°C (tCO2e)	Alignment Gap 2°C (tCO2e)	Alignment Gap 3°C (tCO2e)	Alignment Gap 4°C (tCO2e)	Alignment Gap 5°C (tCO2e)	Coverage
Carmignac Investissement	209464	-181326	-492924	-569209	-625992	91%
Carmignac Investissement Latitude	8291	-7177	-19511	-22530	-24778	87%
Carmignac Emergents	238647	104149	7638	-22175	-44664	87%
Carmignac Euro-Entrepreneurs	45357	25365	11699	7493	4490	72%
Carmignac Profil Réactif 100	17725	1591	-6723	-8930	-10582	64%
Carmignac Profil Réactif 75	20809	2436	-8170	-10958	-13031	61%
Carmignac China New Economy	68043	-75	-47968	-62443	-73781	60%
Carmignac Patrimoine	2870109	382719	-1482904	-1924085	-2246015	55%
Carmignac Profil Réactif 50	46524	9086	-15933	-22418	-27226	53%
Carmignac Long-Short European Equities	57784	26177	4167	-2601	-7580	50%
Carmignac Sécurité	2836793	467052	-858779	-1197190	-1441894	43%
Carmignac Credit 2025	70337	40647	17465	12096	8201	41%

OEIC FUNDS	Alignment Gap Well Below 2°C (tCO2e)	Alignment Gap 2°C (tCO2e)	Alignment Gap 3°C (tCO2e)	Alignment Gap 4°C (tCO2e)	Alignment Gap 5°C (tCO2e)	Coverage
FP Carmignac Global Equity Compounders	750	-872	-2747	-2914	-3035	99%
FP Carmignac European Leaders	5638	-1396	-10101	-10835	-11364	86%
FP Carmignac Emerging Markets	6259	2728	193	-589	-1181	86%
FP Carmignac Emerging Discovery	5260	2522	633	63	-374	60%
FP Carmignac Patrimoine	5512	-1503	-6911	-8143	-9043	51%
FP Carmignac Emerging Patrimoine	6158	3160	1067	425	-53	37%
FP Carmignac Global Bond	4527	366	-2451	-3298	-3938	11%

WHAT ARE CARMIGNAC'S FUTURE PLANS TO INCORPORATE THE FRENCH ENERGY CLIMATE LAW (ARTICLE 29) QUANTITATIVE ALIGNMENT TARGETS TO THE PARIS AGREEMENT?

- Apply a maximum 12-month monitoring process of Portfolio Paris Agreement alignment over different periods of market conditions, inflation, oil prices and portfolio construction.
- Set a base year of carbon emissions for the Carmignac Gestion SA and the funds in scope of this report either as of 31 Dec 2022 or 31 Dec 2023.
- Extend the Paris alignment calculations measured in degrees for all Carmignac Group portfolios.
- Incorporate S&P Trucost company emissions estimations beyond 2025 when the data set becomes available, anticipated before end 2022.
- Implement the impact of Physical and Transitional Climate risks in carbon emissions alignment targets.
- Phase in the measurement of Scope 3 carbon emissions as data coverage and accuracy improves.
- Document the Paris Agreement alignment targets, methodology and base year calculations intentions in the corresponding fund prospectuses and inform fund holders.
- Apply an entity level target approach for Carmignac Gestion SA accordingly, approved by its executive management.

FRAMEWORK AND PROPOSED TARGETS

We have used the [Paris Aligned Investment Initiative \(PAII\)](#), the [Climate Transition Benchmark \(CTB\)](#) and [Paris Alignment Benchmark \(PAB\)](#) guidelines to structure our approach to Paris Agreement alignment targets.

