

TRANSPARENCY CODE

Carmignac Patrimoine, Carmignac Portfolio Patrimoine,
Carmignac Sécurité, Carmignac Portfolio Sécurité, Carmignac
Portfolio Flexible Bond adopt a
Socially Responsible Investment (SRI) approach
and are categorised as Article 8 funds according to the SFDR
EU 2019/2088

Statement of Commitment

Sustainable and Responsible Investing is an essential part of the strategic positioning and behaviour of **Carmignac**. We have been involved in SRI since 2012 and welcome the European SRI Transparency Code.

This is our first statement of commitment and covers the period 30/06/2021 - 30/06/2022. Our full response to the European SRI Transparency Code can be accessed below and is available in the annual report of the funds and on our website.

David Older, Rose Ouahba, Keith Ney, Guillaume Rigeade, Eliezer Ben Zimra and Marie-Anne Allier are committed to transparency and we believe that we are as transparent as possible given the regulatory and competitive environments that exist in the countries in which we operate. **Carmignac** Gestion SA meets the full recommendations of the European SRI Transparency Code.

30/06/2021

Name of the Carmignac Patrimoine, Carmignac Portfolio Patrimoine, Carmignac Portfolio Sécurité, Carmignac Sécurité and fund(s): Carmignac Portfolio Flexible Bond

| Dominant / preferred SRI strategy | Asset class | Exclusions standards and norms | Fund capital as at 30/04/2021 | Labels | Links to relevant documents |
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| <input type="checkbox"/> Best-in-Class Investment section <input checked="" type="checkbox"/> Engagement & Voting <input checked="" type="checkbox"/> ESG Integration <input checked="" type="checkbox"/> Exclusions <input type="checkbox"/> Impact Investing <input checked="" type="checkbox"/> Norms-Based Screening <input checked="" type="checkbox"/> Leading to exclusions <input checked="" type="checkbox"/> Leading to risk management analysis / engagement <input type="checkbox"/> Sustainability-Themed | Passively managed <input type="checkbox"/> Passive investing – core benchmark: specify the index tracking <input type="checkbox"/> Passive investing – ESG/SRI benchmark: specify the index tracking Actively managed <input type="checkbox"/> Shares in a euro area country <input type="checkbox"/> Shares in an EU country <input checked="" type="checkbox"/> International shares <input checked="" type="checkbox"/> Bonds and other debt securities denominated in euro <input checked="" type="checkbox"/> International bonds and other debt securities <input checked="" type="checkbox"/> Monetary assets <input checked="" type="checkbox"/> Short-term monetary assets <input type="checkbox"/> Structured funds | <input checked="" type="checkbox"/> Controversial weapons <input type="checkbox"/> Alcohol <input checked="" type="checkbox"/> Tobacco <input checked="" type="checkbox"/> Arms <input checked="" type="checkbox"/> Nuclear power <input checked="" type="checkbox"/> Human rights <input checked="" type="checkbox"/> Labour rights <input type="checkbox"/> Gambling <input checked="" type="checkbox"/> Pornography <input type="checkbox"/> Animal testing <input type="checkbox"/> Conflict minerals <input type="checkbox"/> Biodiversity <input type="checkbox"/> Deforestation <input checked="" type="checkbox"/> CO2 intensive (including coal) <input type="checkbox"/> Genetic engineering <input checked="" type="checkbox"/> Other (please specify) <input checked="" type="checkbox"/> Global Compact <input checked="" type="checkbox"/> OECD Guidelines for MNCs <input checked="" type="checkbox"/> ILO Conventions <input type="checkbox"/> Other (please specify) | Carmignac Patrimoine: €11,727.30.Million Carmignac Portfolio Patrimoine : €1,723.57 Million Carmignac Portfolio Sécurité: €2,537.06 Million Carmignac Sécurité: €7,490.70 Million Carmignac Portfolio Flexible Bond : €1,312.03 Million | <input type="checkbox"/> French SRI label <input type="checkbox"/> French TEEC label <input type="checkbox"/> French CIES label <input type="checkbox"/> Lux flag Label <input type="checkbox"/> FNG Label <input type="checkbox"/> Austrian Ecolabel <input type="checkbox"/> Belgian Quality Standards label | <ul style="list-style-type: none"> • KIID, Prospectus • Weekly, quarterly and annual reports • Monthly factsheet (Including ESG factsheet) Can be found for: Carmignac Patrimoine https://www.carmignac.lu/en_GB/funds/carmignac-patrimoine/a-eur-acc/fund-overview-and-characteristics Carmignac Portfolio Patrimoine https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-patrimoine/a-eur-acc/fund-overview-and-characteristics Carmignac Portfolio Sécurité https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-securite/a-eur-acc/fund-overview-and-characteristics Carmignac Sécurité https://www.carmignac.lu/en_GB/funds/carmignac-securite/a-eur-acc/fund-overview-and-characteristics Carmignac Portfolio Flexible Bond https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-flexible-bond/a-eur-acc/fund-overview-and-characteristics |

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1. General information about the fund management company

1.1. Name of the fund management company that manages the applicant fund(s)

The fund management company is Carmignac Gestion SA.

For the French Mutual Funds (FCP), Carmignac Patrimoine, Carmignac Sécurité:

CARMIGNAC GESTION 24, place Vendôme - F-75001 Paris - Tél : (+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

For the sub-funds of the Luxembourg SICAV Luxembourg SICAV Carmignac Portfolio Patrimoine, Carmignac Portfolio Sécurité, Carmignac Portfolio Flexible Bond:

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

1.2. What are the company's track record and principles when it comes to integrating SRI into its processes?

Carmignac, empowered through its independence and transparency since 1989, has maintained a long-held practice of investing responsibly, aware of its corporate duty to its investors and stewardship as a leader in the European fund management industry. Amongst its ethical values in respect to society and to the environment, Carmignac has for decades excluded tobacco producers and coal miners from the investment universe of the most part of its fund range.

As Risk Managers, Carmignac seeks to mitigate as many risk factors as it can identify. This very resolutely includes risks associated with poor governance and shareholder underrepresentation, social issues such as health and safety, and environmental challenges particularly in respect of fossil fuel reserves.

Since 2012, Carmignac, as a UNPRI signatory (United Nations Principles of Responsible Investment) and a French investment firm (under the French government's directive Grenelle II Law, art 224-238, 2010), has raised the level of its transparency regarding the application of Environment, Social and Governance (ESG) criteria in its investment process. Each UNPRI principle has been implemented across all of its Fund range.

https://www.carmignac.lu/en_GB/about-us/socially-responsible-investment-sri-3450

1.3. How does the company formalise its sustainable investment process?

Carmignac formalises its Sustainable investment process through several policies:

