ANNEX IV

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 EM DEBT
Legal entity identifier: 549300SMTV5OQRJOAU34

Environmental and/or social characteristics

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.

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

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ 24. It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 10 % of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It made **sustainable investments 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.

How did the sustainability indicators perform?

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

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

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 92.6% of issuers.

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

i) Firm-wide: 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: Fixed income portfolio positions with an MSCI rating below 1.4 (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 invovle an engagement with the company.

In 2023, the corporate bonds' universe was reduced by 23.7% of the portfolio, on average, based on 4 quarters ends data.

3) Positive screening: at least 60% of the Sub-Funds net assets are invested in emerging market sovereign bonds and quasi-sovereign debt in accordance with the following sustainable portfolio composition rules:

- 60% have a sustainability score of 3/5 or higher in our proprietary scoring system
- 90% have a sustainability score of 2.6/5 or higher in our proprietary scoring system
- The average exposure weighted sustainability score is above 3/5 the combined contribution of all types of the aforementioned sustainable bonds
- In addition, to maintain the minimum 10% of net assets the Sub-fund will invest in either or both of the two types of sustainable investments :

  1) Investments in emerging market sovereign or quasi sovereign debt issuers that reflect strong or improving ESG-related characteristics within the top quartile of the sustainability score distribution (≥ 3.4/5) according to our proprietary ESG scoring system. For this calculation, the Sub-fund uses a proprietary ESG scoring system which uses specific ESG-related factors and which is applied primarily to emerging market countries to evaluate the ESG characteristics of the sovereign and quasi-sovereign issuers in the Sub-Fund's investment universe. The aggregated score takes into consideration multiple sustainable objectives at a sovereign state policy implementation level i.e. share of renewables, Gini index, education level. These are rated from 1 to 5 whereby 1 is the lowest score, 5 is the highest score and 3 is the neutral point; OR

  2) Investments in use of proceeds bonds such as green, social or sustainable corporate, sovereign, quasi-sovereign and agency bonds and investments in sustainability-linked bonds.

In 2023, 15.5% of the Sub-Fund's net assets were invested in sustainable investments, on average, based on 4 quarters ends data. The levels of sustainable investments with environmental and social objectives were respectively 10.0% and 5.5% of the Sub-Fund's net assets, in 2023, on average, based on 4 quarters ends data. In 2023, 73.6% have a sustainability score of 3/5, and 96.3% have a sustainability score of 2.6/5, on average, based on 4 quarters ends data.

4) Active stewardship: Environmental and social related company engagements leading to improvement in companies sustainability policies are measured by folloiwng indicators: (a) level of active engagement and voting policies, (b) number of engagements, (c) rate of voting and (d) participation at shareholder and bondholder meetings). In 2023, we engaged with 60 companies at Carmignac level, and 3 companies at Carmignac Portfolio Emerging Market Debt level.

5) 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 were monitored for Social violations and GHG intensity indicators. Finally, and where applicable, sovereign bond indictators: social violence and GHG intensity are monitored.

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 equity and corporate bond portions of the portfolio:

PAI Indicators	Based on company reported	Sub-Fund	Coverage
GHG Scope 1	Scope 1 GHG emissions	8928.20	49%
GHG Scope 2	Scope 2 GHG emissions	1866.41	49%
GHG Scope 3	From 1 January 2023, Scope 3 GHG emissions	84529.23	49%
Total GHG	Total GHG emissions	95078.93	49%
Carbon footprint	Carbon footprint	448.65	49%
GHG intensity	GHG intensity of investee companies	1003.74	78%
Exposure to fossil fuels	Share of investments in companies active in the fossil fuel sector	11%	78%
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	64%	70%
Energy consumption intensity - Total	Energy consumption in GWh per million EUR of revenue of investee companies - Total	0.49	70%
Energy consumption intensity - NACE SectorA	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 SectorB	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector B (Mining and quarrying)	1.61	70%
Energy consumption intensity - NACE SectorC	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector C (Manufacturing)	0.22	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)	4.47	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)	0.00	70%
Energy consumption intensity - NACE Sector F	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector F (Construction)	0.18	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)	0.06	70%
Energy consumption intensity - NACE SectorH	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector H (Transporting and storage)	2.47	70%
Energy consumption intensity - NACE Sector L	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector L (Real estate activities)	2.96	70%
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	0%	78%
Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.50	0%
Hazardous waste	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	52.61	4%
Water usage and recycling	Average amount of water consumed and reclaimed by the investee	0.00	0%

	companies (in cubic meters) per million EUR of revenue of investee companies		
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	79%
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	0.35	78%
Gender pay gap	Average unadjusted gender pay gap of investee companies	11%	3%
Board gender diversity	Average ratio of female to male board members in investee companies	37%	78%
Controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00	78%
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)	417.79	24%
Greenhouse gas intensity (sovereign and supranational)	GHG intensity of investee countries (tonnes of CO2e emissions per million EUR of the country's GDP)	451.60	88%
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	1.00	88%

…and compared to previous periods?