OUR PROPOSED FUND-LEVEL TARGETS*

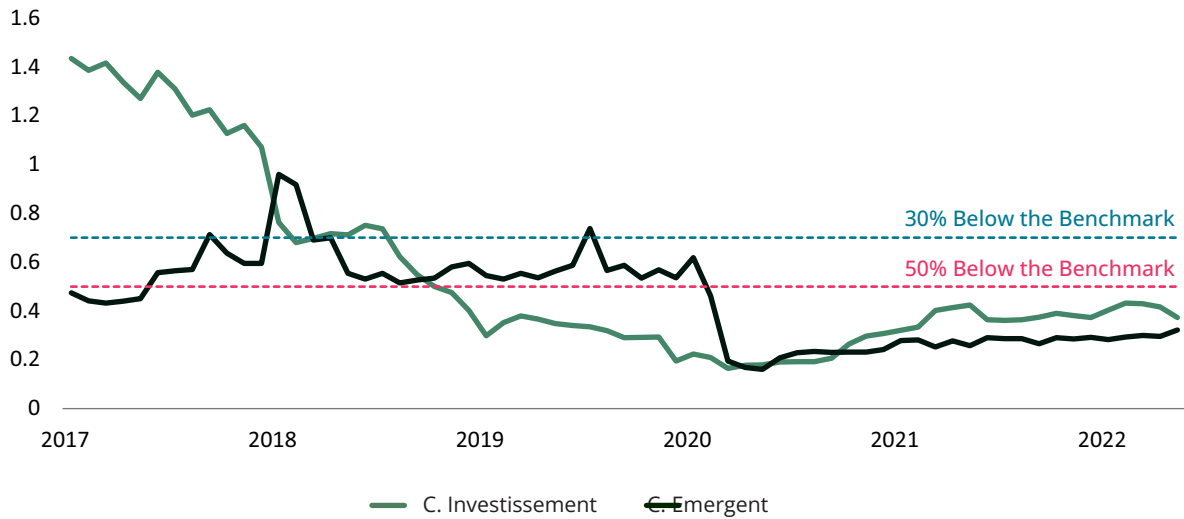
- Maintain a relative target of carbon emissions intensity reduction 30% (CTB) to benchmark for relevant equity funds in scope**, with a potential increase to 50% (PAB) **
- Introduce an annual average absolute CO₂ intensity reduction of 7%, resulting in a reduction in CO₂e intensity of ~40% by 2030
- Disclose carbon emission reduction targets from 2030 for 2035, 2040, 2045 and 2050

* Carmignac reserves the right to change the proposed targets at a later date. The successful achievement of its targets is dependent upon significant technological innovation, governments improving their regulation of emissions and society adopting new consumer patterns.

**16 Funds in Carmignac group equity and mixed asset range

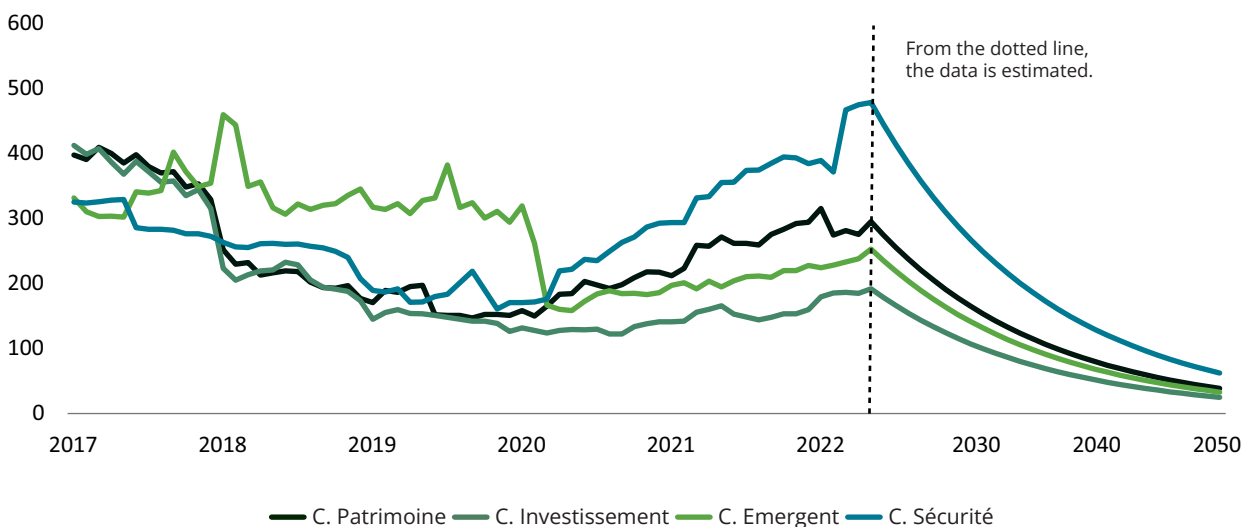
TARGET 1: Maintain a relative target of carbon emissions intensity reduction (30%(CTB)) compared to the benchmark for relevant equity funds, with a potential increase to 50% (PAB).

FIGURE 1: Example of Carmignac Investment (CI), AND Carmignac Emergents (CE) (Equity Funds) current carbon intensity relative to respective benchmarks (scope 1 and 2 emissions only).



