

ANNEX IV

Periodic disclosure template 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 SECURITÉ
Legal entity identifier: 969500EBHL0T9UB25E97

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.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> Yes	<input checked="" type="checkbox"/> No
<p><input type="checkbox"/> It made sustainable investments with an environmental objective : ___%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p>It made sustainable investments with a social objective: ___%</p>	<p><input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of <u>31.9%</u> of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments</p>



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

The fund applies a “best-in-universe” approach (identifying companies whose activities are sustainable) and a “best-efforts” approach (consisting in favouring issuers that exhibit an improvement or strong prospects in terms of ESG practices and performance over time) in order to invest sustainably by combining these strategies: 1) ESG integration, 2) negative screening, 3) positive screening, 4) active stewardship to promote environmental and social characteristics, and 5) monitoring of principal adverse impacts – PAIs).

No failures to achieve the environmental and social characteristics promoted were identified during the year.

● *How did the sustainability indicators perform?*

This fund uses sustainability indicators derived from its four-pillar approach to measure the attainment of each of the environmental or social characteristics it promotes:

1) Coverage rate of ESG analysis: ESG integration, through ESG rating via Carmignac's proprietary "START" (System for Tracking and Analysis of a Responsible Trajectory) platform, is applied to at least 90% of securities. In 2024, the ESG analysis coverage rate was 96.7% of the securities in the portfolio (excluding cash and derivatives), on average, based on quarter-end data.

2) Reduction of the investment universe: The fund's investment universe is made up of the ICE BofAML Global Corporate index, the ICE BofA Global High Yield index and the ICE BofA Emerging Markets Corporate Plus index. This represents around 2,500 issuers (excluding sovereign and quasi-sovereign issuers). This investment universe is reduced by a minimum of 20% by applying the exclusions set out below.

a. **Exclusions at management company level:** Unsustainable activities and practices are identified using an approach based on international standards and rules in the following areas: (a) controversies concerning the OECD Guidelines, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the principles of the United Nations Global Compact, (b) controversial weapons, (c) thermal coal production, (d) energy producers, (e) tobacco, (f) adult entertainment.

b. **Negative screening specific to the fund:** Bond portfolio positions with a global START score of "D" or "E" (on a rating scale from "E" to "A") are excluded from the fund's investment universe. Issuers with a START score of "E" (on a rating scale from "E" to "A") on environmental or social pillars are excluded from the fund's investment universe. Issuers with a global MSCI rating of "CCC" or "B" (on a scale from "C" to "AAA") are excluded from the fund's investment universe. Issuers with a global MSCI rating of "CCC" or "B" (rating of "E" to "A") may re-enter the fund's investment universe if they have a START rating of "C" or higher.

Before the investment universe is reduced as described above, the equity and corporate bond universes are reweighted to eliminate any biases that could result in significant differences between the composition of the indices constituting these universes and that of the fund's portfolio. Each issuer is reweighted using the fund's historical weightings by sector, geographical region (emerging markets/developed markets) and capitalisation (small/mid/large), with authorised deviation of +/-5% for each of these characteristics. The weightings used are calculated annually whereas the universe components and the ESG data used to reduce the universe are updated quarterly. The reweighting is carried out using the fund's average historical weightings, observed over the past two years (corresponding to the recommended investment horizon).

In 2024, the portfolio's investment universe was reduced by 20.7%, on average, based on end-of-quarter data.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

3) Positive screening (sustainable investment): At least 10% of the fund's net assets are invested in (i) green bonds, social or sustainable bonds issued by public or corporate issuers, and bonds linked to sustainable development ("sustainability-linked bonds"), or (ii) bonds issued by companies considered as being aligned with the United Nations Sustainable Development Goals (as listed below). The minimum levels of sustainable investments with environmental and social objectives are 1% and 3% of the fund's net assets, respectively.