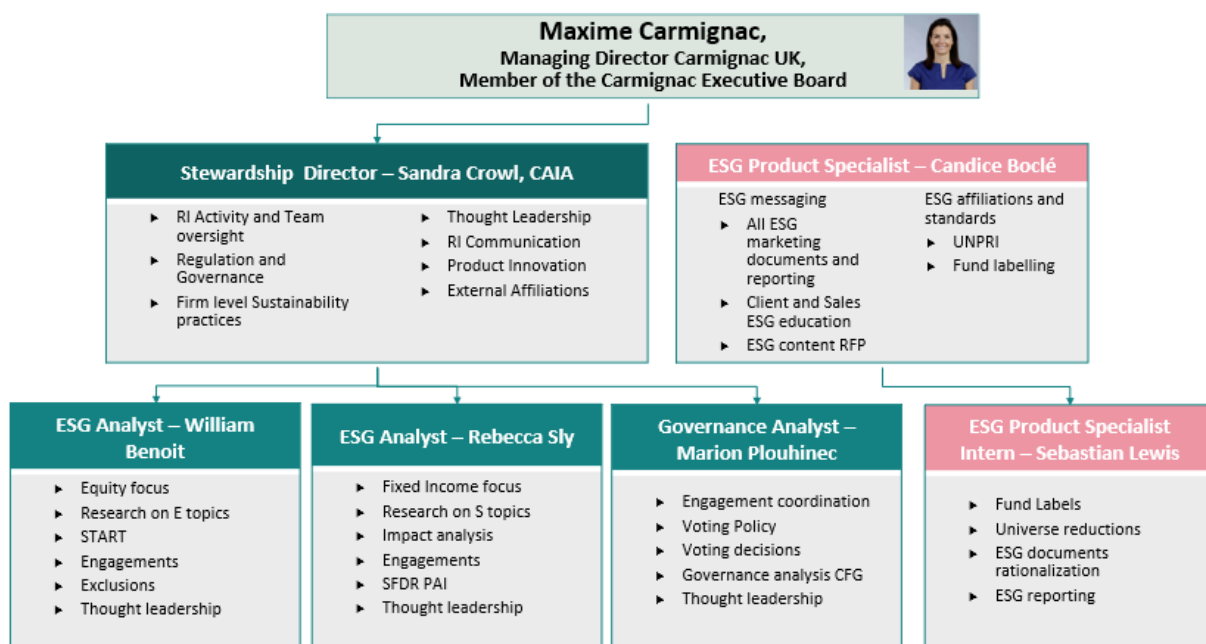
- 100% ESG integration policy
- Exclusion Policy
- Voting and Engagement Policies
- Climate and Carbon report Policies

Which can be found at https://www.carmignac.fr/en_GB/responsible-investment/template-hub-policies-reports-4528

These policies are implemented across the whole fund range.

Our Responsible Investment resources

Carmignac has a dedicated Responsible Investment team to support the investment team headed by Sandra Crowl as Stewardship Director. She reports to Maxime Carmignac, Managing Director of Carmignac UK, member of the Executive Board of Carmignac, who leads the responsible investment philosophy and strategy at the corporate level and fund level innovation and ESG solutions. The role of the Stewardship Director is to oversee the implementation of the responsible investment process and practices, investor communication, fund labelling process, affiliations, industry thought leadership and new product innovation. The Responsible Investment Team is responsible for the ESG framework, fund specific research, ESG thematic and targeted research, active investee company engagements, voting practices and leads industry thought leadership. The Responsible Investment team is also supported by an experienced, dedicated ESG product specialist employed within our Product team. Our team organisation can be found below:



1.4. How are ESG risks and opportunities – including those linked to climate change – understood/taken into account by the company?¹

Mainstream ESG approach

As of 30/04/2021 close to 100 % of our assets under management take into account ESG criteria. In July 2020, Carmignac launched a firm-wide proprietary ESG research system called START* that enables us to systematically integrate ESG research into the investment process.

This system aggregates information: carbon emissions data, raw company ESG data, external ratings, impact statistics and a controversies data sources. The portfolio managers and analysts' proprietary analysis offer human insight and a forward-looking approach to the automated ESG scoring system START. ESG scores are calculated according to a proprietary algorithm of reported raw company ESG indicators that are sorted for our predefined peer group (capitalization, region and 90 sub-industry groups). START sits inside our MackeyRMS front-office portal. These quantitative assessments are augmented by a written investment rationale composed by the investment team or the ESG Analysts in the START system, as well as any granular commentary of ongoing ESG risks. Our ESG research system is built on a framework based on past academic research and the work of various industry bodies such as the Sustainable Accounting Standards Board (SASB), Global Reporting Initiative (GRI), in order to conduct comprehensive ESG analysis. We believe that this integration reduces the potential negative financial impact on companies' valuations, and we hope to capture rising momentum when companies are improving ESG related risks.

Climate emissions are monitored and measured for each equity fund annually. Since October 2020, our funds carbon emissions are measured through the START platform and reported monthly for our SRI and ESG thematic funds. Individual carbon reports can be found in the annual reports of each fund as well as on our specific SRI website. Through our energy-related exclusions, seen below, the firm limits exposure to potential stranded assets and transition risks due to climate change.

A negative screening is applied, according to the following parameters. These exclusions are updated quarterly and are hard-wired into our portfolio management system. In this manner we exclude sectors, activities or countries that we believe embed ESG risks.

- Controversial weapon manufacturers that produce products that do not comply with treaties or legal bans
- Tobacco producers: wholesale distributors and suppliers with revenues over 5% from such products
- Thermal coal miners with over 10% revenues or 20 million tonnes from extraction

¹ Reference to Article 173 of the French TECV Act and the TCFD recommendations (risks and opportunities section)

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

- Power generators that produce more CO₂/kWh than the defined thresholds aligned with the Paris Agreement and that can be found in our exclusion policy
- Adult entertainment and pornography producers and distributors with over 2% revenues from such product
- International Global Norms violations including OECD Business Principle, ILO Principles and UNGC Principles.

Treatment of controversies - A controversy does not necessarily trigger a sell of the given position. Environmental accidents are never easy to predict but lessons can be learned, and companies can improve. That is why we believe that an ESG approach solely based on favouring ESG best-in-class, green sectors, etc., shows a good sign to corporates to behave better, but is not necessarily the only way. We, as investors, should not systematically leave the bad student behind. As shareholders, we can influence and interact with companies, starting simply with participating in all shareholder votes, with a sustainability objective and maintaining a strong focus on looking beyond short-term performance or dividend payment

Carmignac has committed to an active voting and engagement policy that has been integrated into the Investment Management Team's internal guidelines. Engagements may occur with the Management of the companies in which we invest and often include engagement on environmental issues and carbon emission transparency:

Carmignac has committed to a quarterly engagement program targeting specific actions within the possibility of 5 different types of engagements:

1. ESG risk related engagement
2. Thematic engagement
3. Impact engagement
4. Controversial behaviour engagement
5. Proxy voting decision engagement

These engagements are registered internally. Important engagements are documented in the funds' annual report. In addition, a summary Engagement Report is published on our website denoting type, region, and sector of Engagement.

https://www.carmignac.lu/en_GB/responsible-investment/template-hub-policies-reports-4528

Funds with a Socially Responsible approach

Carmignac also offers a range of funds that adopt a Socially Responsible approach noted in the funds' prospectuses. Negative screening, through Norms based, ethical and climate related exclusions, and positive social and environmental screening, active voting policy and low carbon emissions policies have been adopted within the strategies. There are also an increased range of ESG thematic funds.