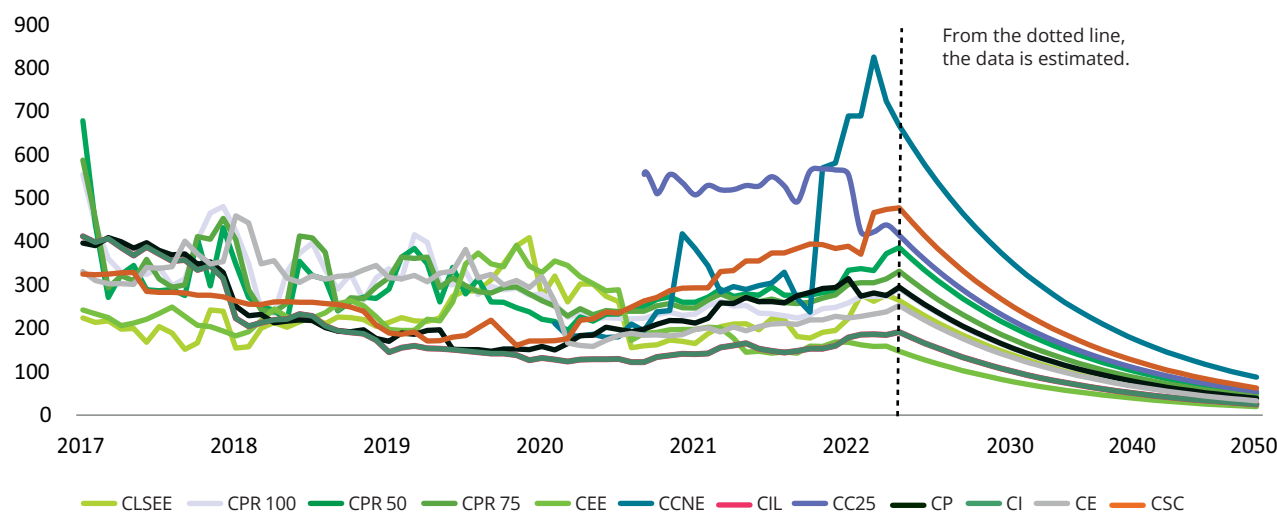
TARGET 2: Projection to introduce an average annual 7% decline in CO2 intensity resulting in an ~40% reduction by 2030 for the four funds in scope.

FIGURE 2: Fund Carbon Intensity Carmignac Patrimoine (CP), Carmignac Investissement (CI), Carmignac Emergents (CE) et Carmignac Sécurité (CSC) (All scopes).



TARGET 3: Introduce an annual average 7% decline in CO2 intensity resulting in a ~40% CO2e intensity reduction by 2030 for the funds of Carmignac Gestion SA.

FIGURE 3: Fund Carbon Intensity (all scopes) of the following funds: Carmignac Long-Short European Equities (CLSEE), Carmignac Profil Réactif 100 (CPR100), Carmignac Profil Réactif 50 (CPR50), Carmignac Profil Réactif 75 (CPR75), Carmignac Euro Entrepreneurs (CEE), Carmignac China New Economy (CCNE), Carmignac Investissement Latitude (CIL), Carmignac Crédit 2025 (CC25), Carmignac Patrimoine (CP), Carmignac Investissement (CI), Carmignac Emergent (CE), Carmignac Sécurité (CSC).



CARBON INTENSITY METHODOLOGY

- Weighted average at fund level (TCO2 emissions /M\$Revenues) for each company in a fund as recommended as one of the Carbon Intensity reporting methodologies by the EU Technical Expert Group on Sustainable Finance.
- Fund is rebased to only consider companies with available CO2 data.
- CO2 data is mainly location based as provided by S&P Trucost.
- Revenue assumed to be constant through to 2050. Holdings from May 2022 assumed to be constant through to 2050.
- Coverage ratio assumed to be constant through to 2050. CO2 intensity Projections include Scope 1,2 & 3.

Fund Coverage as of 31st of May 2022 (which we use as a proxy for Coverage End of Year 2022) where coverage is the % representing publicly available carbon emissions data.

TABLE 5: Five-year Carbon Intensity Goals (2030-2050)

Fund	Coverage	Fund	Coverage
Carmignac Patrimoine	48%	Carmignac Profil Réactif 50	35%
Carmignac Investissement	89%	Carmignac Profil Réactif 75	51%
Carmignac Emergents	86%	Carmignac Euro Entrepreneurs	87%
Carmignac Sécurité	36%	Carmignac China New Economy	67%
Carmignac Long- Short European Equities	85%	Carmignac Investissement Latitude	87%
Carmignac Profil Réactif 100	69%	Carmignac Crédit 25	36%

TARGET 4:

(Report on carbon reduction targets from 2030 for 2035, 2040, 2045 and 2050)

A 7% annual decarbonization rate is applied each year. The difference between the maximum and minimum in the interval is calculated and expressed as a % relative to the base year.

As T goes to 2050, the interval reduction slows as the difference in emissions (numerator) becomes increasingly smaller relative to the base year (denominator). These calculations are then expressed in cumulative returns relative to the base year. The base year is assumed to be 2022 in these computations.