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

1) 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) for corporate issuer ESG assessment and the use of the proprietray ESG sovereign scoring system for sovereign and quasi-sovereign bonds is applied to at least 90% of issuers. As of 30/12/2022, the coverage rate of ESG analysis was 99.44% of issuers.

2) Amount the corporate bond universe is reduced by (minimum 20%): Negative screening and exclusions of unsustainable activities and practices reflected in low ESG scores from START, MSCI and or ISS-ESG scores and reserach performed based on the following indicators : (a) practices that are harmful to society and the environment, (b) controversies against the OECD business guidelines and UN Global compact principles, (c) controversial weapons (d) coal mining activity, (e) power companies that have not Paris alignment objectives in place, (f) companies involved in tobacco production, (g) companies involved in adult entertainment. As of 30/12/2022, the corporate bond's universe of the portfolio was reduced by 41.03% of the portfolio.

3) Positive screening: at least 60% of the Sub-Funds net assets were invested in emerging market sovereign bonds and quasi-sovereign debt in accordance with the following sustainable portfolio composition rules:
60% have a sustainability score of 3/5 or higher in our proprietary scoring system
90% have a sustainability score of 2.6/5 or higher in our proprietary scoring system
The average exposure weighted sustainability score is above 3/5 the combined contribution of all types of the aforementioned sustainable bonds
No breach of these portfolio rules have been observed during the year.
As of 30/12/2022, 81.59% of the Sub-Funds net assets have a sustainability score of 3/5 or higher in our proprietary scoring system, and 100% have a sustainability score of 2.6/5 or higher.

On the 30/12/2022, 15.6% of the Sub-Fund's net assets were invested in sustainable investments.

1) Investments in emerging market sovereign or quasi sovereign debt issuers that reflect strong or improving ESG-related characteristics within the top quartile of the sustainability score distribution (≥ 3.4/5) according to our proprietary ESG scoring system. For this calculation, the Sub-fund uses a proprietary ESG scoring system which uses specific ESG-related factors and which is applied primarily to emerging market countries to evaluate the ESG characteristics of the sovereign and quasi-sovereign issuers in the Sub-Fund's investment universe. The aggregated score takes into consideration multiple sustainable objectives at a sovereign state policy implementation level i.e. share of renewables, Gini index, education level. These are rated from 1 to 5 whereby 1 is the lowest score, 5 is the highest score and 3 is the neutral point;

OR

2) Investments in use of proceeds bonds such as green, social or sustainable corporate, sovereign, quasi-sovereign and agency bonds and investments in sustainability-linked bonds.

4) Active stewardship: Environmental and social related company engagements leading to improvement in companies sustainability policies are measured by the following indicators: (a) level of active engagement and voting policies, (b) number of engagements, (c) rate of voting and (d) participation at shareholder and bondholder meetings. In 2022, we engaged with 81 companies at Carmignac level, and 1 company at Carmignac Portfolio Emerging Market Debts level.

In addition, Principal Adverse Impact (PAI) monitoring: the Sub-Fund has applied the SFDR level II 2019/2088 Regulatory Technical Standards (RTS) annex 1 whereby 16 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 , 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. Finally, and where applicable, sovereign bond indictators: social violence and GHG intensity are monitored.

Please find below the performance of the principal adverse impacts indicators for the year 2022, based on average quarter-end data, for the equity and corporate bond portions of the portfolio:

PAI Indicators	Based on company reported	Fund	Coverage
GHG Scope 1	Scope 1 GHG emissions	**1047,5**	11%
GHG Scope 2	Scope 2 GHG emissions	**27,5**	11%
GHG Scope 3	From 1 January 2023, Scope 3 GHG emissions	**9785**	11%
Total GHG	Total GHG emissions	**10860**	11%
Carbon footprint	Carbon footprint	**85,2925**	11%
GHG intensity	GHG intensity of investee companies	**707,565**	11%
Exposure to fossil fuels	Share of investments in companies active in the fossil fuel sector	**1%**	11%
Non-renewable energy consumption	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	**55%**	11%
Non-renewable energy production	Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	**N/A**	11%
Energy consumptionintensity - Total	Energy consumption in GWh per million EUR of revenue of investee companies - Total	**0,15**	11%
Energy consumption intensity - NACE SectorA	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector A(Agriculture, forestry and fishing)	**N/A**	11%
Energy consumption	Energy consumption in GWh per million EUR of revenue of investee	**1,37**	11%