The fund information can be found in the following links or through our dedicated Responsible Investment (RI) web page: https://www.carmignac.lu/en_GB/responsible-investment/template-hub-sri-thematic-funds-4526

SRI Funds Article 8 Funds in accordance with SFDR 2019/2088

- **Carmignac Portfolio Grande Europe (European Markets – Equities)**
<https://www.carmignac.fr/en/carmignac-portfolio-grande-europe-a-eur-acc>
- **Carmignac Euro-Entrepreneurs (European Markets – Mid caps Equities)**
https://www.carmignac.fr/en_GB/funds/carmignac-euro-entrepreneurs/a-eur-acc/fund-overview-and-characteristics
- **Carmignac Emergents (Emerging Markets – Equities)**
<https://www.carmignac.fr/en/carmignac-emergents-a-eur-acc>
- **Carmignac Portfolio Emergents (Emerging Markets – Equities)**
<https://www.carmignac.fr/en/carmignac-portfolio-emergents-f-eur-acc>
- **Carmignac Portfolio Emerging Patrimoine (Emerging Markets – Mixed)**
<https://www.carmignac.fr/en/carmignac-portfolio-emerging-patrimoine-a-eur-acc>
- **Carmignac Portfolio Family Grandchildren**
https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-grandchildren/a-eur-acc/fund-overview-and-characteristics
- **Carmignac Portfolio Patrimoine Europe**
https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-patrimoine-europe/a-eur-acc/fund-overview-and-characteristics
- **Carmignac China New Economy**
https://www.carmignac.fr/en_GB/funds/carmignac-china-new-economy/f-eur-acc/fund-overview-and-characteristics
- **Carmignac Portfolio China New Economy**
https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-china-new-economy/a-eur-acc/fund-overview-and-characteristics

ESG Thematic Funds

Article 8 Fund in accordance with SFDR 2019/2088

- **Carmignac Portfolio Family Governed**
https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-family-governed/a-eur-acc/fund-overview-and-characteristics

Article 9 Funds in accordance with SFDR 2019/2088

- **Carmignac Portfolio Green Gold**
https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-green-gold/a-eur-acc/fund-overview-and-characteristics
- **Carmignac Portfolio EM debt**

https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-em-debt/a-eur-acc/fund-overview-and-characteristics

The Fixed Income funds Carmignac Sécurité, Carmignac Portfolio Sécurité, Carmignac Portfolio Flexible Bond and the balanced funds Carmignac Patrimoine and Carmignac Portfolio Patrimoine are under the scope of this Transparency Code.

The ESG analysis follows the same principles as for the mainstream funds. ESG analysis allows the investment team to mitigate ESG-related risks and to engage with companies should risks be identified. For the SRI funds, a further commitment is made to apply ESG ratings minimum requirements of portfolio construction. Each company is analysed for ESG risks, comments of practices are made on outset of investments and are updated usually annually or when controversies occur. A dialogue with the company directly enables any questions regarding ESG related risks to be answered. A full description of the ESG integration process, depending on the fund, can be found in Question 2.1.

1.5. Is the company involved in any RI initiatives?

| General Initiatives | Environmental/Climate Initiatives | Social Initiatives | Governance Initiatives |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> ECCR – Ecumenical Council for Corporate Responsibility <input checked="" type="checkbox"/> EFAMA RI WG <input type="checkbox"/> European Commission's High-Level Expert Group on Sustainable Finance <input type="checkbox"/> ICCR – Interfaith Center on Corporate Responsibility <input checked="" type="checkbox"/> National Asset Manager Association (RI Group) <input checked="" type="checkbox"/> PRI - Principles For Responsible Investment <input type="checkbox"/> SIFs - Sustainable Investment Fora <input checked="" type="checkbox"/> Other <ul style="list-style-type: none"> ▪ AFG, France SRI working group ▪ IA, UK SRI working group ▪ ALFI, Luxembourg SRI Working group | <input type="checkbox"/> CDP – Carbon Disclosure Project (please specify carbon, forest, water etc.) <input type="checkbox"/> Climate Bond Initiative <input type="checkbox"/> Green Bond Principles <input type="checkbox"/> IIGCC – Institutional Investors Group on Climate Change <input type="checkbox"/> Montreal Carbon pledge <input type="checkbox"/> Paris Pledge for Action <input type="checkbox"/> Portfolio Decarbonization Coalition <input type="checkbox"/> Other (please specify) <input checked="" type="checkbox"/> Climate Action 100 + <input checked="" type="checkbox"/> TCFD | <input type="checkbox"/> Access to Medicine Foundation <input type="checkbox"/> Access to Nutrition Foundation <input type="checkbox"/> Accord on Fire and Building Safety in Bangladesh <input type="checkbox"/> Other (please specify) UN Women's Empowerment Initiative <input checked="" type="checkbox"/> Tobacco Finance Free pledge | <input type="checkbox"/> ICGN – International Corporate Governance Network <input type="checkbox"/> Other (please specify) <input checked="" type="checkbox"/> Share Action |

1.6. What is the total number of SRI assets under the company's management?

As a group, the assets under management implementing ESG criteria: 41.31 billion Euro *
 The assets under management offering a Socially Responsible approach: 34.41 billion Euro *

*Source: Carmignac, as of July 2021

2. General information about the SRI fund(s) that come under the scope of the Code

2.1. What is (are) the fund(s) aiming to achieve by integrating ESG factors?

At Carmignac, we believe that ESG incorporation is not only a "green tag", or a "nice to have". Indeed, we believe that an asset manager's number one fiduciary duty to its investors is to mitigate as much risks as it can identify. This very resolutely includes risks associated with poor governance, shareholder underrepresentation, social issues such as health and safety, and environmental challenges. ESG implementation can be, and often has been, a driver of long-term performance as it goes hand-in-hand with sustainability. Asset managers like us at Carmignac, managing the savings of investors, often their future pension, have to think long-term and not short term. As such, companies that decide to favour short-term success at the expense of higher ESG risks (or any other higher risk) may encounter difficulties in making profitable investments over the long-term.

Carmignac Patrimoine and Carmignac Portfolio Patrimoine, international balanced funds with the same management and investment holdings invest in international equities using a fundamentally-driven investment approach. Secular growth companies with particular sustainable thematic such as new consumer, digital economy, advanced healthcare, climate change are selected through a best-in-universe approach. A negative screening is applied to prevent investment in companies identified as operating in controversial sectors such as tobacco, thermal coal extraction, controversial weapons as well as poor ESG scored companies. The funds employ a ESG screening process to exclude companies that are not managing their ESG risks and are rated poorly both as an overall ESG score and for each E and S pillar. In this way the funds seek to invest sustainably. Secondly, for the sovereign debt investments, a proprietary scoring system is employed using both proprietary ESG analysis, external ESG data and publicly available data. In this manner ESG risks of sovereign issuers are also assessed.

Carmignac Sécurité and Carmignac Portfolio Sécurité funds, are fixed income funds which deploy a flexible, low duration strategy primarily across the European fixed income universe. They integrates environmental, social and governance (ESG) characteristics in their securities selection. The funds employ an ESG screening process to exclude companies that are not managing their ESG risks and are rated poorly both as an overall ESG score and for each Environmental and Social pillar. In this way the funds seek to invest sustainably. Secondly, for the sovereign debt investments a proprietary scoring system is employed using both proprietary ESG analysis, external ESG data and publicly available data. In this manner ESG risks of sovereign issuers are also assessed.

Carmignac Portfolio Flexible Bond Fund is a fixed income fund which deploys a flexible allocation across international fixed income markets while hedging currency risk. It integrates environmental, social and governance (ESG) characteristics in its securities selection.

The fund employs an ESG screening process to exclude companies that are not managing their ESG risks and are rated poorly both as an overall ESG score and for each Environmental and Social pillar. In this way the fund seeks to invest sustainably.