An investment/issuer is aligned when at least one of the following three thresholds is reached:

- a. **Goods and services:** At least 50% of their revenue derives from goods or services linked to at least one of the following nine United Nations Sustainable Development Goals, out of 17: (1) No poverty, (2) Zero hunger, (3) Good health and well-being, (4) Quality education, (6) Clean water and sanitation, (7) Affordable and clean energy, (9) Industry, innovation and infrastructure, (11) Sustainable cities and communities and (12) Responsible consumption and production; or
- b. **Capital expenditure (CapEx):** At least 30% of capital expenditure is on business activities related to at least one of the following nine United Nations Sustainable Development Goals, out of 17: (1) No poverty, (2) Zero hunger, (3) Good health and well-being, (4) Quality education, (6) Clean water and sanitation, (7) Affordable and clean energy, (9) Industry, innovation and infrastructure, (11) Sustainable cities and communities and (12) Responsible consumption and production; or
- c. **Operations:**
 - i. The issuer is given "aligned" status, in terms of operational alignment, for at least three of the 17 United Nations Sustainable Development Goals, determined on the basis of evidence provided by the issuer regarding its policies, practices and objectives in line with these Sustainable Development Goals. "Aligned" status corresponds to an operational alignment score higher than or equal to +2 (on a scale from -10 to +10), as determined by the external rating provider selected by the management company; and
 - ii. The issuer has not been given "non-aligned" status, for operational alignment, with any of the 17 United Nations Sustainable Development Goals. "Non-aligned" status corresponds to an operational alignment score of below or equal to -2 (on a scale from -10 to +10), as determined by the external rating provider selected by the management company.

In 2024, 31.9% of the fund's net assets were invested in sustainable investments, on average, based on quarter-end data. The sustainable investment levels with environmental and social objectives are 15.3% and 16.6% of the fund's net assets respectively, on average, based on quarter-end data. The proportion of green, social or sustainable bonds issued by public or corporate issuers, and bonds linked to sustainable development ("sustainability-linked bonds") in 2024 was 9.3%, on average, based on quarter-end data.

4) Active stewardship for bondholders: Companies' environmental and social engagement efforts leading to an improvement in companies' sustainable development policies are measured using the following indicators: (a) level of active engagement and voting policies, (b) number of engagement efforts, and (c) participation in shareholder (or bondholder) meetings. In 2024, Carmignac as a whole conducted 70 engagement efforts with 54 companies and 1 sovereign entity, and the Carmignac Sécurité fund engaged with 11 companies, including an engagement with Accor.

5) Principal adverse impacts – PAIs: Moreover, as regards monitoring principal adverse impacts ("PAIs"), and in accordance with Annex 1 to Commission Delegated Regulation (EU) 2022/1288, the fund monitors 16 mandatory environmental and social indicators, and 2 optional indicators to demonstrate the impact of sustainable investments with respect to these indicators: greenhouse gas (GHG) emissions, carbon footprint, GHG intensity of investee companies, exposure to companies active in the fossil fuel sector, share of 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 and radioactive waste ratio, water usage and recycling (optional choice), violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (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 pay ratio (optional choice). Where appropriate, sovereign issuers are monitored for violations of social norms and their GHG intensity.

Please find below performance data with respect to principal adverse impact indicators for 2024, based on average quarter-end data, for the portfolio's corporate bond components:

PAI Indicators	Based on data provided by the company	Fund	Hedging
Scope 1 GHG	Scope 1 GHG emissions	216,117.16	82.04%
Scope 2 GHG	Scope 2 GHG emissions	22,176.72	82.04%
Scope 3 GHG	From 1 January 2023, Scope 3 GHG emissions	2,286,470.67	82.16%
Total GHG	Total GHG emissions	2,538,982.45	81.89%
Carbon footprint	Carbon footprint	1,112.42	81.89%
GHG intensity level	GHG intensity of companies	1,210.75	89.83%
Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	22%	89.83%
Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and production of investee companies from non-renewable energy sources compared with renewable energy sources, expressed as a percentage	66%	76.16%
Energy consumption intensity per high impact climate sector – Total	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – Total	0.54	78.26%
Energy consumption intensity per high impact climate sector – NACE Sector A	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector A (Agriculture, forestry and fishing)	-	78.26%
Energy consumption intensity per high impact climate sector – NACE Sector B	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector B (Mining and quarrying)	1.71	78.26%
Energy consumption intensity per high impact climate sector – NACE Sector C	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector C (Manufacturing)	0.64	78.26%