TABLE 5: FIVE-YEAR CARBON INTENSITY GOALS (2030-2050)

7% Carbon Intensity Decline	Estimated Emissions Intensity Targets			
Interval	2030-2035	2035-2040	2040-2045	2045-2050
Interval Reduction	18.3%	12.7%	8.86%	6.17%
Cumulative Reduction by Max Year in Interval	58%	71%	80%	86%

CARBON REPORTS **FOR ALL CARMIGNAC** **FUND RANGE**



EQUITY STRATEGIES

CARMIGNAC INVESTISSEMENT

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUNDS	62.8	75,553.4	94.9%	0.04%
MSCI ACWI	186.4	358,111.1	97.6%	1.79%
Fund % difference vs. reference indicator	-66.3%	-78.9%	N/A	-97.7%

CARMIGNAC PORTFOLIO INVESTISSEMENT

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	64	6,181.3	91.1%	0.04%
MSCI ACWI	186.4	29,551.1	97.6%	1.79%
Fund % difference vs. reference indicator	-65.6%	-79.1%	N/A	-97.7%

CARMIGNAC EMERGENTS

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	116.3	150,329.6	92.1%	0.0%
MSCI EM (EUR) net dividends reinvested	420.8	308,257.1	96.1%	2.3%
Fund % difference vs. reference indicator	-72.4%	-51.2%	N/A	-100%

CARMIGNAC PORTFOLIO EMERGENTS

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	116	50,800.9	92.2%	0.0%
MSCI EM (EUR) net dividends reinvested	420.8	104,907.6	96.1%	2.3%
Fund % difference vs. reference indicator	-72.4%	-51.6%	N/A	-100%

(1) Tonnes of CO2 equivalent per million euros of revenues (rebased to 100%)

(2) Total Tonnes of CO2 equivalent (calculated as % assets, and not rebased to 100%)

(3) Excluding cash and securities not in scope: government bonds and derivative instruments

(4) The Stoxx 600 has been used for equity and corporate bonds as a comparative benchmark for carbon emission calculations. Source: S&P Trucost data as of 31/12/2021

CARMIGNAC PORTFOLIO EMERGING DISCOVERY

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	136.6	16,023.6	65.5%	0.17%
50% MSCI EM SmallCap (EUR) + 50% MSCI EM MidCap (EUR) (Reinvested net dividends rebalanced quarterly)	547.9	59,993.7	96.1%	2.3%
Fund % difference vs. reference indicator	-75.1%	-73.3%	N/A	-92.7%

CARMIGNAC CHINA NEW ECONOMY

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	530.9	26,445.7	62.3%	1.62%
Benchmark: MSCI CHINA (USD) net dividends reinvested	316.6	40,197.6	91.6%	1.14%
Fund % difference vs. reference indicator	+67.7%	-34.2%	N/A	+42.1%

CARMIGNAC PORTFOLIO CHINA NEW ECONOMY

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	530.2	269.61	62.1%	1.58%
Reference indicator: MSCI China (USD), net dividends reinvested*	316.6	267.36	91.6%	1.14%
Fund % difference vs. reference indicator	+67.5%	+0.8%	N/A	+39%

CARMIGNAC PORTFOLIO GRANDE EUROPE

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	33.9	3,856.1	90.2%	0.08%
Stoxx 600	169.1	104,837.3	97.7%	0.77%
Fund % difference vs. reference indicator	-80%	-96.3%	N/A	-89.6%

CARMIGNAC EURO-ENTREPRENEURS

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	63.5	12,016.9	83.8%	0.0%
Stoxx200 Small	143.4	25,996.7	96.8%	1.15%
Fund % difference vs. reference indicator	-55.7%	-53.8%	N/A	-100%

(1) Tonnes of CO2 equivalent per million euros of revenues (rebased to 100%)

(2) Total Tonnes of CO2 equivalent (calculated as % assets, and not rebased to 100%)

(3) Excluding cash and securities not in scope: government bonds and derivative instruments

(4) The Stoxx 600 has been used for equity and corporate bonds as a comparative benchmark for carbon emission calculations. Source: S&P Trucost data as of 31/12/2021

CARMIGNAC PORTFOLIO GRANDCHILDREN

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	29.4	475.9	100%	0.05%
MSCI World	157.2	7,836	98.2%	1.73%
Fund % difference vs. reference indicator	-81.3%	-93.9	N/A	-96.9%

CARMIGNAC PORTFOLIO FAMILY GOVERNED

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	112.6	430.7	100%	0.0%
MSCI ACWI	186.4	3,058	97.6%	1.79%
Fund % difference vs. reference indicator	-39.6%	-85.9%	N/A	-100%

CARMIGNAC PORTFOLIO CLIMATE TRANSITION

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	391.8	86,062.6	92.8%	2.16%
MSCI ACWI NR USD Index	186.4	34,540.5	97.6%	1.79%
Fund % difference vs. reference indicator	110.2%	+149.2%	N/A	+20.5%

CARMIGNAC PORTFOLIO HUMAN XPERIENCE

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	85.70	325.6	100%	0.00%
MSCI World	157.2	2,203.4	98%	1.79%
Fund % difference vs. reference indicator	-83.4%	-85.2%	N/A	-100%

(1) Tonnes of CO2 equivalent per million euros of revenues (rebased to 100%)

(2) Total Tonnes of CO2 equivalent (calculated as % assets, and not rebased to 100%)

(3) Excluding cash and securities not in scope: government bonds and derivative instruments

