

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: CARMIGNAC PORTFOLIO SECURITÉ

Legal entity identifier: 549300I0RA8U71L1G234

Environmental and/or social characteristics

1. Did this financial product have a sustainable investment objective?



Yes



No

☐ It made **sustainable investments with an environmental objective**: ____%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**: ____%



2. It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 30.4 % of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Sub-Fund has promoted environmental and social characteristics by applying best-in-universe and best-efforts approaches to invest in a sustainable manner: 1) ESG integration, 2) Negative screening, 3) Positive screening, 4) Active Stewardship to promote Environment and Social characteristics, 5) Monitoring of Principal Adverse Impacts.

No breach of environmental and social characteristics promoted have been identified during the year.



Sustainability indicators measure how the sustainable objectives of this financial product are attained.

How did the sustainability indicators perform?

This Sub-Fund has used the following sustainability indicators to measure the attainment of each of the environmental or social characteristics promoted :

1) The coverage rate of ESG analysis: ESG integration through ESG scoring using Carmignac's proprietary ESG platform "START" (System for Tracking and Analysis of a Responsible Trajectory) is

applied to at least 90% of issuers. In 2024, the coverage rate of ESG analysis was 97.2% of issuers, on average, based on 4 quarters ends data.

2) The amount the universe is reduced by : the investment universe of the Sub-Fund is composed of the ICE BofAML Global Corporate Index, ICE BofA Global High Yield Index, and ICE BofA Emerging Markets Corporate Plus Index. This amounts to around 2500 corporate issuers (excluding sovereign and quasi-sovereign issuers). This universe is reduced by a minimum of 20% through the application of the filters described below.

i) Firm-wide exclusion: Negative screening and exclusions of unsustainable activities and practices are identified using an international norms and rules-based approach on the following: (a) controversies against the OECD business guidelines, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and UN Global compact principles, (b) controversial weapons, (c) thermal coal mining, (d) power generation companies, (e) tobacco, (f) adult entertainment.

ii) Fund-specific negative screening: Fixed income portfolio positions with an overall START rating of "D" or "E" (rating from "E" to "A") are excluded of the Sub-Fund's investment universe. Companies having a START rating of E (rating from "E" to "A") on environmental or social pillars are excluded of the Sub-Fund's investment universe. Companies having an overall MSCI rating of "CCC" or "B" (rating from "C" to "AAA") are a priori excluded of the Sub-Fund's investment universe. Companies rated "CCC" or "B" on the overall MSCI rating (from "E" to "A") can reintegrate into the Sub-Fund's investment universe if START rating is C or above.

Prior to reducing the investment universe as described above, the equities and/or corporate bond, as applicable, universes are re-weighted in order to eliminate any bias that could lead to significant differences between the composition of these indices and that of the Sub-Fund's portfolio. Each issuer is re-weighted according to the Sub-Fund's historical weightings by sector, region (emerging markets/developed markets), and market capitalisation (small/mid/large), allowing for a +/-5% margin for each separate characteristic. The weights used are calculated annually, however the constituents of the universe and the ESG data used to reduce the universe are refreshed quarterly. The re-weighting is done using the Sub-Fund's historical weightings over its recommended investment period, considering sector, geography, and capitalisation rotations.

The universe reduction process and the starting universe only applies to corporate debt excluding sovereign issuers and quasi sovereign issues.

In 2024, the universe was reduced by 20.7% for the corporate bonds section of the portfolio, on average, based on 4 quarters ends data.

3) Positive screening: The Sub-Fund makes sustainable investments whereby a minimum of 10% of the Sub-Fund's net assets are invested in use of proceeds bonds such as green, social or sustainable corporate or sovereign bonds and investments in sustainability-linked bonds, or bonds of companies that are considered aligned with relevant United Nations Sustainable Development Goals. The minimum levels of sustainable investments with environmental and social objectives are respectively 1% and 3% of the Sub-Fund's net assets.

Alignment is defined for each investment / investee company by meeting at least one of the following three thresholds:

- a) **Products and services:** derive at least 50% of their revenue from goods and services that are related to one of the following nine SDGs (1) No Poverty, (2) No Hunger, (3) Good Health and Well Being, (4) Quality Education, (6) Clean Water, (7) Affordable and Clean Energy, (9) Industry, Innovation and Infrastructure, (11) Sustainable Cities and Communities, (12) Responsible Consumption and Production; or
- b) **Capital expenditure:** invest at least 30% of their capital expenditure in business activities that are related to one of the following nine SDGs (1) No Poverty, (2) No Hunger, (3) Good Health and Well Being, (4) Quality Education, (6) Clean Water, (7) Affordable and Clean Energy, (9)

Industry, Innovation and Infrastructure, (11) Sustainable Cities and Communities, (12) Responsible Consumption and Production; or

c) **Operations:**

- i. the company achieves an “aligned” status for operational alignment for at least three (3) out of all seventeen (17) of the SDGs, based on the evidence provided by the investee company of available policies, practices and targets addressing such SDGs. An “aligned” status represents an operational alignment score of ≥ 2 (on a scale of -10 to +10) as determined by the external scoring provider; and
- ii. the company does not achieve a “misaligned” status for operational alignment for any SDG. A company is considered “misaligned” when its score is ≤ -2 (on a scale of -10 to +10), as determined by the external scoring provider.

These thresholds represent a significant intentionality of the company in regards to the contributing activity. For further information on the United Nations Sustainable Development Goals, please refer to <https://sdgs.un.org/goals>.

In 2024, 30.4% of the Sub-Fund’s net assets were invested according to this positive screening on average based on the end of quarter data. The levels of sustainable investments with environmental and social objectives were respectively 14.5% and 15.9% of the Sub-Fund’s net assets on average based on the end of quarter data. The proportion of green, social or sustainability-linked bonds was 9.2 % on average, calculated based on 4 quarters’ end data.