intensity - NACE SectorB	companies - NACE Sector B (Mining and quarrying)		
Energy consumption intensity - NACE SectorC	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector C (Manufacturing)	**1,17**	11%
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)	**N/A**	11%
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)	**N/A**	11%
Energy consumption intensity - NACE Sector F	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector F (Construction)	**N/A**	11%
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)	**0,015**	11%
Energy consumption intensity - NACE SectorH	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector H (Transporting and storage)	**N/A**	11%
Energy consumption intensity - NACE Sector L	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector L (Real estate activities)	**0,105**	11%
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	**0%**	11%
Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	**55,0125**	11%
Hazardous waste	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	**34,2525**	11%
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	**1322,71**	11%
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%**	11%
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	**5%**	11%
Gender pay gap	Average unadjusted gender pay gap of investee companies	**85%**	11%
Board gender diversity	Average ratio of female to male board members in investee companies	**26%**	11%
Controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	**0%**	11%
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)	**114,2**	11%

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

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.

The Sub-Fund made sustainable investments whereby a minimum of 10% of the Sub-Fund’s net assets were invested either: 1) in emerging market sovereign or quasi-sovereign debt issuers that reflect strong or improving ESG-related characteristics within the top quartile of the sustainability score distribution (≥ 3.4/5) using our proprietary ESG scoring system, OR 2) in green, social, sustainable and sustainability-linked corporate, sovereign or quasi-sovereign bonds.

The minimum levels of sustainable investments with environmental and social objectives are respectively 1% and 1% of the Sub-Fund’s net assets.

In 2023, 15.5% of the Sub-Fund’s net assets were invested in sustainable investments, on average, based on 4 quarters ends data. The levels of sustainable investments with environmental and social objectives were respectively 10.0% and 5.5% of the Sub-Fund’s net assets, in 2023, on average, based on 4 quarters ends data. In 2023, 73.6% have a sustainability score of 3/5, and 96.3% have a sustainability score of 2.6/5, on average, based on 4 quarters ends 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 mechansims 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: 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: Fixed income portfolio positions with an MSCI rating below 1.4 (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 invovle an engagement with the company.

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, (c) rate of voting and (d) participation at shareholder and bondholder meetings.

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

The Principal Adverse Indicators were monitored on a quarterly basis. Outlier adverse impacts are identified for degree of severity. After discussion with the investment team an action plan was established including a timeline for execution. Company dialogue was usually the preferred course of action to influence the company’s mitigation of adverse impacts, in which case the company engagement was included in the quarterly 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?

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 indentification 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 was 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 indictators: 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. 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. We identified that ENI was one of the main contributors to the underperformance of Carmignac Portfolio Emerging Markets Debt for the Excessive CEO Pay Ratio PAI Indicator in 2022. We engaged with ENI in 2023, given that this engagement was not specifically focused on the CEO pay ratio PAI Indicator we will consider a follow-up engagement with ENI on this PAI in 2024 and make sure that appropriate measures are being implemented.

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

What were the top investments of this financial product?

Please find below the average top investments based on 12 month end data for 2023 for the bonds section of the portfolio :

Larger investments	Sector	% Assets	Country
PETROLEOS MEXICANOS 6.95% 28/07/2059	Energy	4.04%	Mexico
ROMANIA 5.00% 27/09/2026	Sovereign bonds	3.80%	Romania
SOUTH AFRICA 8.00% 31/01/2030	Sovereign bonds	2.60%	South Africa
SOUTH AFRICA 3.75% 24/07/2026	Sovereign bonds	2.55%	South Africa

HUNGARY 5.00% 22/02/2027	Sovereign bonds	2.29%	Hungary
EGYPT 7.50% 16/02/2061	Sovereign bonds	2.26%	Egypt
ROMANIA 2.88% 13/04/2042	Sovereign bonds	2.01%	Romania
HUNGARY 1.75% 05/06/2035	Sovereign bonds	1.98%	Hungary
POLAND 4.00% 08/09/2027	Sovereign bonds	1.80%	Poland
BANQUE OUEST 2.75% 22/01/2033	Financials	1.71%	Togo
ASIAN INFRAST 4.00% 18/01/2028	Financials	1.62%	China
BANQUE OUEST 2.75% 22/10/2032	Financials	1.53%	Togo
HUNGARY 3.00% 25/04/2041	Sovereign bonds	1.47%	Hungary
IVORY COAST 6.62% 22/03/2048	Sovereign bonds	1.44%	Ivory Coast