(4) The Stoxx 600 has been used for equity and corporate bonds as a comparative benchmark for carbon emission calculations. Source: S&P Trucost data as of 31/12/2021

DIVERSIFIED STRATEGIES

CARMIGNAC PATRIMOINE

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUNDS	243.7	86,255.1	97.9%	0.02%
MSCI ACWI	186.4	409,255.8	97.6%	1.79%
Fund % difference vs. reference indicator	+30.8%	-78.9%	N/A	-98.9%

CARMIGNAC PORTFOLIO PATRIMOINE

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	252.3	15,320.7	97.8%	0.92%
MSCI ACWI	186.4	171,312	97.6%	1.79%
Fund % difference vs. reference indicator	+35.4%	-91.1%	N/A	-48.7%

CARMIGNAC PORTFOLIO PATRIMOINE EUROPE

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	33.6	1,706.7	91.3%	0.03%
Stoxx 600	169.1	97,483.5	97.7%	0.77%
Fund % difference vs. reference indicator	-80.1%	-98.2%	N/A	-95.8%

CARMIGNAC PORTFOLIO EMERGING PATRIMOINE

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	139	34,847.5	92.5%	0%
MSCI EM	420.8	153,170.4	96.1%	2.3%
Fund % difference vs. reference indicator	-67%	-77.2%	N/A	-100%

(1) Tonnes of CO2 equivalent per million euros of revenues (rebased to 100%)

(2) Total Tonnes of CO2 equivalent (calculated as % assets, and not rebased to 100%)

(3) Excluding cash and securities not in scope: government bonds and derivative instruments

(4) The Stoxx 600 has been used for equity and corporate bonds as a comparative benchmark for carbon emission calculations. Source: S&P Trucost data as of 31/12/2021

FIXED-INCOME STRATEGIES

CARMIGNAC SÉCURITÉ

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUNDS	328.6	-	85.7%	0.64%
-	-	-	-	-
Fund % difference vs. reference indicator	-	-	-	-

CARMIGNAC PORTFOLIO SÉCURITÉ

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	335.7	-	85.1%	0.54%
-	-	-	-	-
Fund % difference vs. reference indicator	-	-	-	-

CARMIGNAC PORTFOLIO FLEXIBLE BOND

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	424.6	-	79.3%	2.19%
ICE BofA Euro Broad Market Index (coupons reinvested)	154.5	-	87.5%	0.61%
Fund % difference vs. reference indicator	174.7%	-	N/A	+261%

CARMIGNAC PORTFOLIO GLOBAL BOND

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	1308.2	-	66.1%	0.87%
-	-	-	-	-
Fund % difference vs. reference indicator	-	-	-	-

(1) Tonnes of CO2 equivalent per million euros of revenues (rebased to 100%)

(2) Total Tonnes of CO2 equivalent (calculated as % assets, and not rebased to 100%)

(3) Excluding cash and securities not in scope: government bonds and derivative instruments

(4) The Stoxx 600 has been used for equity and corporate bonds as a comparative benchmark for carbon emission calculations. Source: S&P Trucost data as of 31/12/2021

CARMIGNAC PORTFOLIO CREDIT

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	443.7	-	65.2%	4.88%
75% BofA Merrill Lynch Euro Corporate Index + 25% BofA Merrill Lynch Euro High Yield	380.2	-	83.6%	0.54%
Fund % difference vs. reference indicator	+16.7%	N/A	N/A	+797%

CARMIGNAC PORTFOLIO EM DEBT

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	310.9	-	79.5%	1.38%
-	-	-	-	-
Fund % difference vs. reference indicator	-	-	-	-

(1) Tonnes of CO2 equivalent per million euros of revenues (rebased to 100%)

(2) Total Tonnes of CO2 equivalent (calculated as % assets, and not rebased to 100%)

(3) Excluding cash and securities not in scope: government bonds and derivative instruments

(4) The Stoxx 600 has been used for equity and corporate bonds as a comparative benchmark for carbon emission calculations. Source: S&P Trucost data as of 31/12/2021

ALTERNATIVE STRATEGIES

CARMIGNAC LONG-SHORT EUROPEAN EQUITIES

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUNDS	55.2	19,999.2	87.9%	0.0%
MSCI EU	152.18	52,225,6	98.7	1.07%
Fund % difference vs. reference indicator	-213.12%	-68.08%	N/A	-100%

CARMIGNAC PORTFOLIO LONG-SHORT EUROPEAN EQUITIES

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	61.2	30,350.1	84.3%	0%
MSCI EU	152.18	75,661.4	98.7%	1.07%
Fund % difference vs. reference indicator	-184.6%	-59.9%	N/A	-100%

CARMIGNAC INVESTISSEMENT LATITUDE

	Weighted Average Carbon Intensity ⁽¹⁾	Total carbon emissions ⁽²⁾	Availability of carbon data ⁽³⁾	Fossil Fuel Revenues ⁽⁴⁾
FUND	62.8	2,990.5	94.9%	0.04%
MSCI ACWI	186.4	34,540.5	97.6%	1.79%
Fund % difference vs. reference indicator	-66.3%	-91.3%	N/A	-97.8%