Energy consumption intensity per high impact climate sector – NACE Sector D	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector D (Electricity, gas, steam and air conditioning supply)	1.82	78.26%
Energy consumption intensity per high impact climate sector – NACE Sector E	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector E (water supply, sewerage, waste management and remediation activities)	2.39	78.26%
Energy consumption intensity per high impact climate sector – NACE Sector F	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector F (Construction)	0.08	78.26%
Energy consumption intensity per high impact climate sector – NACE Sector G	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector G (Wholesale and retail trade; repair of motor vehicles and motorcycles)	0.15	78.26%
Energy consumption intensity per high impact climate sector – NACE Sector H	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector H (Transportation and storage)	1.10	78.26%
Energy consumption intensity per high impact climate sector – NACE Sector L	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector L (Real estate activities)	1.18	78.26%
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%	83.44%
Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.01	1.06%
Hazardous waste	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	1.52	71.39%
Water usage and recycling	Average amount of water consumed and recovered by the investee companies (in cubic metres) per million EUR of revenue	0.00	1.78%
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	-	91.66%
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	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	80.92%
Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	13%	65.06%
Board gender diversity	Average ratio of female to male board members in investee companies	38%	86.43%
Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	-	87.73%
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).	98.58	62.89%
Greenhouse gas intensity (sovereign and supranational)	GHG intensity of investee countries (tonnes of CO ₂ e emissions per million EUR of the country's GDP)	273.74	79.31%
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	79.31%

● ...and compared to previous periods?

This fund uses sustainability indicators derived from its four-pillar approach to measure the attainment of each of the environmental or social characteristics it promotes:

- 1) **Coverage rate of ESG analysis:** ESG integration, through ESG rating via Carmignac's proprietary "START" (System for Tracking and Analysis of a Responsible Trajectory) platform, is applied to at least 90% of securities. In 2023, the ESG analysis coverage rate was 97.3% of the securities in the portfolio (excluding cash and derivatives), on average, based on quarter-end data.
- 2) **Reduction of the investment universe:**
 - a. **Exclusions at management company level:** Unsustainable activities and practices are identified using an approach based on international standards and rules in the following areas: (a) controversies concerning the OECD Guidelines, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the principles of the United Nations Global Compact, (b) controversial weapons, (c) thermal coal production, (d) energy producers, (e) tobacco, (f) adult entertainment.
 - b. **Negative screening specific to the fund:** Bond portfolio positions with an MSCI rating for the environmental or social pillars of below 2.5 (on a scale from 0 to 10), or with an overall MSCI rating of CCC (on a scale from AAA to CCC), are excluded from the fund's investment universe. Companies with a START score of C or above (on a rating scale of A to E) may re-enter the fund once the portfolio manager has carried out ad-hoc analysis (which may entail engagement with the issuer). The table below details the correspondences between the MSCI and START ratings used by the fund for negative screening.

In 2023, the portfolio's investment universe was reduced by 20.1%, on average, based on quarter-end data.

- 3) **Positive screening (sustainable investment):** At least 10% of the fund's net assets are invested in (i) green bonds, social or sustainable bonds issued by public or corporate issuers, and bonds linked to sustainable development ("sustainability-linked bonds"), or (ii) bonds issued by companies considered as being aligned with the United Nations Sustainable Development Goals (as listed below). The minimum levels of sustainable investments with environmental and social objectives are 1% and 3% of the fund's net assets, respectively.