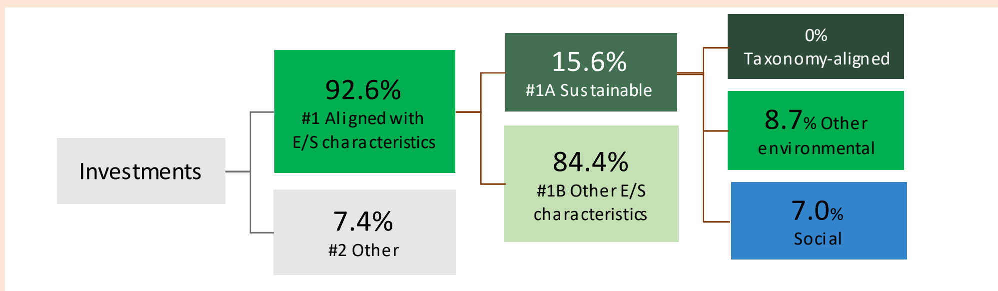
Source: Carmignac, 29.12.2023

Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

In 2023, the Sub-Fund had 10.0% 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?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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 2023, 95.5% of issuers have been covered by the ESG analysis thus 95.5% of issuers are aligned with this E/S characteristics, on average, based on 4 quarters ends data.

In addition, in 2023, 15.5% of the Sub-Fund's net assets were invested in sustainable investments as defined previously, on average, based on 4 quarters ends data.

The minimum levels of sustainable investments with environmental and social objectives are respectively 1% and 1% of the Sub-Fund's net assets. In 2023, 10.0% of the Sub-Fund's net assets were invested in sustainable investments with environmental objectives, and 5.5% in sustainable investment with social objectives, on average, based on 4 quarters ends data.

The #2 Other investments (in additional to cash and derivatives which may be used for hedging purposes, if applicable) were corporate bonds or sovereign bonds investments which were not classified as sustainable investment. They were investments made strictly in accordance with the Sub-Fund's investment strategy and have the purpose of implementing the Sub-Fund's investment strategy. All such investments were made subject to ESG analysis (including through our ESG proprietary sovereign model for sovereign bonds) and for equity and corporate bonds were subject to a screening of minimum safeguards to ensure that their business activities were aligned with the OECD

Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. These instruments were not used to achieve the environmental or social characteristics promoted by the Sub-Fund.

In which economic sectors were the investments made?

Please find below the average top sectors based on 12 month end data for 2023, for the corporate bonds section of the portfolio:

Larger economic sectors	% Assets
Financials	17.79%
Energy	5.4%
Energy	5.34%
Consumer Discretionary	2.7%
Telecommunication Services	0.3%
Industrials	0.1%
Information Technology	0.1%
Utilities	0.1%

Source: Carmignac, 29.12.2023

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

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.

As of 29/12/2023, 0% 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 activties complying with the EU Taxonomy[12]?

☐ Yes:

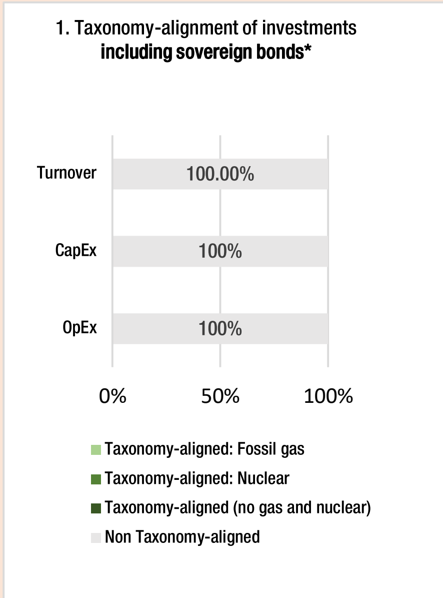
☐ In fossil gas ☐ In nuclear energy

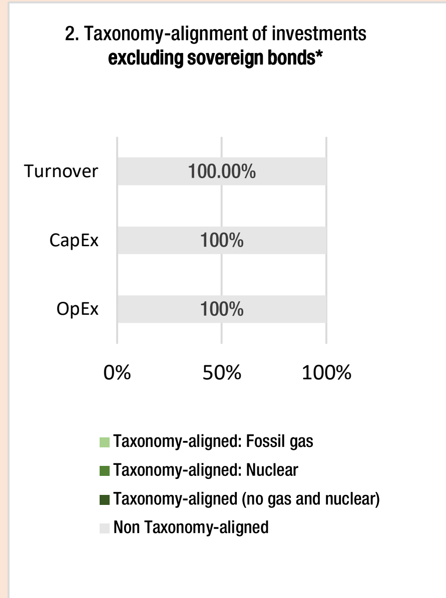
☒ No:

[12] 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 de 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.