4) Active stewardship: Environmental and social related company engagements leading to improvement in companies sustainability policies have been measured by following indicators: (a) level of active engagement and voting policies, (b) number of engagements, (c) participation at shareholder and bondholder meetings). In 2024, we conducted 70 engagements with 54 companies and 1 sovereign entity at Carmignac level, and 11 companies at the level of the Sub-Fund.

6) Principal adverse impacts: this Sub-Fund committed to applying the SFDR level II 2019/2088 Regulatory Technical Standards (RTS) annex 1 related to Principal Adverse Impacts whereby 16 mandatory and 2 optional environmental and social indicators (selected by the Sustainable Investment team for pertinence and coverage) monitored to show the impact of such sustainable investments against these indicators: Greenhouse gas emissions, Carbon footprint, GHG intensity (investee companies), Exposure to companies in fossil fuel sector, Non-renewable energy consumption and production, Energy consumption intensity per high-impact climate sector, Activities negatively affecting biodiversity-sensitive areas, Emissions to water, Hazardous waste ratio, Water usage and recycling (optional choice), Violations of UN Global Compact principles or OECD Guidelines for Multinational Enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact and OECD Guidelines for Multinational Enterprises, Unadjusted gender pay gap, Board gender diversity, Exposure to controversial weapons, Excessive CEO pay ratio (optional choice). Sovereign bond issuers are monitored for Social violations and GHG intensity indicators.

Please find below the performance of the principal adverse impacts indicators for the year 2024, based on average quarter-end data, for the corporate bond portions of the portfolio:

PAI Indicators	Based on company reported	Sub-Fund	Coverage
GHG Scope 1	Scope 1 GHG emissions	69,499.78	82.01%
GHG Scope 2	Scope 2 GHG emissions	6,910.42	82.01%
GHG Scope 3	From 1 January 2023, Scope 3 GHG emissions	741,916.57	82.13%
Total GHG	Total GHG emissions	823,244.27	81.86%
Carbon footprint	Carbon footprint	1,135.21	81.86%
GHG intensity	GHG intensity of investee companies	1,222.85	89.74%
Exposure to fossil fuels	Share of investments in companies active in the fossil fuel sector	22%	89.74%
Non-renewable energy consumption and production	Share of non-renewable energy consumption and production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	67%	76.27%
Energy consumption intensity - Total	Energy consumption in GWh per million EUR of revenue of investee companies - Total	0.55	78.52%
Energy consumption	Energy consumption in GWh per million EUR of revenue of investee	-	78.52%

intensity - NACE SectorA	companies - NACE Sector A(Agriculture, forestry and fishing)		
Energy consumption intensity - NACE SectorB	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector B (Mining and quarrying)	1.68	78.52%
Energy consumption intensity - NACE SectorC	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector C (Manufacturing)	0.64	78.52%
Energy consumption intensity - NACE Sector D	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector D (Electricity, gas, steam and air conditioning supply)	1.85	78.52%
Energy consumption intensity - NACE Sector E	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector E (Water supply; sewerage; waste management and remediation activities)	2.41	78.52%
Energy consumption intensity - NACE Sector F	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector F (Construction)	0.08	78.52%
Energy consumption intensity - NACE Sector G	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector G (Wholesale and retail trade; repair of motor vehicles and motorcycles)	0.15	78.52%
Energy consumption intensity - NACE SectorH	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector H (Transporting and storage)	0.96	78.52%
Energy consumption intensity - NACE Sector L	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector L (Real estate activities)	1.17	78.52%
Biodiversity	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	10%	83.50%
Emissions to water	Tons of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.01	1.02%
Hazardous waste	Tons of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	1.51	71.60%
Water usage and recycling	Average amount of water consumed and reclaimed by the investee companies (in cubic meters) per million EUR of revenue of investee companies	0.00	1.81%
Violations of UNGC/OECD	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	-	91.64%
Processes to monitor UNGC / OECD compliance	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.00	81.17%
Gender pay gap	Average unadjusted gender pay gap of investee companies	13%	65.31%
Board gender diversity	Average ratio of female to male board members in investee companies	38%	86.44%
Controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	-	87.72%
Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)	97.24	63.16%
Greenhouse gas intensity (sovereign and supranational)	GHG intensity of investee countries (tons of CO2e emissions per million EUR of the country's GDP)	286.63	79.13%
Social violations (sovereign and supranational)	Number of investee countries subject to social violations (as an absolute number and in proportion to the total number of countries receiving investments), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	0.50	79.13%

● ...and compared to previous periods?

This Sub-Fund has used the following sustainability indicators to measure the attainment of each of the environmental or social characteristics promoted by the Sub-Fund:

1) The coverage rate of ESG analysis: ESG integration through ESG scoring using Carmignac's proprietary ESG platform "START" (System for Tracking and Analysis of a Responsible Trajectory) is applied to more than 90% of issuers. In 2023, the coverage rate of ESG analysis was 97.4% of issuers, on average, based on 4 quarters ends data.

2 Amount the corporate bond universe is reduced by (minimum 20%):

i) Firm-wide exclusion: Negative screening and exclusions of unsustainable activities and practices are identified using an international norms and rules-based approach on the following: (a) controversies against the OECD business guidelines, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and UN Global compact principles, (b) controversial weapons, (c) thermal coal mining, (d) power generation companies, (e) tobacco, (f) adult entertainment.

ii) Fund-specific negative screening: Fixed income portfolio positions with an MSCI rating below 2.5 (rating from "0" to "10") on environmental or social pillars, or having an overall MSCI rating of "CCC" or "B" (rating from "CCC" to "AAA") are a priori excluded of the Sub-Fund's investment universe. Companies rated "C" and above on the START (rating from "E" to "A") are reintegrated into the Sub-Fund's investment universe after an ad-hoc analysis which may involve an engagement with the company.