(1) Tonnes of CO2 equivalent per million euros of revenues (rebased to 100%)

(2) Total Tonnes of CO2 equivalent (calculated as % assets, and not rebased to 100%)

(3) Excluding cash and securities not in scope: government bonds and derivative instruments

(4) The Stoxx 600 has been used for equity and corporate bonds as a comparative benchmark for carbon emission calculations. Source: S&P Trucost data as of 31/12/2021

APPENDIX

ANNEX 1: Taxonomy alignment as of 31st of December 2021

SICAV FUNDS	EU Taxonomy Eligible Companies ⁽¹⁾	EU Taxonomy Eligible revenues ⁽²⁾	EU Taxonomy Aligned revenues ⁽³⁾	EU Taxonomy Non-Aligned revenues ⁽⁴⁾	Enabling activities ⁽⁵⁾	Transitional activities ⁽⁶⁾
Carmignac Investissement		15.8%	3.3%	93.4%	1.8%	0.0%
Carmignac Portfolio Investissement		15.8%	3.3%	91.3%	1.8%	0.0%
Carmignac Emergents		22.7%	1.8%	92.5%	1.8%	0.0%
Carmignac Portfolio Emergents		22.6%	1.7%	92.3%	1.7%	0.0%
Carmignac Portfolio Green Gold	64.5%	44.4%	20.1%	70.9%	11.6%	0.0%
Carmignac Euro-Entrepreneurs		28.2%	0.6%	95.1%	0.6%	0.0%
Carmignac Portfolio Grande Europe		13.8%	4.6%	93.9%	2.1%	0.0%
Carmignac Portfolio GrandChildren		11.5%	1.3%	95.4%	0.3%	0.0%
Carmignac Portfolio Family Governed		1.7%	0.0%	97.0%	0.0%	0.0%
Carmignac Portfolio Patrimoine Europe		5.7%	1.8%	92.4%	0.8%	0.0%
Carmignac China New Economy		24.2%	16.0%	82.1%	16.0%	0.0%
Carmignac Portfolio China New Economy		23.8%	15.5%	80.5%	15.5%	0.0%
Carmignac Portfolio Human Experience		5.2%	0.0%	99.7%	0.0%	0.0%
Carmignac Investissement Latitude		15.2%	3.2%	92.9%	1.8%	0.0%
Carmignac Patrimoine		6.0%	1.0%	90.7%	0.3%	0.0%
Carmignac Portfolio Patrimoine		6.0%	0.9%	88.2%	0.3%	0.0%
Carmignac Portfolio Emerging Patrimoine		8.9%	0.5%	94.1%	0.5%	0.0%

(1) Eligible companies : total revenues from companies with more than 0% of revenues from activities identified as eligible under the European Taxonomy.

(2) Eligible revenues : part of eligible companies' revenues generated from sectors covered by the European Taxonomy.

(3) Aligned revenues : part of eligible companies' revenues aligned with the environmental objectives of the European Taxonomy.

(4) Not aligned revenues : part of eligible companies' revenues not aligned with the environmental objectives of the European Taxonomy.

(5) Enabling activities : part of companies' aligned revenues (3) from activities that enable other activities to reduce their CO2 emissions 6. Transitional activities : part of companies' aligned revenues (3) from activities that contribute to the transition to a net zero emissions economy by 2050.

Source : As of 31/12/2021. FactSet companies' revenues data are analyzed by Carmignac to determine, for each company in the fund, the amount of revenues specified as eligible activities under the European Taxonomy. Company reported data was used to verify the substantial contribution criteria in line with guidelines stated in the 9th March 2020 Taxonomy : Final report of the Technical Expert Group on Sustainable Finance". When data was not available, no alignment could be observed. Carmignac proprietary analysis is completed by MSCI and ISS data to perform the Do o Significant Harm and Minimum Safeguards checks.

PHYSICAL AND TRANSITION RISKS METHODOLOGY

PHYSICAL RISK

1. Firmwide Fund Holdings are loaded into respective tabs. This analysis is for 31/12/2021.
2. Trucost Physical Risk Data is imported in for 6 scenarios. 2030 (Low, Moderate, High) and 2050 (Low, Moderate, High) using 2020 as the Base date. Metrics used include the following:
 - Wildfire Score
 - Extreme Heat Score
 - Extreme Cold Score
 - Water Stress Score
 - Fluvial Flood Score
 - Coastal Flood Score
 - Tropical Cyclone Score
3. ISINS for the individual securities are mapped to a FACTSET Issuer ID and FACTSET PARENT ID.
4. Holding Weights are rebased based on available physical risk data (Short positions are ignored in this analysis).
5. Weighted Average Physical Risk is calculated as follows for each of the 6 scenarios across all physical risk types for each fund:

$$\begin{aligned} & \textit{Weighted Average Physical Risk by Type} \\ & = \sum_{i=1}^n w_i (\textit{Physical Risk Score of Type } X_i) \\ & \textit{where } w_i \textit{ is Rebased Weights} \end{aligned}$$

6. Funds are scored on absolute physical risk type scores and on weighted average physical risk scores (for fair comparison). Funds are also described as a % of physical risk type.
7. An aggregated firmwide physical risk score by type is determined by totalling firmwide AUM, weighting each fund by its proportion in the total firmwide AUM and multiplying this figure by its respective physical risk score by type.