Secondly, for the sovereign debt investments a proprietary scoring system is employed using both proprietary ESG analysis, external ESG data and publicly available data. In this manner ESG risks of sovereign issuers are also assessed.

2.2. What internal or external resources are used for ESG evaluation of the issuers who make up the investment universe of the fund(s)?

The Portfolio Managers and Analysts are responsible for ESG analysis. In addition, the ESG analysts take an active role in ESG assessment, as well as in the engagements necessary following on from ESG risks identification, controversies or affiliation-related collective engagements. During the due diligence directly with Corporations as part of the investment rationale, ESG risks and opportunities are identified and discussed. External ESG data sources are aggregated as discussed on our START platform from the following data providers: Trucost, Refinitiv, MSCI and ISS.

Fixed Income analysts as well as the Portfolio Managers and ESG analysts also respect the requirements of ESG assessment for each issuer. Relevant ESG risks and opportunities are evaluated and documented within the investment rationale and on our ESG system START, during issuer roadshows, should it be relevant after reporting season.

MSCI ESG research can be used as an addition to proprietary research if necessary. Corporate bond selection respects the firm-wide exclusions across the mainstream funds and wider exclusions within the Socially Responsible funds where applicable. When a controversy occurs during the investment, mainstream analysts, Portfolio Managers and the ESG analysts engage directly with the management of the issuer to determine, either, a resolution to the controversy or an exit from the investment.

At least 90% of companies in our Fund have an ESG analysis.

2.3. What ESG criteria are taken into account by the fund(s)?

Depending on the geographic region and sector, ESG criteria may vary. The START System incorporates 30+ ESG indicators that compose the companies scoring sorted in percentiles within the same peer groups. However, here are the most common elements that the Portfolio Managers and Analysts assess in the investment rationale:

- **Environment:** The scope of Carmignac' s interest includes the impact of companies on the environment and their ability to offer services and products which adapt to environmental challenges and particularly climate change.

Environmental issues the investment team considers and renders transparent include companies' treatment of carbon emissions, pollution, waste, and water usage.

- **Social:** Carmignac focuses on monitoring the impact of companies with all their stakeholders (suppliers, employees, consumers) across the value chain and the increasing public expectations of social responsibility.

Social issues the firm considers could include all types of employment abuses, staff turnover metrics, diversity, work place health and safety, income distribution, and product safety.

- **Governance:** Carmignac focuses on the enhanced value created by companies that encourage governance ethics. Governance issues the firm considers could include any tendency towards uses of bribery and corruption, government's involvement and impact on management, board independence, executive compensation, and anticompetitive practices.

| Environmental | Social | Governance |
|---------------------------------------------------------------------|---------------------------------|---------------------------------------------------|
| Carbon Emissions –Direct & First Tier Indirect (tonnes CO2e) | % Employee Satisfaction | % Audit Committee Independence |
| Carbon Intensity- Direct & First Tier Indirect (tonnes CO2e/USD mn) | Employee Turnover | Compensation Committee Independence |
| Flaring of Natural Gas | Female Managers | Nomination Committee Involvement |
| Total Energy Use/Revenues | Average Employee Training Hours | Long Term Objective-Linked Executive Compensation |
| Renewable Energy Use Ratio | Lost Time Due to Injury Rate | Independent Board Members |
| Energy Use Total | Employee Fatalities | Average Board Tenure |
| Total Waste / Revenues | Chief Executive Salary Gap | % Board Gender Diversity |
| Waste Recycled /Total Waste | % Gender Pay Gap | Highest Remuneration Package |
| Accidental Spills | % Customer Satisfaction | Board Size |
| Water Use / Revenues | | Sustainability Compensation Incentives |
| Water Recycled | | |
| Fresh Water Withdrawal Total | | |

For the Sovereign bond issuers the following factors compile the key ESG indicators assessed:

- **Environment:** CO2 per Capita, % share of renewables
- **Social:** GDP per capita PPP, life expectancy, GINI, Education
- **Governance:** Ease of doing business, Fiscal Position, Debt as years of revenue position, Current Account position

2.4. What principles and criteria linked to climate change are taken into account in the fund(s)?²

Carmignac has made climate awareness a formal component of its investment process, joining the efforts undertaken as part of the Cop21 initiatives and adhering to Energy Transition Rule No 173 of the Monetary and Financial Code of the French government (L533-22-1 du Code Monétaire et Financier). Through a diversified investment policy that is not constrained by its benchmarks, our Funds underweight

²Reference to Article 173 of the French TECV Act see paragraphs 3 and 4 of Article D.533-16-1 of Chapter III of the French Legal Code): <https://www.legifrance.gouv.fr/affichCodeArticle.do?cidTexte=LEGITEXT000006072026&idArticle=LEGIARTI000031793697>

sectors with high carbon emissions, particularly coal industry and utilities. Besides, investing in sustainable technologies is also key priority for our Funds. Carmignac measures the carbon emissions of our funds and publish this data in each funds' annual report.

Carbon intensity of Carmignac Patrimoine and Carmignac Portfolio Patrimoine

| | Weighted Average Carbon Intensity ¹ | Availability of Carbon Data ³ |
|-------------------------------------------|------------------------------------------------|------------------------------------------|
| Carmignac Patrimoine | 106.7 | 100% |
| MSCI ACWI | 199.9 | 98.9% |
| Fund % difference vs. reference indicator | -46.6% | N/A |

1. Tonnes of CO2 equivalent per million euros of revenues (calculated as % assets, and not 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

The carbon dioxide emissions of Carmignac Portfolio Patrimoine's portfolio (in terms of CO2 emissions per million dollars of turnover, converted into euros) are 47% lower than those of its benchmark indicator. Compared to its benchmark, the Fund holds a proportion that is 99% lower in securities of companies with fossil fuel-related revenues. Our investments in companies whose products or services positively impact energy efficiency in the production chain are numerous (Knorr-Bremse, Hyundai Motors, Samsung, GDS Holdings, Nio, Xpeng, Microsoft and LG Chem). In addition, companies integrating new clean technologies (Orsted, Safran, Amadeus, Wuxi Biologics, Boeing, Airbus and Schrodinger) allow the Fund to stand out.

Carbon intensity of Carmignac Portfolio Flexible Bond

| | Weighted Average Carbon Intensity ¹ | Availability of Carbon Data ³ |
|-------------------------------------------|------------------------------------------------|------------------------------------------|
| Carmignac Portfolio Flexible Bond | 132.3 | 72.6% |
| ICE BofA ML Euro Broad Market Index | 36.5 | 78.9% |
| Fund % difference vs. reference indicator | +262.9% | N/A |

1. Tonnes of CO2 equivalent per million euros of revenues (calculated as % assets, and not 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

To calculate the portfolio carbon emissions, the companies' carbon intensities (tonnes of CO2e /USD mn revenues converted to Euros, Scope 1 and 2 GHG Protocol, S&P Trucost) are weighted according to their portfolio weightings (adjusted for holdings for which carbon emissions are not available), and then summed.

S&P Trucost methodology: Trucost uses company disclosed emissions where available. In the instance it is not available, they 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.

2.5. What is the ESG analysis and evaluation methodology of the fund manager/fund management company (how is the investment universe built, what rating scale is used etc.)?