In 2023, the corporate bonds' universe was reduced by 20.2% of the portfolio, on average, based on 4 quarters ends data.

3) Positive screening (Sustainable Investments): the Sub-Fund makes sustainable investments whereby a minimum of 10% of the Sub-Fund's net assets are invested in use of proceeds bonds such as green, social or sustainable corporate or sovereign bonds and investments in sustainability-linked bonds, or shares of companies that are considered aligned with relevant United Nations Sustainable Development Goals. The minimum levels of sustainable investments with environmental and social objectives are respectively 1% and 3% of the Sub-Fund's net assets.

Alignment with Sustainable Development Goals is defined for each investment / investee company by meeting at least one of the following three thresholds:

- a) **Products and services:** derive at least 50% of their revenue from goods and services that are related to one of the following nine SDGs (1) No Poverty, (2) No Hunger, (3) Good Health and Well Being, (4) Quality Education, (6) Clean Water, (7) Affordable and Clean Energy, (9) Industry, Innovation and Infrastructure, (11) Sustainable Cities and Communities, (12) Responsible Consumption and Production; or
- b) **Capital expenditure:** invest at least 30% of their capital expenditure in business activities that are related to one of the following nine SDGs (1) No Poverty, (2) No Hunger, (3) Good Health and Well Being, (4) Quality Education, (6) Clean Water, (7) Affordable and Clean Energy, (9) Industry, Innovation and Infrastructure, (11) Sustainable Cities and Communities, (12) Responsible Consumption and Production; or
- c) **Operations:**
 - i. the company achieves an "aligned" status for operational alignment for at least three (3) out of all seventeen (17) of the SDGs, based on the evidence provided by the investee company of available policies, practices and targets addressing such SDGs. An "aligned" status represents an operational alignment score of ≥ 2 (on a scale of -10 to +10) as determined by the external scoring provider; and
 - ii. the company does not achieve a "misaligned" status for operational alignment for any SDG. A company is considered "misaligned" when its score is ≤ -2 (on a scale of -10 to +10), as determined by the external scoring provider.

In 2023, 18.2% of the Sub-Fund's net assets were invested according to this positive screening, on average, based on 4 quarters ends data. The levels of sustainable investments with environmental and social objectives were respectively 9.2% and 9.0% of the Sub-Fund's net assets, on average, based on 4 quarters ends data. Our sustainable investment definition changed in July 2023 to incorporate the SDG alignment to operations and a change to the capex alignment threshold to 50% from 30%. Therefore, the average percentage of sustainable investments given the above, reflects the sustainable investment definition in place at the time: using the previous SDG framework in Q1 and Q2 and the current SDG framework in Q3 and Q4 2023 respectively.

4) Active stewardship: Environmental and social related company engagements leading to improvement in companies sustainability policies are measured by following indicators: (a) level of active engagement and voting policies, (b) number of engagements, c) participation at shareholder and bondholder meetings). In 2023, we engaged with 60 companies at Carmignac level, and 8 companies at Sub-Fund level.

5) Principal adverse impacts: In addition, Principal Adverse Impact (PAI) monitoring : Sub-Fund has applied the SFDR level II 2019/2088 Regulatory Technical Standards (RTS) annex 1 whereby 14 mandatory and 2 optional environmental and social indicators were monitored to show the impact of such sustainable investments against these indicators : Greenhouse gas emissions, Carbon footprint, GHG intensity (investee companies), Exposure to companies in fossil fuel sector, Non-renewable energy consumption and production, Energy consumption intensity per high-impact climate sector, Activities negatively affecting biodiversity-sensitive areas, Emissions to water, Hazardous waste ratio, Water usage and recycling (optional choice), Violations of UN Global Compact principles or OECD Guidelines for Multinational Enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact and OECD Guidelines for Multinational Enterprises, Unadjusted gender pay gap (optional choice), Board gender diversity, Exposure to controversial weapons, Excessive CEO pay ratio. Sovereign bond issuers are monitored for Social violations and GHG intensity indicators.

In 2023, we switched to MSCI as our data provider to monitor the PAIs from Impact Cubed in 2022 because it offered more transparency and greater flexibility to build our own tools using the raw data provided by MSCI. Please find below the performance of the principal adverse impacts indicators for the year 2023, based on average quarter-end data, for the corporate bond portions of the portfolio:

PAI Indicators	Based on company reported	Sub-Fund	Coverage
GHG Scope 1	Scope 1 GHG emissions	136290.35	80%
GHG Scope 2	Scope 2 GHG emissions	10047.69	80%
GHG Scope 3	From 1 January 2023, Scope 3 GHG emissions	663507.56	80%
Total GHG	Total GHG emissions	803637.71	80%
Carbon footprint	Carbon footprint	1039.36	80%
GHG intensity	GHG intensity of investee companies	1066.65	89%
Exposure to fossil fuels	Share of investments in companies active in the fossil fuel sector	23%	89%
Non-renewable energy consumption and production	Share of non-renewable energy consumption and production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	71%	65%
Energy consumption intensity - Total	Energy consumption in GWh per million EUR of revenue of investee companies – Total	1.06	70%
Energy consumption intensity - NACE Sector A	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector A (Agriculture, forestry and fishing)	0.00	70%
Energy consumption intensity - NACE Sector B	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector B (Mining and quarrying)	1.65	70%
Energy consumption intensity - NACE Sector C	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector C (Manufacturing)	0.88	70%
Energy consumption intensity - NACE Sector D	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector D (Electricity, gas, steam and air conditioning supply)	4.02	70%
Energy consumption intensity - NACE Sector E	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector E (Water supply; sewerage; waste management and remediation activities)	1.47	70%
Energy consumption intensity - NACE Sector F	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector F (Construction)	0.00	70%
Energy consumption intensity - NACE Sector G	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector G (Wholesale and retail trade; repair of motor vehicles and motorcycles)	0.00	70%
Energy consumption intensity - NACE Sector H	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector H (Transporting and storage)	1.00	70%
Energy consumption	Energy consumption in GWh per million EUR of	1.11	70%