TRANSITION RISK





1. Firmwide Fund Holdings are loaded into respective tabs. This analysis is for 31/12/2021.
2. Trucost Paris Alignment Carbon Budgets for five scenarios are imported using the Most Recent Year (2020) as a base year. Five scenarios include:
 - Well Below 2 Degrees
 - 2 Degrees
 - 3 Degrees
 - 4 Degrees
 - 5 Degrees
3. Enterprise Value, Cash, Total Debt and Total Equity are imported from Trucost. The purpose for this metric is to calculate the emissions financed. For equities this is done by dividing the Market Value of the position by the Enterprise Value Including Cash (EVIC). For Fixed Income instruments, this is done by dividing the Market Value of the position by Total Equity +Total Debt. Short positions are ignored in this analysis. Equities with negative EVIC or no EVIC values, are ignored from the analysis. Fixed Income Instruments with negative Debt and negative Equity values are ignored from the analysis. Fixed Income instruments with no Debt and Equity values are also ignored from the analysis.
4. ISINS for the individual securities are mapped to a FACTSET Issuer ID and FACTSET PARENT ID.
5. Temperature Alignment Figures are interpreted across the five scenarios for all firmwide funds.
6. Financed emissions of these temperature alignment figures are calculated as below for each fund across the Five Warming Scenarios:

$$\text{Temperature Alignment (Equities)} = \sum_{i=1}^n \frac{MV_i * (\text{Paris Alignment Gap Warming of Scenario Y Figure}_i)}{EVIC_i}$$

$$\text{Temperature Alignment (Fixed Income Instruments)} = \sum_{i=1}^n \frac{MV_i * (\text{Paris Alignment Gap Warming of Scenario Y Figure}_i)}{\text{Total Debt} + \text{Total Equity}_i}$$

An aggregated firmwide temperature alignment figure is determined by totaling all financed emissions gaps across all funds.

MAIN RISKS OF THE FUNDS⁽³⁶⁾

<p>Carmignac Investissement Carmignac Portfolio Investissement</p>	<p>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.</p> <p>CURRENCY: Currency risk is linked to exposure to a currency other than the Fund's valuation currency, either through direct investment or the use of forward financial instruments.</p> <p>DISCRETIONARY MANAGEMENT: Anticipations of financial market changes made by the Management Company have a direct effect on the Fund's performance, which depends on the stocks selected.</p>	<p>Recommended minimum investment horizon: </p>	<p>← LOWER RISK HIGHER RISK →</p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>1</td><td>2</td><td>3</td><td>4*</td><td>5</td><td>6</td><td>7</td> </tr> </table>	1	2	3	4*	5	6	7
1	2	3	4*	5	6	7				
<p>Carmignac Portfolio Grandchildren</p>	<p>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.</p> <p>CURRENCY: Currency risk is linked to exposure to a currency other than the Fund's valuation currency, either through direct investment or the use of forward financial instruments.</p> <p>DISCRETIONARY MANAGEMENT: Anticipations of financial market changes made by the Management Company have a direct effect on the Fund's performance, which depends on the stocks selected.</p>	<p>Recommended minimum investment horizon: </p>	<p>← LOWER RISK HIGHER RISK →</p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5*</td><td>6</td><td>7</td> </tr> </table>	1	2	3	4	5*	6	7
1	2	3	4	5*	6	7				
<p>Carmignac Portfolio Climate Transition</p>	<p>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.</p> <p>COMMODITIES: Changes in commodity prices and the volatility of the sector may cause the net asset value to fall.</p> <p>CURRENCY: Currency risk is linked to exposure to a currency other than the Fund's valuation currency, either through direct investment or the use of forward financial instruments.</p> <p>DISCRETIONARY MANAGEMENT: Anticipations of financial market changes made by the Management Company have a direct effect on the Fund's performance, which depends on the stocks selected.</p>	<p>Recommended minimum investment horizon: </p>	<p>← LOWER RISK HIGHER RISK →</p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5*</td><td>6</td><td>7</td> </tr> </table>	1	2	3	4	5*	6	7
1	2	3	4	5*	6	7				
<p>Carmignac Portfolio Family Governed</p>	<p>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.</p> <p>CURRENCY: Currency risk is linked to exposure to a currency other than the Fund's valuation currency, either through direct investment or the use of forward financial instruments.</p> <p>DISCRETIONARY MANAGEMENT: Anticipations of financial market changes made by the Management Company have a direct effect on the Fund's performance, which depends on the stocks selected.</p>	<p>Recommended minimum investment horizon: </p>	<p>← LOWER RISK HIGHER RISK →</p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>1</td><td>2</td><td>3</td><td>4*</td><td>5</td><td>6</td><td>7</td> </tr> </table>	1	2	3	4*	5	6	7
1	2	3	4*	5	6	7				