Carmignac Patrimoine and Carmignac Portfolio Patrimoine

ESG analysis and criteria are directly taken into account in the definition of the Fund's investable universe. The equity investment universe in scope is comprised of stocks listed on international exchanges, which represents a list of approximately 2980 names (MSCI ACWI).

In the corporate bond part of the portfolio the investment universe is defined as 3500 issuers composed of G0BC = ICE BofA Global Corporate Index; HN00 = ICE BofA Global Non-Financial High Yield Index; JCBBCOMP = JP Morgan Corporate Emerging Markets Bond Index; EB00 = ICE BofA Euro Financial; CCEUTOTR = CS Contingent Convertible Euro.

The investment universe of equity and corporate bonds is systematically and automatically reduced due to the firm level hard exclusions as noted below. The Exclusion list called the CMGR watchlist is reviewed quarterly by the Responsible Investment team and monitored by the Compliance team.

1) Carmignac firm-wide exclusion list:

- Controversial weapon manufacturers that produce products that do not comply with treaties or legal bans*
- Tobacco producers. Wholesale distributors and suppliers with revenues over 5% from such products
- Thermal coal miners with over 10% revenues or 20 million tonnes from extraction
- Power generators that produce more CO₂/kWh than the defined threshold**
- Adult entertainment and pornography producers and distributors with over 2% revenues from such product
- International Global Norms violations including OECD Business Principle, ILO Principles and UNGC Principles

*Companies that do not comply with: 1) The Ottawa Treaty (1997) which prohibits the use, stockpiling, production and transfer of anti-personnel mines; 2) The Convention on Cluster Munitions (2008) which prohibits the use, stockpiling, production and transfer of cluster munitions; 3) The Belgian Loi Mahoux, the ban on uranium weapons; 4) The Chemical Weapons Convention (1997) which prohibits the use, stockpiling, production and transfer of chemical weapons; 5) The Treaty on the Non-Proliferation of Nuclear Weapons (1968), which limits the spread of nuclear weapons to the group of so-called nuclear weapons states (USA, Russia, UK, France and China); 6) Biological Weapons Convention (1975) which prohibits the use, stockpiling, production and transfer of biological weapons.

**In line with the 2 ° C scenario suggested by the IEA or new coal/nuclear build or Gas>30%, Coal >10%, Nuclear >30% revenues if CO₂ data not available
Please refer to Carmignac's exclusion policy for further detail: https://www.carmignac.lu/en_GB/responsible-investment/policy

2) Low ESG-scored companies are excluded

As previously stated Carmignac Patrimoine and Carmignac Portfolio Patrimoine exclude companies that are not managing their ESG related risks which are reflected in MSCI CCC or B scores. This is the case for equities as well as corporate bonds issuer ESG ratings.

In addition, should an Environmental or Social pillar score be below 1.4/10, the fund would also exclude these companies from the investment universe.

Our teams carry out detailed financial and ESG assessments of targeted companies in order to assign them with our own ESG rating, implemented through our proprietary ESG system START. Should the START proprietary score for a company that has been excluded due to the aforementioned MSCI criteria for exclusion be A, B or C, the fund can include the company in the investable universe.

In summary, the proprietary START score will sometimes lead us to invest in a company with an otherwise non-investable MSCI rating; conversely, it will sometimes prevent us from investing in a company with a MSCI rating >B.

These scores, both proprietary and MSCI, can be monitored real time through the portfolio management system by the investment team and ESG analysts, at a single issuer or aggregated portfolio level. This information is also under each security in START interface.

Monitoring: both proprietary START and MSCI overall and pillar scores can be monitored real time through the portfolio management system by the investment team and ESG analysts, at a single issuer or aggregated portfolio level. This information is also available for security in START interface.

For the corporate bond part of the portfolios

The same process as explained above is applied to the corporate bond part of the portfolio to reduce the universe by a minimum of 20% from 3500 issuers to around 1990 issuers. The minimum 20% universe reduction is maintained at all times and subject to a periodic formal monitoring.

ESG integration of the sovereign bond part of the portfolios

The team selects countries with healthy macro-economic fundamentals, high domestic growth and sound current account balances and balance of payments.

In order to have a holistic view of the macro-economic environment, the emerging markets team works closely with the Cross-Asset team and country experts and uses proprietary tools to analyse and monitor economic cycles and risks specific to each geographical area. Country selection is made respecting country restrictions/exclusion list and based on positive economic and governance screening.

A proprietary sovereign Emerging country ESG scoring system established some time ago has recently been extended to incorporate both Emerging and Developed sovereign debt issuing countries. The number of ESG indicators has been increased from 10 to 18 through the use of globally recognised impact monitors such as the IMF's fiscal monitor the World Justices' Project Rule of law, Reporters Without Borders and the World Press Freedom index.

| |
|--------------------------|
| Environment |
| CO2 Per Capita |
| Renewables |
| Coal |
| Pollution |
| Waste |
| Sanitation |
| Water |
| Paris Accords Malus |
| Social |
| Life Expectancy |
| GINI Coefficient |
| Education |
| GDP Per Capita |
| HDI |
| Governance |
| Ease of Doing Business |
| Fiscal Position |
| Debt Position |
| Current Account Position |
| Economic Freedom |

Methodology

- a. Universe of 105 countries across DM and EM covering all our sovereign investments
- b. 18 E, S & G criteria selected according to UNPRI guidelines, market relevancy, firm's values, and industry standards

- c. Quantitative model based on both spot levels and historic data to capture current ESG risks as well as dynamic trends
- d. Scoring between 1 (bad) & 5 (good), with fully used range to get the highest dispersion
 1. For any criteria, countries are ranked all together both on spot data and recent evolution/trends. These two ranking are then converted into a rating between 1 (bottom) & 5 (top)
 2. The dynamic rating is overweighed for EM countries (75%), and underweighted for DM countries (25%)
 3. For any E, S & G pillar, sub-criteria ratings are then averaged to get a pillar scoring
 4. While the management team is aiming at having a transparent and thus relatively simple index, a qualitative bonus/malus can be added to capture risks/improvements that are not reflected within the data (recent event, new policy...)
 5. The overall ESG score is then composed of the equally weighted average of the three components E, S, and G
 6. Fund's score is then aggregated as the weighted average of the country score and the exposure of the positions

The ESG sovereign scoring system is maintained and developed by the Fixed income analysts and is updated twice per year. The portfolio management team confirms the macro-economic analyses through regular on the ground visits where they get a grasp of the local economic activity and meet government bodies, central bank officials, local entrepreneurs, etc. Based on the identified macroeconomic trends, the portfolio manager will select the countries for investment.

Carmignac Sécurité, Carmignac Portfolio Sécurité and Carmignac Portfolio Flexible bond

ESG analysis and criteria are directly taken into account in the definition of the Fund's investable universe. The investment universe is defined as 3550 issuers composed of G0BC = ICE BofA Global Corporate Index; HN00 = ICE BofA Global Non-Financial High Yield Index; JCBBCOMP = JP Morgan Corporate Emerging Markets Bond Index; EB00 = ICE BofA Euro Financial; CCEUTOTR = CS Contingent Convertible Euro. The investment universe of equity and corporate bonds is systematically and automatically reduced due to the firm level hard exclusions as noted below. The Exclusion list called the CMGR watchlist is reviewed quarterly by the Responsible Investment team and monitored by the Compliance team.