intensity - NACE Sector L	revenue of investee companies - NACE Sector L (Real estate activities)		
Biodiversity	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	1%	79%
Emissions to water	Tons of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.00	0%
Hazardous waste	Tons of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	1.95	37%
Water usage and recycling	Average amount of water consumed and reclaimed by the investee companies (in cubic meters) per million EUR of revenue of investee companies	0.00	1%
Violations of UNGC/OECD	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.00	91%
Processes to monitor UNGC / OECD compliance	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.19	79%
Gender pay gap	Average unadjusted gender pay gap of investee companies	14%	23%
Board gender diversity	Average ratio of female to male board members in investee companies	37%	79%
Controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00	79%
Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)	78.01	56%
Greenhouse gas intensity (sovereign and supranational)	GHG intensity of investee countries (tons of CO2e emissions per million EUR of the country's GDP)	359.47	73%
Social violations (sovereign and supranational)	Number of investee countries subject to social violations (as an absolute number and in proportion to the total number of countries receiving investments), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	0.50	73%

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The Sub-Fund makes sustainable investments whereby a minimum of 10% of the Sub-Fund's net assets are invested in use of proceeds bonds such as green, social or sustainable corporate or sovereign bonds and investments in sustainability-linked bonds or in bonds of companies that are aligned with relevant United Nations Sustainable Development Goals (SDGs). The minimum levels of sustainable investments with environmental and social objectives are respectively 1% and 3% of the Sub-Fund's net assets.

The Sub-Fund takes a holistic approach to evaluating sustainable bonds, including green, social, sustainability and sustainability-linked bonds. In addition to assessing the bond issuer's ESG profile and sustainability strategy through ESG, a sustainable bond must align with certain specific criteria for it to be categorised as a 'sustainable investment' under SFDR. Such criteria may include, but are not limited to, the assessment of the sustainability credentials of the issuer, the compliance with internationally recognised standard or certification (such as the International Capital Markets Association Principles or Guidelines, or the Climate Bonds Standards or Certification Scheme) and penalty step up for missing the sustainability targets. The Sub-Fund may still invest in use of proceeds bonds or sustainability-linked bonds that do not meet the above-mentioned sustainability expectations, but these instruments will not count toward the minimum proportion of sustainable investment.

As mentioned above, alignment is defined for each investment / investee company by meeting at least one of the following three thresholds:

- a) **Products and services:** derive at least 50% of their revenue from goods and services that are related to one of the following nine SDGs (1) No Poverty, (2) No Hunger, (3) Good Health and

Well Being, (4) Quality Education, (6) Clean Water, (7) Affordable and Clean Energy, (9) Industry, Innovation and Infrastructure, (11) Sustainable Cities and Communities, (12) Responsible Consumption and Production; or

- b) **Capital expenditure:** invest at least 30% of their capital expenditure in business activities that are related to one of the following nine SDGs (1) No Poverty, (2) No Hunger, (3) Good Health and Well Being, (4) Quality Education, (6) Clean Water, (7) Affordable and Clean Energy, (9) Industry, Innovation and Infrastructure, (11) Sustainable Cities and Communities, (12) Responsible Consumption and Production; or
- c) **Operations:**
 - i. the company achieves an “aligned” status for operational alignment for at least three (3) out of all seventeen (17) of the SDGs, based on the evidence provided by the investee company of available policies, practices and targets addressing such SDGs. An “aligned” status represents an operational alignment score of ≥ 2 (on a scale of -10 to +10) as determined by the external scoring provider; and
 - ii. the company does not achieve a “misaligned” status for operational alignment for any SDG. A company is considered “misaligned” when its score is ≤ -2 (on a scale of -10 to +10), as determined by the external scoring provider.

These thresholds represent a significant intentionality of the company in regards to the contributing activity.

In 2024, the Sub-Fund had 30.4% of the portfolio’s net assets invested in sustainable investments as per our definition above mentioned, on average, based on 4 quarters ends data. The minimum levels of sustainable investments with environmental and social objectives were respectively 14.5% and 15.9% of the Sub-Fund’s net assets. The proportion of green, social or sustainability-linked bonds was 9.2 % on average, calculated based on 4 quarters’ end data.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

We used the following mechanisms to ensure our sustainable investments do not cause significant harm to any environmental or social sustainable investment objective:

1) Universe reduction process:

i) Firm-wide exclusion: Negative screening and exclusions of unsustainable activities and practices are identified using an international norms and rules-based approach on the following: (a) controversies against the OECD business guidelines, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and UN Global compact principles, (b) controversial weapons, (c) thermal coal mining, (d) power generation companies, (e) tobacco, (f) adult entertainment.

ii) Fund-specific negative screening: Fixed income portfolio positions with an overall START rating of “D” or “E” (rating from “E” to “A”) are excluded of the Sub-Fund’s investment universe. Companies having a START rating of E (rating from “E” to “A”) on environmental or social pillars are excluded of the Sub-Fund’s investment universe. Companies having an overall MSCI rating of “CCC” or “B” (rating from “C” to “AAA”) are a priori excluded of the Sub-Fund’s investment universe. Companies rated “CCC” or “B” on the overall MSCI rating (from “E” to “A”) can reintegrate into the Sub-Fund’s investment universe if START rating is C or above.

2) Active stewardship: ESG-related company engagements contributing to better awareness or improvement in companies’ sustainability policies are measured by following indicators: (a) level of active engagement and voting policies, (b) number of engagements, and (c) participation at shareholder and bondholder meetings.