An investment/issuer is aligned when at least one of the following three thresholds is reached:

- a. **Goods and services:** At least 50% of their revenue derives from goods or services linked to at least one of the following nine United Nations Sustainable Development Goals, out of 17: (1) No poverty, (2) Zero hunger, (3) Good health and well-being, (4) Quality education, (6) Clean water and sanitation, (7) Affordable and clean energy, (9) Industry, innovation and infrastructure, (11) Sustainable cities and communities and (12) Responsible consumption and production; or
- b. **Capital expenditure (CapEx):** At least 30% of capital expenditure is on business activities related to at least one of the following nine United Nations Sustainable Development Goals, out of 17: (1) No poverty, (2) Zero hunger, (3) Good health and well-being, (4) Quality education, (6) Clean water and sanitation, (7) Affordable and clean energy, (9) Industry, innovation and infrastructure, (11) Sustainable cities and communities and (12) Responsible consumption and production; or
- c. **Operations:**
 - i. The issuer is given “aligned” status, in terms of operational alignment, for at least three of the 17 United Nations Sustainable Development Goals, determined on the basis of evidence provided by the issuer regarding its policies, practices and objectives in line with these Sustainable Development Goals. “Aligned” status corresponds to an operational alignment score higher than or equal to +2 (on a scale from -10 to +10), as determined by the external rating provider selected by the management company; and
 - ii. The issuer has not been given “non-aligned” status, for operational alignment, with any of the 17 United Nations Sustainable Development Goals. “Non-aligned” status corresponds to an operational alignment score of below or equal to -2 (on a scale from -10 to +10), as determined by the external rating provider selected by the management company.

In 2023, 16.3% of the fund’s net assets were invested in sustainable investments, on average, based on quarter-end data. The sustainable investment levels with environmental and social objectives are 8.2% and 8.1% of the fund’s net assets respectively, on average, based on quarter-end data. Our definition of sustainable investment changed in July 2023 to include the alignment of operations with the SDGs and a modification of the alignment threshold for capital expenditure, which was increased from 30% to 50%. The average percentage of sustainable investments stated above therefore reflects the definition of sustainable investment in place at the time: using the previous definition for Q1 and Q2 and the current definition for Q3 and Q4 2023 respectively.

4) Active stewardship for bondholders: Companies’ environmental and social engagement efforts leading to an improvement in companies’ sustainable development policies are measured using the following indicators: (a) level of active engagement and voting policies, (b) number of engagement efforts, and (c) participation in shareholder (or bondholder) meetings. In 2023, we engaged with 60 companies at Carmignac level, and 8 companies at Carmignac Sécurité level.

5) Principal adverse impacts – PAIs: Moreover, as regards monitoring principal adverse impacts (“PAIs”), and in accordance with Annex 1 to Commission Delegated Regulation (EU) 2022/1288, the fund monitors 16 mandatory environmental and social indicators, and 2 optional indicators to demonstrate the impact of sustainable investments with respect to these indicators: greenhouse gas (GHG) emissions, carbon footprint, GHG intensity of investee companies, exposure to companies active in the fossil fuel sector, share of 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 and radioactive waste ratio, water usage and recycling (optional choice), violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (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 pay ratio (optional choice). Where appropriate, sovereign issuers are monitored for violations of social norms and their GHG intensity.

In 2023, we replaced Impact Cubed with MSCI as our data provider for the monitoring of PAIs, as MSCI offered greater transparency and greater flexibility for the creation of our own tools using the raw data provided by MSCI. Please find below performance data with respect to principal adverse impact indicators for 2023, based on average quarter-end data, for the portfolio’s corporate bond components:

PAI Indicators	Based on data provided by the company	Fund	Hedging
Scope 1 GHG	Scope 1 GHG emissions	420698.30	80.10%
Scope 2 GHG	Scope 2 GHG emissions	31421.53	80.10%
Scope 3 GHG	From 1 January 2023, Scope 3 GHG emissions	2001971.26	80.10%
Total GHG	Total GHG emissions	2436350.38	80.10%
Carbon footprint	Carbon footprint	1052.77	80.10%
GHG intensity level	GHG intensity of companies	1071.82	89.34%
Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	23%	89.34%
Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and production of investee companies from non-renewable energy sources compared with renewable energy sources, expressed as a percentage	71%	65.04%
Energy consumption intensity per high impact climate sector – Total	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – Total	1.08	70.63%
Energy consumption intensity per high impact climate sector – NACE Sector A	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector A (Agriculture, forestry and fishing)	0.00	70.63%
Energy consumption intensity per high impact climate sector – NACE Sector B	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector B (Mining and quarrying)	1.66	70.63%
Energy consumption intensity per high impact climate sector – NACE Sector C	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector C (Manufacturing)	0.88	70.63%
Energy consumption intensity per high impact climate sector – NACE Sector D	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector D (Electricity, gas, steam and air conditioning supply)	4.20	70.63%
Energy consumption intensity per high impact climate sector – NACE Sector E	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector E (water supply, sewerage, waste management and remediation activities)	1.47	70.63%
Energy consumption intensity	Energy consumption in GWh per million EUR of revenue of	0.00	70.63%