* These Funds present a risk of loss of capital. Risk Scale from the KID (Key Information Document): scale from 1 (lowest risk) to 7 (highest risk); category-1 risk does not mean a risk-free investment. This indicator may change over time. Please refer to the KID/prospectus of the Fund before making any final investment decisions.

<p>Carmignac Portfolio Patrimoine Europe</p>	<p>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. CURRENCY: Currency risk is linked to exposure to a currency other than the Fund's valuation currency, either through direct investment or the use of forward financial instruments.</p>	<p>Recommended minimum investment horizon: 3 YEARS</p>	<p>LOWER RISK → HIGHER RISK</p> <p>1 2 3* 4 5 6 7</p>
<p>Carmignac Portfolio Emerging Patrimoine</p>	<p>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.</p>	<p>Recommended minimum investment horizon: 5 YEARS</p>	<p>LOWER RISK → HIGHER RISK</p> <p>1 2 3* 4 5 6 7</p>
<p>Carmignac Profil Réactif 100</p>	<p>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. 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. CURRENCY: Currency risk is linked to exposure to a currency other than the Fund's valuation currency, either through direct investment or the use of forward financial instruments.</p>	<p>Recommended minimum investment horizon: 5 YEARS</p>	<p>LOWER RISK → HIGHER RISK</p> <p>1 2 3* 4 5 6 7</p>
<p>Carmignac Profil Réactif 75</p>	<p>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. 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. CURRENCY: Currency risk is linked to exposure to a currency other than the Fund's valuation currency, either through direct investment or the use of forward financial instruments.</p>	<p>Recommended minimum investment horizon: 5 YEARS</p>	<p>LOWER RISK → HIGHER RISK</p> <p>1 2 3* 4 5 6 7</p>
<p>Carmignac Profil Réactif 50</p>	<p>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. 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. CURRENCY: Currency risk is linked to exposure to a currency other than the Fund's valuation currency, either through direct investment or the use of forward financial instruments.</p>	<p>Recommended minimum investment horizon: 3 YEARS</p>	<p>LOWER RISK → HIGHER RISK</p> <p>1 2 3* 4 5 6 7</p>

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<p>Carmignac Long-Short European Equities Carmignac Portfolio Long-Short European Equities</p>	<p>RISK ASSOCIATED WITH THE LONG/ SHORT STRATEGY: This risk is linked to long and/or short positions designed to adjust net market exposure. The fund may suffer high losses if its long and short positions undergo simultaneous unfavourable development in opposite directions.</p> <p>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.</p> <p>INTEREST RATE: Interest rate risk results in a decline in the net asset value in the event of changes in interest rates.</p> <p>CURRENCY: Currency risk is linked to exposure to a currency other than the Fund's valuation currency, either through direct investment or the use of forward financial instruments.</p>	<p>Recommended minimum investment horizon: 3 YEARS</p>	<p>← LOWER RISK HIGHER RISK →</p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>1</td> <td>2</td> <td style="background-color: #cccccc;">3*</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> </table>	1	2	3*	4	5	6	7
1	2	3*	4	5	6	7				
<p>Carmignac Investissement Latitude</p>	<p>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.</p> <p>INTEREST RATE: Interest rate risk results in a decline in the net asset value in the event of changes in interest rates.</p> <p>CURRENCY: Currency risk is linked to exposure to a currency other than the Fund's valuation currency, either through direct investment or the use of forward financial instruments.</p> <p>DISCRETIONARY MANAGEMENT: Anticipations of financial market changes made by the Management Company have a direct effect on the Fund's performance, which depends on the stocks selected.</p>	<p>Recommended minimum investment horizon: 5 YEARS</p>	<p>← LOWER RISK HIGHER RISK →</p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>1</td> <td>2</td> <td style="background-color: #cccccc;">3*</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> </table>	1	2	3*	4	5	6	7
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**CARMIGNAC GESTION**

24 place Vendôme, 75001 Paris, France
Tèl : (+33) 01 42 86 53 35
Investment management company
approved by the AMF. Public limited company
with share capital of € 15,000,000
RCS Paris B 349 501 676.

CARMIGNAC GESTION LUXEMBOURG

City Link - 7, rue de la Chapelle - L-1325 Luxembourg
Tel : (+352) 46 70 60 1
Subsidiary of Carmignac Gestion - Investment fund
management company approved by the CSSF. Public
limited company with share capital of € 23,000,000
RC Luxembourg B 67 549.