How were the indicators for adverse impacts on sustainability factors taken into account?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

According to Carmignac approach defined, the Principal Adverse Impacts indicators have been monitored on a quarterly basis. Adverse impacts are identified for their degree of severity. After internal discussion an action plan is established including a timeline for execution. Company dialogue is usually the preferred course of action to influence the company's mitigation of adverse impacts, in which case the company engagement is included in the quarterly Carmignac Engagement plan according to the Carmignac Shareholder Engagement policy. Disinvestment may be considered with a predetermined exit strategy within the confines of this aforementioned policy.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Carmignac applied a controversy screening process on OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights for all its investments across all Sub-funds.

Carmignac acted in accordance with the United Nations Global Compact (UNGC) principles, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the Organisation for Economic Co-operation and Development (OECD) guidelines for multinational enterprises to assess companies' norms, including but not limited to human rights abuses, labour laws and standard climate related practices.

This Sub-Fund applied a controversy screening process for all of its investments. Companies that have committed significant controversies against the environment, human rights and international labour laws to name the key infractions are excluded. This screening process bases the identification of controversies on the OECD Business Guidelines and UN Global compact principles and is commonly called norms-based screening, integrating a restrictive screening monitored and measured through Carmignac's proprietary ESG system START. A company controversy scoring and research is applied using data extracted from ISS ESG as the research data base.



The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

Carmignac has committed to apply the SFDR level II 2019/2088 Regulatory Technical Standards (RTS) annex 1 whereby 16 mandatory and 2 optional environmental and social indicators will be monitored to show the impact of such sustainable investments against these indicators: Greenhouse gas emissions, Carbon footprint, GHG intensity (investee companies), Exposure to companies in fossil fuel sector, Non-renewable energy consumption and production, Energy consumption intensity per high-impact climate sector, Activities negatively affecting biodiversity-sensitive areas, Emissions to water,

Hazardous waste ratio, Water usage and recycling, Violations of UN Global Compact principles or OECD Guidelines for Multinational Enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact and OECD Guidelines for Multinational Enterprises, Unadjusted gender pay gap, Board gender diversity, Exposure to controversial weapons, Excessive CEO pay ratio. In addition and where applicable, sovereign bond indicators: social violence and GHG intensity can also be monitored.

As part of its PAI strategy, Carmignac identifies companies that underperform the benchmark in terms of PAI Indicators. Our third party data provider, MSCI enables us to monitor the impact of our funds for each PAI.

Asset allocation
describes the share of investments in specific assets.

The PAI values of the fund are compared to the values of the benchmark. When the fund PAI underperforms the benchmark PAI by a certain threshold, we look for the issuers that are the main contributors to the underperformance of the given PAI. Those companies are considered outliers.

Identifying outliers for each PAI indicator enables us to engage with companies in order to ensure they are committed to reducing their impact. As part of its PAI strategy Carmignac identifies companies that underperform the benchmark in terms of PAI Indicators. Our third party data provider MSCI enables us to monitor the impact of our funds for each PAI.

Identifying outliers for each PAI indicator enables us to engage with companies in order to ensure they are committed to reducing their impact. We identified that TotalEnergies was one of the main contributors to the underperformance of Carmignac Portfolio Sécurité for carbon footprint in 2023. As a result, we engaged with Total Energies in 2024. Topics discussed included their transition strategy and the CAPEX set aside for their renewable build up.

What were the top investments of this financial product?

Please find below the average top investments based on 12 month end data for 2024, for the fixed income section of the portfolio :

Largest investments	Sector	% Assets	Country
United States 0.12% 15/04/2026		4.70%	United States
Spain 0.65% 30/11/2027		4.23%	Spain
Vendome Funding Clo 2020-1 Dac		4.15%	Ireland
Repsol International Finance 22/12/2026	Energy	3.41%	Spain
Cairn Clo Xv Dac		3.30%	Ireland
Eni Tv 13/10/2025	Energy	3.22%	Italy
Repsol International Finance 11/03/2026	Energy	3.07%	Spain
Italy 4.81% 15/04/2025		2.89%	Italy
Bp Capital Markets 22/03/2026	Energy	2.75%	United States
Amco - Asset Management Co 4.38% 27/02/2026	Financials	2.71%	Italy
Totalenergies 25/10/2027	Energy	2.54%	France
Bp Capital Markets 22/03/2029	Energy	2.42%	United States
Pershing Square Holdings Ltd/Fund 1.38% 01/08/2027	Financials	1.83%	United States
Enel 08/06/2027	Utilities	1.83%	Italy
Harbour Energy 0.84% 25/06/2025	Energy	1.78%	United Kingdom

Source: Carmignac, 31.12.2024

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:

What was the proportion of sustainability-related investments?

In 2024, the Sub-Fund had 30.4% of the portfolio’s net assets invested in sustainable investments as per our definition above mentioned, on average, based on 4 quarters ends data.