per high impact climate sector – NACE Sector F	investee companies, per high impact climate sector – NACE Sector F (Construction)		
Energy consumption intensity per high impact climate sector – NACE Sector G	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector G (Wholesale and retail trade; repair of motor vehicles and motorcycles)	0.00	70.63%
Energy consumption intensity per high impact climate sector – NACE Sector H	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector H (Transportation and storage)	1.06	70.63%
Energy consumption intensity per high impact climate sector – NACE Sector L	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector L (Real estate activities)	1.11	70.63%
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%	79.21%
Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.00	0.10%
Hazardous waste	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	1.96	36.28%
Water usage and recycling	Average amount of water consumed and recovered by the investee companies (in cubic metres) per million EUR of revenue	0.00	0.89%
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.00	90.85%
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	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	0.20	78.54%
Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	14%	24.02%
Board gender diversity	Average ratio of female to male board members in investee companies	37%	79.19%
Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00	79.29%
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).	79.77	55.15%
Greenhouse gas intensity (sovereign and supranational)	GHG intensity of investee countries (tonnes of CO ₂ e emissions per million EUR of the country's GDP)	353.96	74.63%
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	0.25	74.63%

● ***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 fund invested at least 10% of its net assets in green, social or sustainable bonds, or sustainability-linked bonds, as well as in bonds issued by companies aligned with the United Nations Sustainable Development Goals.

As mentioned above, an investment/issuer is aligned when at least one of the following three thresholds is reached:

- i. **Goods and services:** At least 50% of their revenue derives from goods or services linked to at least one of the following nine United Nations Sustainable Development Goals, out of 17: (1) No poverty, (2) Zero hunger, (3) Good health and well-being, (4) Quality education, (6) Clean water and sanitation, (7) Affordable and clean energy, (9) Industry, innovation and infrastructure, (11) Sustainable cities and communities and (12) Responsible consumption and production; or
- ii. **Capital expenditure (CapEx):** At least 30% of capital expenditure is on business activities related to at least one of the following nine United Nations Sustainable Development Goals, out of 17: (1) No poverty, (2) Zero hunger, (3) Good health and well-being, (4) Quality education, (6) Clean water and sanitation, (7) Affordable and clean energy, (9) Industry, innovation and infrastructure, (11) Sustainable cities and communities and (12) Responsible consumption and production; or
- iii. **Operations:**
 - a. The issuer is given “aligned” status, in terms of operational alignment, for at least three of the 17 United Nations Sustainable Development Goals, determined on the basis of evidence provided by the issuer regarding its policies, practices and objectives in line with these Sustainable Development Goals. “Aligned” status corresponds to an operational alignment score higher than or equal to +2 (on a scale from -10 to +10), as determined by the external rating provider selected by the management company; and
 - b. The issuer has not been given the status of secular “non-aligned”, in terms of operational alignment, with any of the 17 United Nations Sustainable Development Goals. “Non-aligned” status corresponds to an operational alignment score of below or equal to -2 (on a scale from -10 to +10), as determined by the external rating provider selected by the management company.

These thresholds represent significant commitment from the issuer with respect to its contribution. To find out more about the United Nations sustainable development goals, please visit <https://sdgs.un.org/goals>.