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

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?

Non Applicable

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

In 2022, the percentage of investments that were aligned with the EU Taxonomy was 0%.

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

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

In 2023, 10.0% 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 2023, 5.5% 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 (and cash equivalent), as well as derivatives (used either for hedging purposes) are also included under “#2 Other”.

At issuer level (for equities and 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.

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 2023 in order to support the investment process in meeting environmental /social characteristics :

<u>ESG Integration</u>
We have continued to develop our proprietary ESG system called START that aggregates raw ESG-related company data into one interface, which includes impact, carbon and controversy data as well as proprietary analysis from our analysts.

We developed a United Nation’s Sustainable Development Goal (SDGs) operational alignment methodology for use across a broad selection of our funds. This methodology helps us to assess the extent to which a company’s operational practices are aligned with the UN SDGs.

<u>Sustainability Reporting</u>
We have added ESG data into our fund level reports for our Article 8 and 9 funds detailing ESG indicators performance versus our benchmarks and their investment alignment to the UN Sustainable Development Goals.
We have further refined our focus on 3 key sustainability themes: climate change (C), empowerment (E) and leadership (L). We have published a guide for our investee companies about our ESG expectations related to these themes: https://carmidoc.carmignac.com/ESGGUIDE_FR_en.pdf.

<u>Stewardship</u>
100% Voting Target: we have succeeded in participating in close to 100% (95% in 2023) of all possible annual general meeting votes. We have engaged with 60 companies on ESG issues and started to report quarterly on key voting stats and examples of engagements.
Stewardship code: We have been approved by the FRC to become signatory of the Stewardship Code by complying with all principles, as formalized in our annual Stewardship Report: https://carmidoc.carmignac.com/SWR_FR_en.pdf
Regulatory Consultation: Comprehensive input to the European Commission’s consultations either directly, or through our fund associations working groups EFAMA, AI,UK, Alfi Luxembourg and AFG, France. We have been asked to present to the French Regulator our methodology for reducing investment universe based on ESG criteria without sector biases, which has been retained in the context of new industry-wide guidelines.

<u>Transparency</u>
We have created a new Sustainable Investment Hub on our website to value our ESG approach, policies and reports: https://www.carmignac.fr/en_GB/sustainable-investment/overview
We have launched an ESG Outcomes Calculator so that investors can assess the social and environmental contributions of their investments in our responsible and sustainable funds. Our ESG

Outcomes Calculator is primarily an educational tool to help them understand what their savings are indirectly funding. It reflects our commitment to transparency, reinforcing our sustainable investment approach. It is available here: https://www.carmignac.fr/en_GB/sustainable-investment/esg-outcomes-calculator

Collaborative engagements

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.

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.

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

In 2023, we engaged with 60 companies on ESG specific topics at Carmignac level, and with 3 companies in this particular Sub-Fund as ENI described below.

In 2023, we engaged with ENI because they have a red flag controversy due to their ownership in a controversial asset located in Nigeria (5% ownership in SPDC, JV with Shell, Total) which has faced serious environmental violations due to oil spills. The company provided an extensive update on the situation and steps taken, in a recently published report. They also confirmed that they are in direct contact with ISS over the next steps that could allow the removal of the controversy flag (other than selling the asset, as this is not currently envisaged from their side).

The second reason for the call was to understand the implications of the current macro environment on their ambitions to transition away from fossil fuels towards renewable technologies. ENI has one of the most aggressive transition plans in the O&G industry making the current macroeconomic outlook a potential factor in them reconsidering their strategy. The company has assured as that this is not the case, and they are firmly committed to reaching their short term goals. ENI was also very vocal about the large progress they've made towards developing new biorefineries to feed the increasing demand for sustainable aviation fuels (procurement contracts have already been secured with large airlines).

Following this conversation we remain satisfied with the progress the company is making towards its transition. We will analyse their FY 2023 disclosures when made available and revert back to the company with any comments and concerns in H1 2024.

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

Non Applicable.

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

Non 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?***

  Non Applicable

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

  Non Applicable

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

  Non Applicable