● **What was the asset allocation?**

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

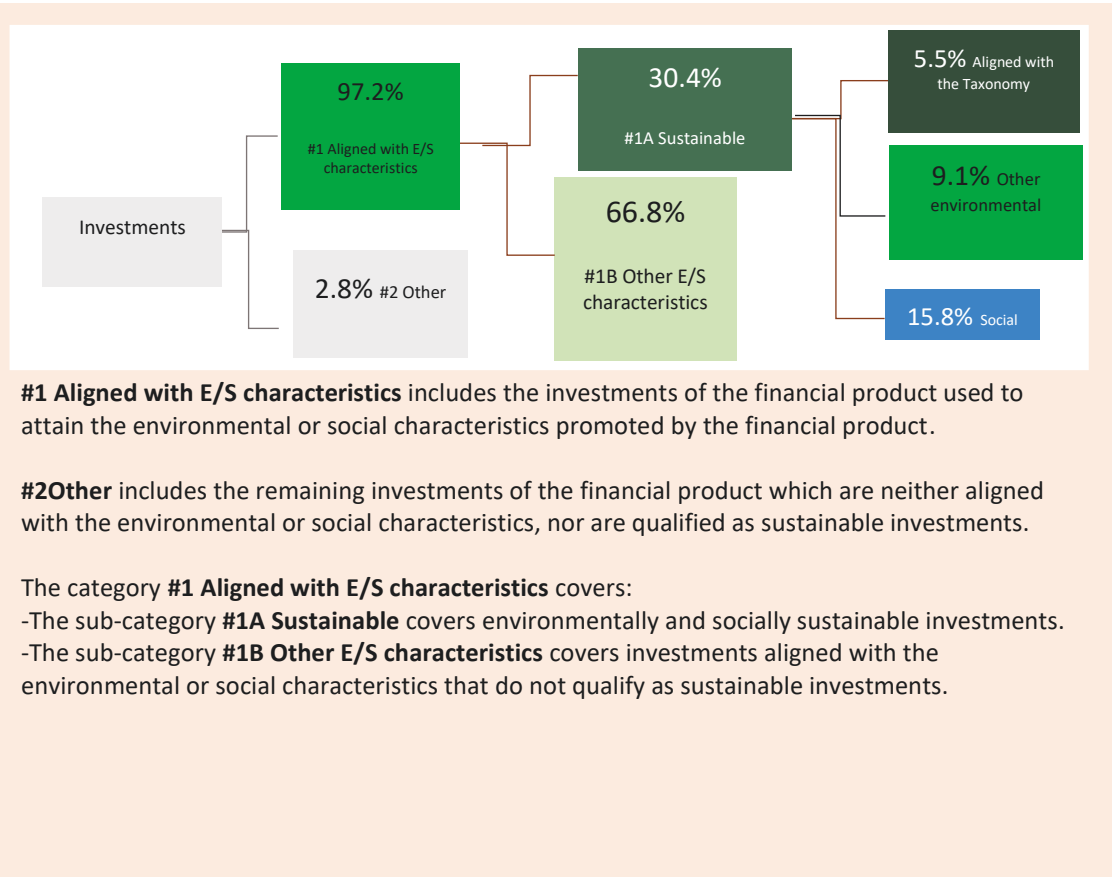
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

A minimum proportion of 90% of the investments of this Sub-Fund is used to meet the environmental or social characteristics promoted by the financial product in accordance with the binding elements of the investment strategy. In 2024, 97.2% of issuers have been covered by the ESG analysis thus 97.2% of issuers are aligned with these E/S characteristics, on average, based on 4 quarters ends data.

The Sub-Fund makes sustainable investments whereby a minimum of 10% of the Sub-Fund’s net assets are invested in shares of companies that are considered aligned with relevant United Nations Sustainable Development Goals (“the SDGs”), aforementioned. In 2024, this positive screening has been applied and 30.4% of the Sub-Fund’s net assets were invested in shares of companies positively aligned with the United Nations Sustainable Development Goals.

The minimum levels of sustainable investments with environmental and social objectives are respectively 1% and 3% of the Sub-Fund’s net assets. In 2024, 14.5% of the Sub-Fund’s net assets were invested in sustainable investments with environmental objectives, and 15.8% in sustainable investment with social objectives.



The #2 Other investments (in addition to cash and derivatives which may be used for hedging purposes, if applicable) include corporate bonds or sovereign bonds investments which are made strictly in accordance with the Sub-Fund's investment strategy.

All such investments are subject to ESG analysis (including via our proprietary Sovereign ESG model for sovereign bonds) and, for corporate bonds, are subject to a review of minimum safeguards to ensure that their business activities are in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. These instruments are not used to achieve the environmental or social characteristics promoted by the fund. In 2024, this proportion was 2.8% of the net assets of the Fund, on average, based on 4 quarters ends data.

● **In which economic sectors were the investments made?**

Please find below the average top sectors based on 12 month end data for 2024 of the portfolio :

Largest economic sectors	% Assets
Financials	29.73%
Energy	13.03%
Oil, Gas & Consumable Fuels	8.96%
Energy Equipment & Services	4.06%
Utilities	5.05%
Consumer Discretionary	4.93%
Industrials	4.17%
Real Estate	3.16%
Telecommunication Services	2.31%
Materials	1.73%
Health Care	1.09%
Consumer Staples	0.87%
Information Technology	0.76%

33.16% of the Sub-Fund is invested in other instruments, such as Sovereign debt, cash, etc

Source: Carmignac, 31.12.2024



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

As of 31/12/2024, 5.5% of the sustainable investments with an environmental objective were aligned with the EU Taxonomy.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

☐

Yes:

☐

In fossil gas


☐

In nuclear energy



No:

