

Socially Responsible Investment Guidelines

Carmignac Portfolio Grande Europe



Carmignac's Overarching Sustainable Framework



**UNPRI Signatory
since 2012**



**SRI Objective
in prospectus***



**Investment Team
SRI guidelines**

Carmignac Portfolio Grande Europe Obtained the French SRI* Label

A label created and supported by the French Ministry of Finance

Accredited upon a strict audit run by an independent body

Renders SRI* products more visible for investors in France and across Europe



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Our Internal ESG Guidelines



PORTFOLIO CONSTRUCTION OBJECTIVE

- ▶ Minimum 40% of the Fund invested in companies rated A or above by MSCI ESG
- ▶ Maximum 30% of fund invested in companies rated below BB by MSCI ESG
- ▶ No CCC companies*



PROGRAM OF ENGAGEMENT WITH COMPANIES

- ▶ We commit to a strengthened engagement dialogue with companies to improve their approach to ESG issues



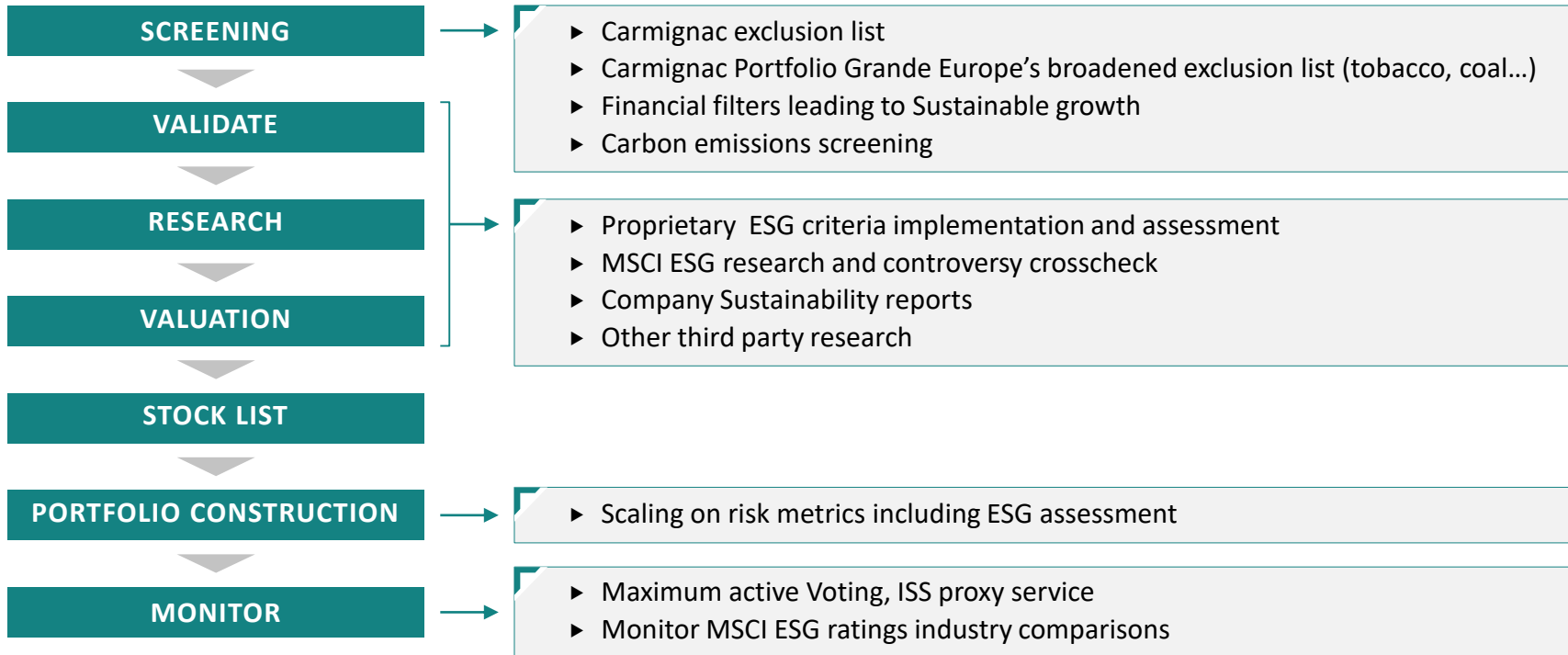
VOTING POLICY ENGAGEMENT

- ▶ A participation rate objective of 80% or above**

*Companies are rated on a AAA-CCC scale relative to the standards and performance of their industry peers.
AAA is the highest rating and CCC is lowest rating.