In 2024, 31.9% of the fund's net assets were invested in sustainable investments, on average, based on quarter-end data. The sustainable investment levels with environmental and social objectives are 15.3% and 16.6% of the fund's net assets respectively, on average, based on quarter-end data. The proportion of green bonds, social or sustainable bonds issued by public or private issuers, and sustainability-linked bonds in 2024 was 9.3%, on average, based on quarter-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?

The management company used the following mechanisms to ensure that the fund's responsible investments do not cause significant harm to any of the environmental or social sustainable investment objectives:

- 1) Reduction of the investment universe** (minimum 20% of the corporate bond component of the portfolio):
 - i) **Exclusions at management company level:** Unsustainable activities and practices are identified using an approach based on international standards and rules in the following areas: (a) controversies concerning the OECD Guidelines, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the principles of the United Nations Global Compact, (b) controversial weapons, (c) thermal coal production, (d) energy producers, (e) tobacco, (f) adult entertainment.
 - ii) **Negative screening specific to the fund:** Bond portfolio positions with a global START score of "D" or "E" (on a rating scale from "E" to "A") are excluded from the fund's investment universe. Issuers with a START score of "E" (on a rating scale from "E" to "A") on environmental or social pillars are excluded from the fund's investment universe. Issuers with a global MSCI rating of "CCC" or "B" (on a scale from "C" to "AAA") are excluded from the fund's investment universe. Issuers with a global MSCI rating of "CCC" or "B" (rating of "E" to "A") may re-enter the fund's investment universe if they have a START rating of "C" or higher.
- 2) Active stewardship for bondholders:** ESG engagement efforts with companies, contributing to a heightened awareness and improvement in companies' sustainable development policies, are measured using the following indicators: (a) level of active engagement and voting policies, (b) number of engagement efforts, and (c) participation in shareholder or bondholder meetings.

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.

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

Indicators for adverse impacts are monitored on a quarterly basis. Adverse impacts are identified based on severity. After discussion with the investment team concerned, a plan of action including an execution schedule is drawn up.

In general, dialogue with the company is the preferred plan of action in order to influence the mitigation of adverse impacts by the company concerned. In such cases, engagement with the company is included in Carmignac's quarterly engagement plan, in accordance with Carmignac's engagement policy. Divestment may be an option, with an exit strategy determined in advance within the limits of this policy.

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

The management company applies a screening process for controversies regarding the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights to all of the fund's investments.

The management company acts in accordance with the principles of the United Nations Global Compact (UNGC), the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the Organisation for Economic Co-operation and Development (OECD) guidelines allowing multinational enterprises to assess the standards applicable to them, including, but not limited to, violations of human rights, employment law and standard practices relating to climate.

The fund applies a controversy screening process to all its investments. Companies implicated in major controversies regarding the environment, human rights and international employment law, among other infractions, are excluded. The screening process identifies controversies on the basis of the OECD Guidelines for Multinational Enterprises and the principles of the United Nations Global Compact. This is generally referred to as "standards-based screening" and it includes restrictive screening controlled and measured using Carmignac's proprietary ESG system "START". Company controversies are researched and rated using data extracted from the ISS ESG database.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

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



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

The management company is committed to applying the regulatory technical standards (RTS) referred to in Annex 1 of Delegated Regulation (EU) 2022/1288, which define 16 mandatory environmental and social indicators, and two optional indicators to demonstrate the impact of sustainable investments with respect to these indicators: greenhouse gas (GHG) emissions, carbon footprint, GHG intensity of investee companies, exposure to companies active in the fossil fuel sector, share of 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 and radioactive waste ratio, water usage and recycling (optional choice), violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (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 pay ratio (optional choice). Sovereign issuers are monitored for violations of social norms with respect to their GHG intensity.

As part of its PAI strategy, Carmignac identifies companies that are performing worse than the benchmark on PAI indicators. Our third-party data provider MSCI allows us to track the impact of our funds for each PAI.

The fund's PAI values are compared against the values for the reference benchmark. If one of the fund's PAIs underperforms the reference benchmark beyond a certain threshold, we look for the companies that contributed the most to the underperformance of the PAI in question. These companies are considered to be outlier stocks.