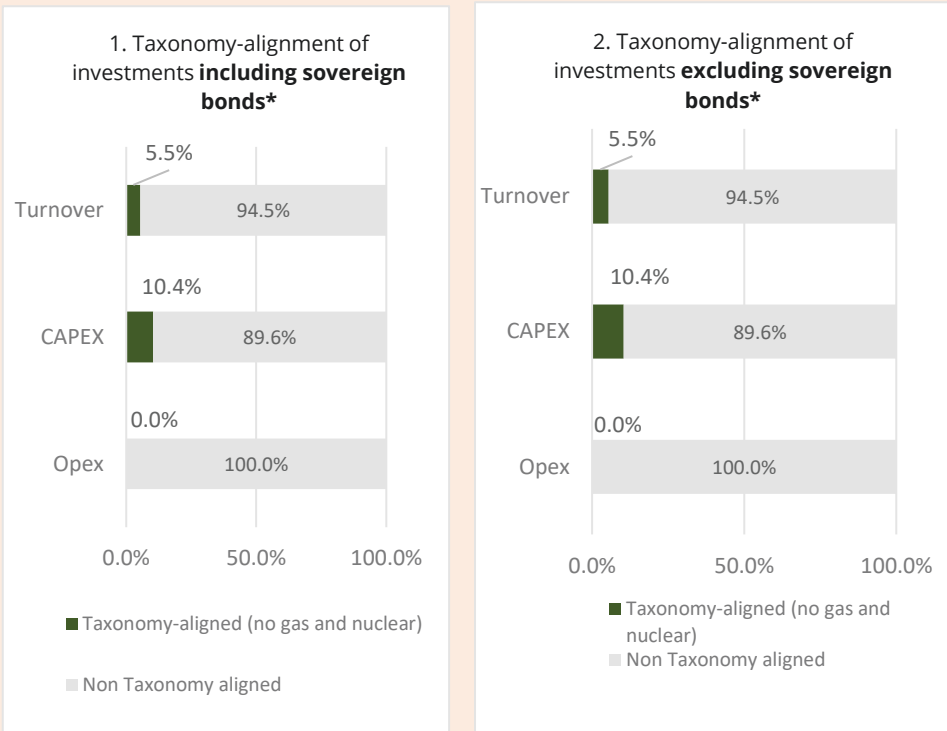
¹ Fossil gas and / or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.


The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*




** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

- What was the share of investments made in transitional and enabling activities?**

Not Applicable
- How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

In 2023, 2.99 % of investments were aligned with the EU Taxonomy.
-  **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

In 2024, 9.1% of the Sub-Fund’s net assets were invested in sustainable investments with environmental objectives not aligned with the EU Taxonomy, on average, based on 4 quarters ends data.
-  **What was the share of socially sustainable investments?**

In 2024, 15.9% of the Sub-Fund’s net assets were invested in sustainable investments with social objectives, on average, based on 4 quarters ends data.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The remaining portion of the portfolio (outside the minimum proportion of 90%) may also promote environmental and social characteristics but are not systematically covered by ESG analysis. Such assets may include unlisted securities or securities that have been subject to an initial public offering, the ESG analysis of which may be carried out after the acquisition of said financial instrument by the sub-fund, cash for liquidity management purposes as well as derivatives.

At issuer level (corporate bonds), non sustainable assets are examined for adherence to global norms on environmental protection, human rights, labor standards and anti-corruption, through controversy (“norms-based”) screening. The investments are subject to a screening of minimum safeguards to ensure that their business activities are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Environmental, social and governance considerations are integrated in synthetic instruments through the derivatives framework detailed below. The approach will depend on the type of derivatives instrument used by the Sub-Fund: single name derivatives or index derivatives

Single name derivatives

Derivatives with a short exposure to a single underlying security do not go through an additional ESG related checks. The underlying issuer may be present in the Sub-Fund’s exclusion lists on the basis that signalling a lack of confidence in a business with poor ESG characteristics through shorting their security(ies) is considered reasonable in the pursuit of balancing shareholders’ investment objectives. Such derivatives are not subject to a START rating.

Derivatives with a long exposure to a single underlying company or issuer are subject to the same ESG integration policy as physical long equity and/or corporate debt positions, as applicable. These instruments must satisfy the same ESG integration and criteria, as described in this annex.

Index derivatives

Index derivatives, whether with a long or short exposure, may go through additional checks to ensure they are suitable for the Sub-Fund, depending on their purpose.

- Hedging and efficient portfolio management purposes: index derivatives purchased for hedging purposes are not analysed for ESG purposes.
- Exposure purposes: an index derivatives may be purchased by the Sub-Fund for exposure to the extent it meets the following characteristics, if it is to be held for more than one month :
 - o Concentrated index (5 or less components in the underlying index): The index must not have any of its components in the Sub-Fund’s exclusion list.
 - o Broad-based index (more than 5 components): the index must be composed in significant majority (>80% in exposure) of companies that are not in the Sub-Fund’s exclusion list.

In addition, the weighted average ESG rating of the index must be above BBB (MSCI) or C (START), and the ESG coverage of the index (either MSCI or START) must be greater than 90%.

In 2024, no derivatives were used to attain the Environmental and/or Social characteristics promoted by the Sub-Fund.

The reference indicator of the Sub-Fund remains out of scope of this index derivatives framework, and is not considered for ESG purposes.

The Sub-Fund applies compensation calculation (netting of a long position with an equivalent issuer short positions using derivatives) for the purpose of measuring adverse impacts.

100% of the sub-fund's assets (excluding cash and derivatives) apply negative sectorial and norms-based screens and exclusions ensuring minimum environment and social safeguards. In addition, the do no significant harm, exclusionary process and adverse impacts are monitored for all the Sub-Funds' assets.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The below listed actions were conducted at Carmignac in 2024 in order to support our overall investment process in meeting environmental /social characteristics :

ESG Integration

In 2024, we introduced a new framework, for selected funds only, to meet the objectives of the Paris Agreement. Portfolio climate targets have been set to reduce greenhouse gas emissions by 50% in 2030, 70% by 2040 and achieve net zero by 2050. The baseline year for the portfolio climate targets is 2018.

In 2024, we also improved our universe reduction process by reweighting each issuer in the initial universe of the fund. The investment universe is reweighted to eliminate market capitalisation, geographical and sectoral biases which could lead to significant differences between the composition of these indices and that of the Sub-Fund's portfolio.

In 2024, we also formalised our ESG integration process for CLO ("collateralised loan obligation") instruments. ESG analysis is performed for a significant portion of new CLO instruments. Adhoc analysis of the environmental and/or social characteristics of the eligible securitisation vehicles is carried out by the portfolio manager. Funds using this framework cannot invest in the worst scoring instruments.