1) Carmignac firm-wide exclusion list:

- Controversial weapon manufacturers that produce products that do not comply with treaties or legal bans*
- Tobacco producers. Wholesale distributors and suppliers with revenues over 5% from such products
- Thermal coal miners with over 10% revenues or 20 million tonnes from extraction
- Power generators that produce more CO₂/kWh than the defined threshold**
- Adult entertainment and pornography producers and distributors with over 2% revenues from such product
- International Global Norms violations including OECD Business Principle, ILO Principles and UNGC Principles

*Companies that do not comply with: 1) The Ottawa Treaty (1997) which prohibits the use, stockpiling, production and transfer of anti-personnel mines; 2) The Convention on Cluster Munitions (2008) which prohibits the use, stockpiling, production and transfer of cluster munitions; 3) The Belgian Loi Mahoux, the ban on uranium weapons; 4) The Chemical Weapons Convention (1997) which prohibits the use, stockpiling, production and transfer of chemical

weapons; 5) The Treaty on the Non-Proliferation of Nuclear Weapons (1968), which limits the spread of nuclear weapons to the group of so-called nuclear weapons states (USA, Russia, UK, France and China); 6) Biological Weapons Convention (1975) which prohibits the use, stockpiling, production and transfer of biological weapons.

****In line with the 2 ° C scenario suggested by the IEA or new coal/nuclear build or Gas>30%, Coal >10%, Nuclear >30% revenues if CO2 data not available
Please refer to Carmignac's exclusion policy for further detail: Please refer to Carmignac's exclusion policy for further detail:

https://www.carmignac.lu/en_GB/responsible-investment/policy

2) Low ESG scored companies are excluded

The funds exclude companies that are not managing their ESG related risks which are reflected in MSCI CCC or B scores. In addition, should an Environmental or Social pillar score be below 1.4/10, the funds would also exclude these companies from the investment universe.

Our teams carry out detailed financial and ESG assessments of targeted companies in order to assign them with our own ESG rating, implemented through our proprietary ESG system START. Should the START proprietary score for a company that has been excluded due to the aforementioned MSCI criteria for exclusion be A, B or C, the fund can include the company in the investable universe.

In summary, the proprietary START score will sometimes lead us to invest in a company with an otherwise non-investable MSCI rating; conversely, it will sometimes prevent us from investing in a company with a MSCI rating > B. These scores, both proprietary and MSCI, can be monitored real time through the portfolio management system by the investment team and ESG analysts, at a single issuer or aggregated portfolio level. This information is also under each security in START interface.

Monitoring: Both proprietary START and MSCI overall and pillar scores can be monitored real time through the portfolio management system by the investment team and ESG analysts, at a single issuer or aggregated portfolio level. This information is also available for security in START interface. In this manner the corporate bond part of the portfolio reduces the universe by a minimum of 20% from 3500 issuers to around 1990 issuers.

ESG integration of the sovereign bond part of the portfolios

Same as detailed above.

2.6. How often is the ESG evaluation of the issuers reviewed? How are any controversies managed?

The investment team allocates a rating through the proprietary START system at outset of investment and are updated on an annual basis or when necessary as new data or information needs to be complemented. MSCI ESG Ratings are our public and portfolio guidelines reference for the portfolio. Ratings by MSCI are updated annually or as these ratings updates occur. The overall ESG rating both proprietary and MSCI are monitored through the GPM front office portfolio interface real time as well as in the START system.

Engagements occur directly with companies and countries regarding E, S or G issues and are subject to a specific reporting via email or summary in the front office database (Mackey RMS). For companies we invest in, there are regular discussions and follow-up of topics during meetings with the companies. When

controversies occur, fund managers and equity analysts are responsible for the engagement and follow-up with their respective companies.

The Responsible Investment Team also assists fund managers to engage with a company on a specific topic or controversy. These are documented and visible to all investment staff in the front office database (Mackey RMS) and are collated in the specific ESG engagement tool.

Controversies

Controversies are managed through or formal engagement framework. From January 2021, by adopting a new and comprehensive engagement policy, Carmignac has committed to a quarterly engagement program targeting specific actions within the possibility of 5 different types of engagements including controversy management:

1. ESG risk related engagement
2. Thematic engagement
3. Impact engagement
4. Controversial behaviour engagement
5. *Proxy voting decision engagement (not for Fixed Income)*

1. ESG Risk-related engagement

- a. The proprietary rating and research framework START combines aggregated raw ESG data from companies which allows the analyst to systematically identify poor E, S or G related scores and risks. A good starting point for engagement would be if the score of E, S or G is below average i.e. D or E rating.
- b. A company dialogue would be initiated concerning the issues which have contributed to the low score(s) and the objective of the engagement would be to understand the specific ESG risk and engage to drive material improvement in the companies' ESG profile.

2. Thematic Engagement

- a. This is a proactive approach centred on material sustainability themes that have the most potential to create value for shareholders, taking into consideration the views and concerns of our clients. We breakdown a selection of themes within the three pillars of 'ESG', depending on what is most material within the company's business sector. The materiality or relevance of the E, S or G issue is determined by our investment team members given their specialist knowledge of the sector and company. Thematic Engagement can take place over up to three years.

3. Impact Engagement

- a. We seek to understand and work with companies on their business model progression to identify their intentionality, how they intend to create additionality and lastly measure their outcome to create overall societal and environmental value.
- b. When relevant, we align our impact engagement themes to the United Nations 17 Sustainable Development Goals (SDGs). Impact Engagement can extend to a five-year period.

4. Controversial Behaviours Engagement

- a. Enhanced engagement which focuses on companies that severely and structurally breach principles of the United National Global Compact (UNGC) and/or OECD Guidelines for Multinational Enterprises. Controversial Behaviours engagement is aimed at eliminating a company's breach of the UNGC and/ or OECD Guidelines for Multinational Enterprises and installing proper management systems to prevent such a breach from recurring.
- b. If engagement is unsuccessful, the company is considered for exclusion. Enhanced engagement cases are selected quarterly. Engagement focus can differ between various investment exposures. For example, engagements for credit portfolios are likely to focus on downside ESG risks, whereas engagements for equity portfolios are more likely to focus on both ESG risks and opportunities, as well as minority shareholders' rights. We allow for a maximum of three years of engagement with a company in this program.

Escalation

For each company identified for engagement, we define a challenging but realistic threshold of objectives that we expect to be met at the end of the engagement timeframe. If the expected outcome set has been met, we close the engagement case successfully. We record our engagement outcome on 3 levels of progress: Positive, Neutral & Negative. We escalate the intensity of an engagement activity over time depending on the nature of the challenges each company faces and the attitude of the board towards our dialogue. Generally, our engagement activity becomes more active where we believe engagement will lead to an increase in or prevent/limit a decrease in the value of a company over the long term.

Reporting

Transparency to our clients and society is a key priority of Carmignac. We share our engagement outcomes and progress publicly including our voting records and rationale.

The outcomes of our thematic engagements are updated annually on our website and in our annual reports as well as being reflected in the UNPRI reporting. Lastly particular case studies will be communicated throughout the year on an adhoc basis. This helps our clients understand the activities that Carmignac has taken on their behalf as part of our fiduciary duty.

For further information please refer to Carmignac's Shareholder Engagement policy on the Responsible Investment website.