Identifying companies that are performing worse than the index in terms of PAI allows us to engage in dialogue with the companies to ensure that they are committed to reducing their impact. We identified TotalEnergies as one of the main contributors to Carmignac Sécurité's underperformance on the carbon footprint performance indicator in 2023.

This led us to make engagement efforts with TotalEnergies in 2024. We had a call with the company to help inform our voting decision on its climate transition strategy. Topics covered included its transition strategy and the capex set aside for the development of renewable energies.

What were the top investments of this financial product?

Please find below the top 15 investments for 2024 based on average month-end data for the bond component of the portfolio:

Largest investments	Sector	% Assets	Country
United States 0.12% 15/04/2026	Energy	3.62%	United States
Spain 0.65% 30/11/2027	Energy	2.82%	Spain
Repsol International Finance 22/12/2026	Energy	0.97%	Spain
Italy 4.81% 15/04/2025	Energy	0.88%	Italy
Eni Tv 13/10/2025	Energy	0.88%	Italy
Repsol International Finance 11/03/2026	Finance	0.87%	Spain
Bp Capital Markets 22/03/2026	Finance	0.80%	United States
TotalEnergies 25/10/2027	Energy	0.79%	France
Amco - Asset Management Co 4.38% 27/02/2026	Utilities	0.79%	Italy
Pershing Square Holdings Ltd/Fund 1.38% 01/08/2027	Energy	0.75%	United States
Bp Capital Markets 22/03/2029		0.74%	United States
Black Diamond Clo 2017-2 Dac		0.66%	Ireland
Enel 08/06/2027		0.66%	Italy
Italy 28/06/2026		0.65%	Italy
Eni Tv 11/02/2027		0.65%	Italy

Source: Carmignac, 31/12/2024

What was the proportion of sustainability-related investments?

What was the asset allocation?

At least 90% of the fund's investments are intended to attain the environmental or social characteristics it promotes, in accordance with the binding elements of the investment strategy. In 2024, the ESG analysis coverage rate was 96.7% of the securities in the portfolio (excluding cash and derivatives), on average, based on quarter-end data.

Minimum share of sustainable investments:

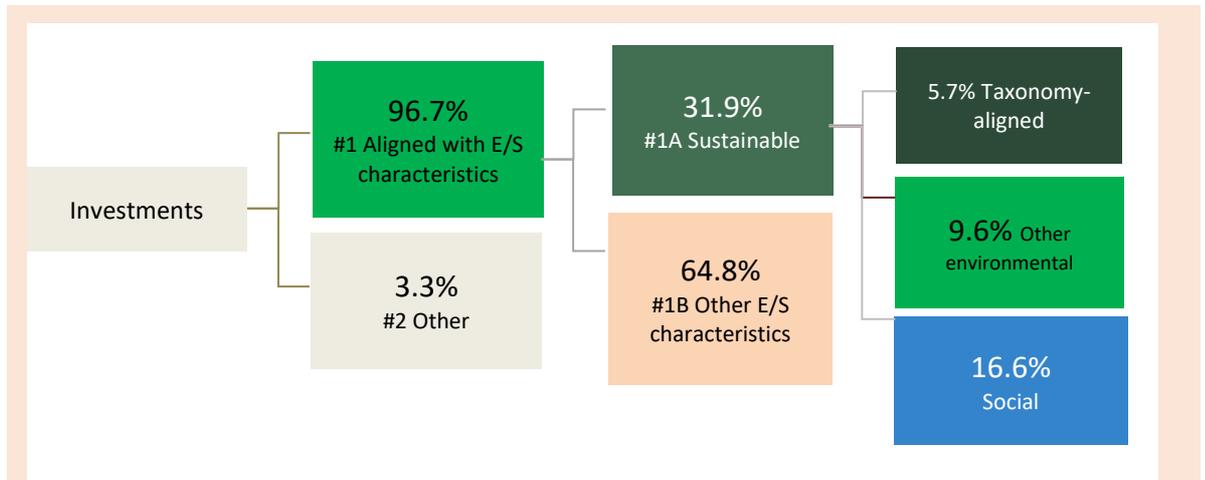
The fund invests at least 10% of its net assets in green, social or sustainable bonds, or sustainability-linked bonds, as well as in bonds issued by companies that positively align with the United Nations Sustainable Development Goals. The minimum levels of sustainable investments with environmental and social objectives are 1% and 3% of the fund's net assets, respectively. As well as making sustainable investments accounting for at least 10% of the net assets, the fund may target companies whose goods and services, capex and operations are not aligned with the Sustainable Development Goals taken into consideration.