We have developed and launched a holistic approach to evaluating sustainable bonds; which include Use-of Proceeds (green, social, sustainability) and sustainability-linked bonds. These bonds are no longer considered sustainable investments by default, but must rather be analysed on a look through basis using specific criteria.

We established a new framework to integrate ESG analysis into derivative exposures across all our funds. The underlying issuers of single name derivatives as well as index derivatives which are held for exposure purposes are now subject to ESG analysis. Single name derivatives held for exposure purposes are now being held to the same ESG integration criteria as long positions. Additionally, ESG integration criteria have been developed as described in the above document for index derivatives. Derivatives held for hedging or efficient portfolio management purposes can still be held in the portfolio without undergoing ESG analysis. The policy has been developed and implemented by the Sustainable Investment Specialists team, and is overseen by the firm's Risk function.

Throughout 2024 we enhanced our ESG sovereign model to incorporate additional E/S/G KPIs into our analysis. . This new model is expected to be launched by Q1 2025.

Transparency

We have continued to provide comprehensive information as to our ESG approach, policies and reports on the Carmignac website: https://www.carmignac.fr/en_GB/sustainable-investment/overview

In our 2024 TCFD report, we introduced a climate Value at Risk (VAR) disclosure to our reporting. The climate VAR disclosure quantifies the economic value that would potentially be at risk under different climate scenarios. The climate VAR disclosure is available as part of our more comprehensive TCFD report and can be accessed at https://carmidoc.carmignac.com/SRICA_FR_en.pdf

Carmignac recognises that it is as important to ‘walk the talk’ as it is to ‘talk the talk’; which is why we published our Corporate Social Responsibility (CSR) policy in 2024. Our CSR approach is based upon 5 key pillars: our operational environmental footprint, fostering an engaged workforce and inclusive environment, our societal commitment, our commitment to the arts via the Carmignac Foundation and our responsible business conduct. Our CSR policy can be accessed at https://carmidoc.carmignac.com/CSR_FR_en.pdf

In 2024, we also revamped our exclusion policy to further increase transparency for our investors. The policy now includes the rationale behind each exclusion, the revenue threshold used for these exclusions as well as a table detailing the funds in scope per exclusion criteria. In addition, we have enhanced the policy to further clarify our integration of UN Guiding Principles on Business and Human Rights into our controversies monitoring processes. Our exclusion policy can be accessed at https://carmidoc.carmignac.com/SRIEXP_FR_en.pdf.

Stewardship

100% Voting Target: in 2024 we succeeded in participating in 98.15% (95% in 2023) of all possible annual general meeting votes at Carmignac level.

Stewardship code: We were once again approved by the FRC as a signatory of the Stewardship Code by complying with all principles, as formalised in our annual Stewardship Report: https://carmidoc.carmignac.com/SWR_FR_en.pdf

Regulatory Consultations: We have taken part in industry roundtables on ESG issues facing our industry, products and the sector as a whole, and additionally contributed to consultations and discussions prompted by our regulators, including at EU level, the UK’s FCA and France’s AMF either directly, or through our fund associations working groups such as AI UK, Alfi Luxembourg and AFG, France

Carmignac sees value in both direct and collaborative engagement, and it is the combination of both which leads to the most influential and effective stewardship. It is by joining forces that investors can most effectively influence investee companies on material ESG issues, including market-wide and systemic risks, and ultimately help improve the functioning of markets. With this in mind, we have increased our involvement with Climate 100+, in particular for the collective engagement with Pemex as bondholder of the company. In 2024, we joined collaborative engagements initiative with Nature 100+, on biodiversity topics. We also joined the WBA collective impact coalition on ethical AI.

More specifically regarding engagements, our fiduciary responsibility involves the full exercise of our rights as shareholders and engagement with the companies in which we are invested. Dialogue is maintained by financial analysts, portfolio managers and ESG team. We believe that our engagement leads to a better understanding of how companies manage their extra-financial risks and significantly improve their ESG profile while delivering long-term value creation for our clients, society and the environment. Our engagement may concern one of five considerations: 1) ESG risks, 2) an ESG theme, 3) a desired impact, 4) controversial behaviour, or 5) a voting decision at a General Meeting. Carmignac may collaborate with other shareholders and bondholders when doing so would help influence the actions and governance of companies held in the portfolio. In order to ensure that the company correctly identifies, foresees and manages any potential or confirmed conflict of interest situation, Carmignac has put in place and maintains policies and guidelines. For more information on our engagement policies, please visit the website.

In 2024, We conducted 70 engagements with 54 companies and 1 sovereign entity on ESG specific topics at Carmignac level, and with 11 companies in this particular Sub-Fund as Accor described below.

In 2024 we engaged with Accor SA. In line with our Engagement Policy, Accor SA’s high employee turnover rate prompted this engagement. Carmignac requested the company to increase the scope of their reported data around health & safety issues, staff turnover and fatalities in managed hotels.

Management did not consider the high turnover figures to be a concern, as they are in line with industry averages and most staff are hired via managed and franchise hotels. However, management did acknowledge that the issue could pose a reputational risk given that franchisees and managed hotels use the company brand names. Management outlined some actions they have taken to train and retain employees.

In response to Carmignac's request to disclose additional health & safety information, management said they would consider changing the reporting KPIs.

Carmignac additionally engaged to exchange information regarding the Sustainability Linked Bond which Carmignac holds in a number of portfolios. This conversation provided us with more information about the Company's progress towards achieving the SLB targets, and allowed us to give feedback on how the company discloses data regarding its performance against these targets.



How did this financial product perform compared to the reference benchmark?

Not Applicable

● *How does the reference benchmark differ from a broad market index?*

Not Applicable

● *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*

Not Applicable

● *How did this financial product perform compared with the reference benchmark?*

Not Applicable

● *How did this financial product perform compared with the broad market index?*

Not Applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.