3. Investment process

3.1. How are the results of the ESG research integrated into portfolio construction?

ESG research has a direct impact in portfolio construction. As discussed in the answer to question 2.5, we use ESG criteria along with the financial criteria in order to identify companies with the best long-term prospects. In addition to further reducing the list of companies in the investable universe, the companies ESG assessment will also influence the weighting of holdings in the portfolio. As discussed in Question 2.5 the three funds under scope employ a universe reduction based on excluding poor ESG scored companies where CCC and B companies are excluded and where companies with a score of 1.4/10 or below for the environmental and social pillars are also excluded unless the proprietary score and analysis given by our analysts is A, B or C under our proprietary START system.

3.2. How are criteria specific to climate change integrated into portfolio construction?³

Carmignac has formalized its commitments to take climate change issues into account Carmignac has formalized its commitments to take climate change issues into account in its investment process, joining forces with the "Cop21" initiatives and adhering to the principles of article 173 of the energy transition law of the French government's Monetary and Financial Code (L533-22-1 of the French Monetary and Financial Code).

In January 2020, Carmignac became a member and supporter of the Task Force on Climate-related Financial Disclosures (TCFD) and we have included in our report: Climate Policy and Carbon Emissions Reporting, a first report in brief according to the TCFD recommendations. At present, portfolio companies publish too little information on their climate change policies and emissions data on their exposure to physical and transition risks to enable us to produce satisfactory reporting. We also encourage our portfolio companies to provide more information in this regard as part of our shareholder engagement initiatives. 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 coal production. Carmignac is committed to a total exit from coal (mines and power plants) by 2030 in all regions of the world.

3.3. How are the issuers that are present in the portfolio, but not subject to ESG analysis evaluated (not including mutual funds)?⁴

⁴ Reference to Article 173 of the French TECV Act and the TCFD recommendations (delivering on investor and stakeholder demands for climate-related information)

All equity holdings or corporate issuers are subject to analysis using the START platform. As for portfolio guidelines, MSCI ratings are used. The START platform has the capacity to aggregate raw company scores for over 8000 issuers. Should there be no coverage which can happen on rare occasions in newly listed companies or non-listed corporate issuers, a START proprietary rating is given.

All sovereign issuers are rated through the proprietary sovereign rating system which assesses 105 countries across DM and EM covering all our sovereign investments using 18 E, S & G criteria selected according to UNPRI guidelines, market relevancy, firm's values and industry standards. Please see the section on ESG methodology.

3.4. Has the ESG evaluation or investment process changed in the last 12 months?

There is now a proprietary rating system START that allows a comparative to MSCI ratings, with a broad coverage and aggregated data set and what we believe to be a superior peer group comparing: by capitalisations, Region - EM or DM, and 90 industry groups with 31 ESG indicators if there is coverage. Secondly, the proprietary sovereign ESG scoring system has been upgraded to include 18 ESG indicators and to be used across the DM universe as well as the EM universe for where it was originally created.

3.5. Is a part of the fund(s) invested in entities pursuing strong social goals/social enterprises?

As mentioned, in the equity part of the Carmignac Patrimoine and Carmignac Portfolio Patrimoine funds, investments are made in secular growth companies investing in particular sustainable thematic such as green alternative consumption, and advanced healthcare. In the bond portfolios, where possible investments are made in sustainability bonds and social bonds.

3.6. Does (do) the fund(s) engage in securities lending activities?

The funds do not engage in Securities Lending.

3.7. Does (do) the fund(s) use derivative instruments?

The funds under the scope of this Transparency Code only use equity and bond derivatives for efficient portfolio construction. The derivatives are subject to UCITS leverage limits and internal risk controls. Short selling of single stocks is not practiced in the funds. Only Carmignac Patrimoine and Carmignac Portfolio Patrimoine equity portions practice short selling of single stocks.

3.8. Does (do) the fund(s) invest in mutual funds?

The funds under scope of this Transparency Code can invest up to 10% in other mutual funds.

4. ESG controls

4.1. What internal and/or external control mechanisms are in place to ensure compliance of the portfolio with the ESG rules on managing the fund(s) as defined in section 4?⁵

There are 2 levels of control:

- **First level control:** The ESG Committee led by the Stewardship Director and Responsible Investment Team, ensures the daily support to the Investment team and includes such responsibilities as oversight on appropriate screening and documentation for controversies, external ESG research provider accountability, active voting and engagement framework adherence, maintenance and control of sector exclusion lists, ESG consultant services assessment, investor and statutory communication.
- **Second level control:** As the ESG thematic is fully integrated to the Annual Compliance Monitoring Program, the Compliance and Internal Control Department operate a second level of control and perform yearly reviews on the ESG activity to ensure our statutory, regulatory and commitments as UNPRI signatories are met.
- Moreover, the Compliance department takes an active role in ensuring company exclusions are adhered to. Excluded companies, sectors, and countries are predefined in our order management system to prevent transactions which compose part of our filtering process.

Thanks to the compliance module in Bloomberg (CMGR), lists are set at a pre-trade level in Bloomberg AIM, the trading tool and any transaction is automatically blocked.

The exclusions list exhaustiveness is reviewed quarterly by the Stewardship Director, Responsible Investment Team and the Compliance department. Ad-hoc reviews are also done at the discretion of the Sustainability team.

5. Impact measures and ESG reporting

5.1. How is the ESG quality of the fund(s) assessed?

Carmignac assess the ESG ratings of its SRI funds on a monthly basis. The ratings of the portfolio drawn from MSCI ESG ratings are compared against the Fund's benchmark. The distribution of weightings, the top holdings ratings and the holdings active weights are also given. This report is automated and published inside the financial factsheet, in all languages.

Frequent reviews are made by the ESG analyst of the portfolio ratings compared to the proprietary START and MSCI ESG ratings. This enables discussion about potential discrepancies.

⁵ Reference to Article 173 of the French TECV Act

From October 2020 on, the yearly carbon reports have become monthly, showing tCO₂/M USD revenue against the benchmark. Fossil fuel % revenues are weighed for each holding - alongside the tCO₂/ M USD reviews vs the benchmark and the 70% benchmark level to highlight that the 30% target has been met.

5.2. What ESG indicators are used by the fund(s)?

For Carmignac Portfolio Flexible Bonds, In addition to 30+ ESG indicators of company data that can be monitored on the Carmignac proprietary ESG system START (see table below), the funds track the progress of 5 specific E, S, G and Human Rights indicators for the fund, a set of quantifiable data points established as performance measures. They seek to compare and manage the evolution of these indicators against the reference index and across companies. They also serve to drive further research and corporate engagement.

The report can be found here: https://www.carmignac.fr/en_GB/funds/carmignac-portfolio-flexible-bond/a-eur-acc/documents-and-reports

For the Sovereign bonds, proprietary rating system the following ESG indicators are measured using publicly available data from such institutions as the World Bank for over 105 government issuers:

- Environmental: CO₂ per capita, share of renewable energy.
- Social: GDP per capita (PPP based), Gini index, life expectancy, education.
- Governance: ease of doing business, fiscal position, debt as years of revenue position, current account position.

5.3. What communication resources are used to provide investors with information about the SRI management of the fund(s)?

Carmignac's mainstream ESG approach and the SRI Funds plus ESG thematic funds are identified on Carmignac's Responsible Investment web page:

https://www.carmignac.lu/en_GB/responsible-investment/template-hub-sri-thematic-funds-4526

Moreover, on each of these Funds' web page, you will find the following documents related to RI:

- The Sustainability Disclosure document (RTS recommended 2 pager)
- The Monthly ESG summary factsheet
- The Annual ESG and HR indicator report

These documents are oriented for retail investors.