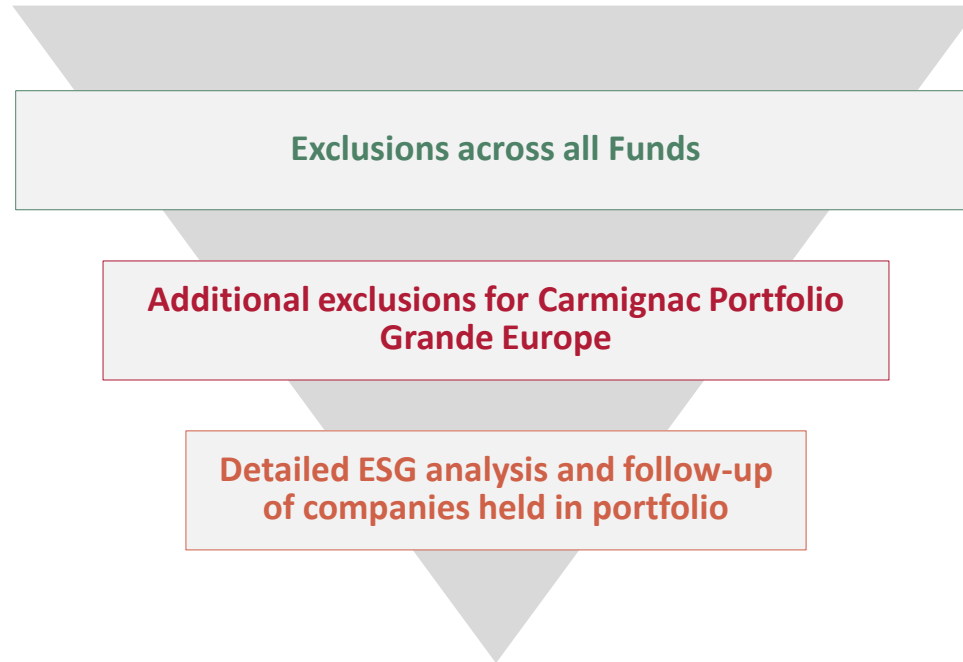
** Excluding warrants/ P-Notes and preference shares
Source: Carmignac, January 2019

ESG is Integrated into our Process



Exclusion Policy

The European Equity team has extended the exclusion list with its own specific convictions



Exclusions Across All Funds



Exclusions

Hard restrictions (transactions are prohibited and blocked on trading tools):

- ✘ Controversial weapon companies
- ✘ Tobacco producers
- ✘ Coal producers*
- ✘ Russian company sanction list
- ✘ US Patriotic Act exclusions
- ✘ Human Rights Violations exclusions
- ✘ Oslo/Ottawa Treaty exclusions

Soft restrictions (transactions are not prohibited nor blocked on trading tools but subject to systematic monitoring and reporting by the compliance department)

- ✘ Nuclear companies

*Coal producers with over 25% revenues from coal extraction are excluded in our equity funds. This does not apply to Carmignac Portfolio Commodities. Exclusion lists are updated on a quarterly basis.

Additional Exclusions for Carmignac Portfolio Grande Europe



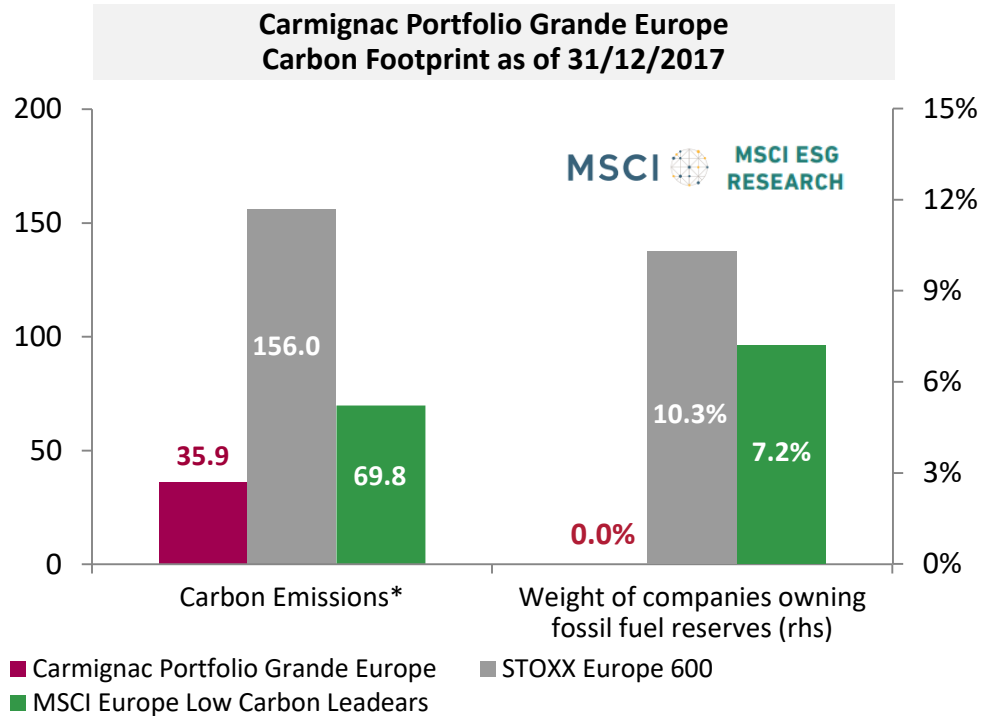
TEAM'S EXCLUSIONS

- ✘ **Coal** producers companies with more than 5% sales directly derived from coal extraction
- ✘ **Oil Sands** companies deriving more than 1% of total production from oil sands
- ✘ **Adult Entertainment** companies (2% revenue hurdle)
- ✘ **Gambling** companies (2% revenue hurdle)
- ✘ **Weapon** companies (10% revenue hurdle)

TEAM'S ADDITIONAL RESTRICTIONS

- ✘ While **oil & gas companies** usually do not rank well in our financial screening and are therefore actively underweight, we also apply additional screening in order to minimise exposure to **fossil fuels**

A Low Carbon Portfolio



Carbon emission investment strategy

- ▶ We aim to achieve **emissions substantially lower** than both our **reference indicator** and the **MSCI Europe Low Carbon Leaders** index.

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