The annual reports of the Fund contain a full commentary on ESG issues and its ESG assessment.

- The results of the Funds (see 5.1.) studied for emissions are also thoroughly discussed in the respective Funds' annual reports and in our SRI webpage:

https://www.carmignac.lu/en_GB/responsible-investment/template-hub-policies-reports-4528

- Carbon emissions per Million USD invested, total carbon emissions and carbon intensity are detailed. In the annual report of 2020, the Fund carbon emission reference will be Carbon intensity to allow comparison across asset classes together with fossil fuel revenues.

5.4 Please list all public media and documents used to inform investors about the SRI approach to the fund and include URLs. This should include a link to the detailed, no more than 6 months old, list of holdings of the fund(s).

- Prospectus available on the Fund’s web page
- Semi-annual and annual reports available on the Fund’s web page
- KIID available on the Fund’s web page
- Detailed positions composing the Fund available in the quarterly reports

Funds web page for all other reports please see the Documents and Reports section

Carmignac Patrimoine

https://www.carmignac.lu/en_GB/funds/carmignac-patrimoine/a-eur-acc/documents-and-reports

Carmignac Portfolio Patrimoine

https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-patrimoine/f-usd-acc-hdg/documents-and-reports

Carmignac Sécurité

https://www.carmignac.lu/en_GB/funds/carmignac-securite/a-eur-acc/documents-and-reports

Carmignac Portfolio Sécurité

https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-securite/f-usd-acc-hdg/documents-and-reports

Carmignac Portfolio Flexible Bond

https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-flexible-bond/a-eur-acc/fund-overview-and-characteristics

Funds pages

Share class

A EUR Acc

Change Fund

Fund overview and characteristics

Performance

Global Fund Allocation

Bond component

Equity component

Quarterly Holdings

Documents and reports

✉ in

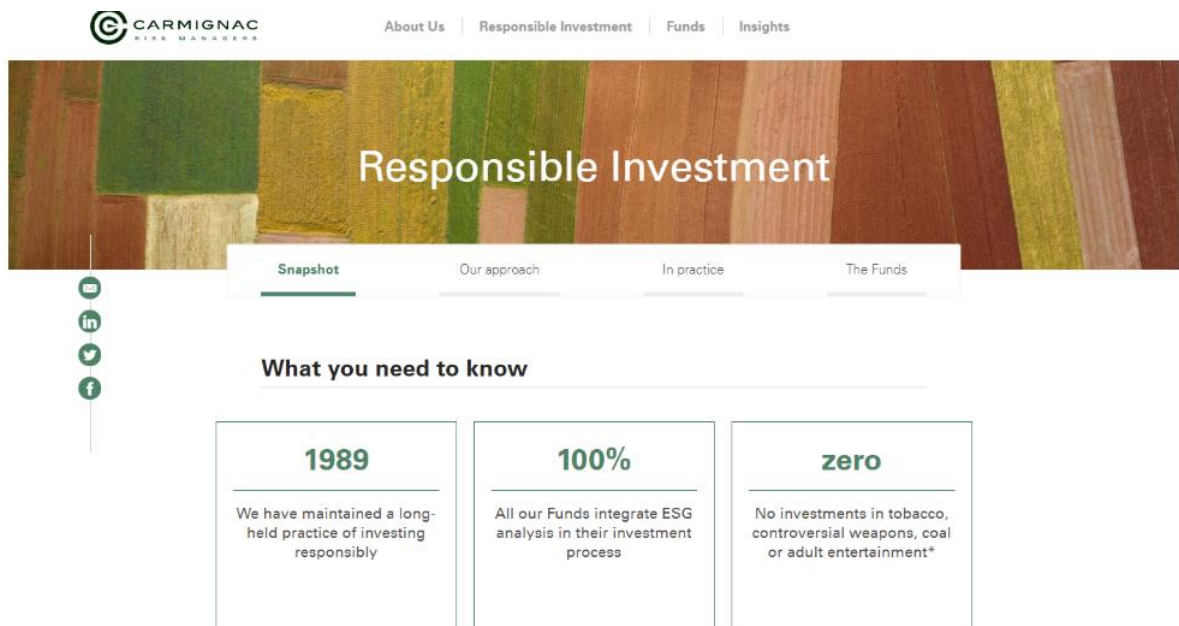
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| | |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Weekly Report PRO PDF - Carmignac Portfolio Grande Europe ↓ | Monthly Factsheet (including ESG data) PDF - Carmignac Portfolio Grande Europe ↓ |
| Product Sheet PDF - Carmignac Portfolio Grande Europe ↓ | KIID PDF - Carmignac Portfolio Grande Europe ↓ |
| Prospectus PDF - Carmignac Portfolio Grande Europe ↓ | Semi-annual report PDF - Carmignac Portfolio Grande Europe ↓ |
| Annual Report PDF - Carmignac Portfolio Grande Europe ↓ | SICAV articles PDF - Carmignac Portfolio Grande Europe ↓ |
| Notice to shareholders PDF - Carmignac Portfolio Grande Europe ↓ | SRI Flyer PDF - Carmignac Portfolio Grande Europe ↓ |
| ESG and HR indicators PDF - Carmignac Portfolio Grande Europe ↓ | Sustainability Quarterly Report PDF - Carmignac Portfolio Grande Europe ↓ |
| SRI Guidelines PDF - Carmignac Portfolio Grande Europe ↓ | Fund Sustainability-related disclosure PDF - Carmignac Portfolio Grande Europe ↓ |

Responsible Investment Website

https://www.carmignac.lu/en_GB/responsible-investment/snapshot-4742



GLOSSARY

| | |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| ESG integration Norms based screening | Assess E, S and G risks and document them as part of investment rationale, engage with companies on ESG topics |
| Exclusions | Respect globally recognised exclusions from EU or UN sanction lists |
| Active voting policy | Key hard exclusions are controversial weapons, tobacco, coal (10% revenue limit) mining companies, and adult entertainment |
| Carbon emissions analytics | High level of voting participation (target 100%) |
| ESG analytics | Full report on carbon footprint, carbon intensity, % fossil fuel revenues, vs benchmark |
| Targeted voting policy 100% | Full assessment on E, S and G factors, scoring vs benchmark |
| Full SFDR disclosure in prospectus | Funds voting participation is close to 100%, |
| SRI label | Fund category in accordance with the Sustainable Finance Disclosure Regulation 2019/2088, Article 8 or 9. |
| Low carbon approach | Recognised SRI label certification and yearly audit by a government approved auditor |
| Extended exclusions | Carbon Intensity (CO2/ % M€ revenues at minimum 30% below reference indicator), S&P Trucost data, GHG Protocol , Scope 1&2 |
| Best in universe | Additional exclusion lists such as for example, conventional weapons, high carbon emitting sectors |
| | Best ESG practice irrespective of sector |

| | |
|-------------------|---------------------------------------------------------------------------------------------------------|
| Best efforts | Companies with improving ESG policies |
| Best in class | Best ESG practice within each sector |
| Green bond | Participate in sovereign or corporate Green bond issues |
| Positive impact | intention to generate a measurable social and environmental impact alongside a financial return |
| Thematic approach | Funds with environment or social sustainability themes often i.e. environmental n Positive Impact funds |

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