In 2024, sustainable investments accounted for 31.9% of the fund's net assets, on average, based on quarter-end data. The minimum levels of investments promoting E/S characteristics, and with environmental and social objectives, will be 1% and 3% of the fund's net assets, respectively. In 2024, these proportions were 15.3% and 16.6% of the fund's net assets respectively, on average, based on quarter-end data. The proportion of green, social or sustainable bonds issued by public or corporate issuers, and bonds linked to sustainable development ("sustainability-linked bonds") in 2024 was 9.3%, on average, based on quarter-end data.

The list includes investments constituting the financial product's largest holdings over the reference period, namely:

Share of #2 Other investments:

In addition to cash and derivatives (which may be used for the purposes of efficient portfolio



#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.

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

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments

management and/or hedging and/or exposure, as applicable), this category includes investments in corporate bonds or in sovereign bonds that are not classed as sustainable investments. Such investments are carried out in strict compliance with the fund's investment strategy and in order to implement the fund's investment strategy. All these investments are subject to ESG analysis (including via our proprietary ESG model for sovereign bonds). For corporate bonds, minimum safeguards are assessed to ensure that their business activities comply with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights. These instruments are not used to attain the environmental or social characteristics promoted by the fund. In 2024, this proportion was 3.3% of the fund's net assets, on average, based on quarter-end data.

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

Please find below the main economic sectors in which investments were made in 2024, based on average month-end data, for the bond component of the portfolio:

Economic sectors	% Assets
Sovereign bonds	32.54%
Finance	29.91%
Energy	12.91%
Oil, gas and fuel	8.85%
Oil & Gas Equipment & Services	4.07%
Utilities	5.20%
Consumer discretionary	5.15%
Industry	4.41%
Property	3.13%
Telecom Services	2.40%
Materials	1.78%
Healthcare	1.01%
Consumer Staples	0.79%
IT	0.78%

Source: Carmignac, 31/12/2024



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

The fund has an environmental objective linked to the Sustainable Development Goals and not to the European Taxonomy. In 2024, its alignment with the EU taxonomy was 5.7%.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?¹**

Yes:

In fossil gas

In nuclear energy

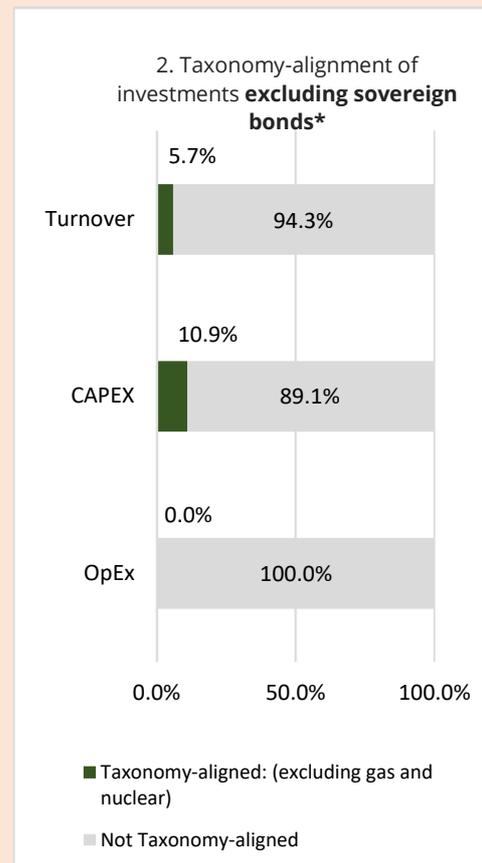
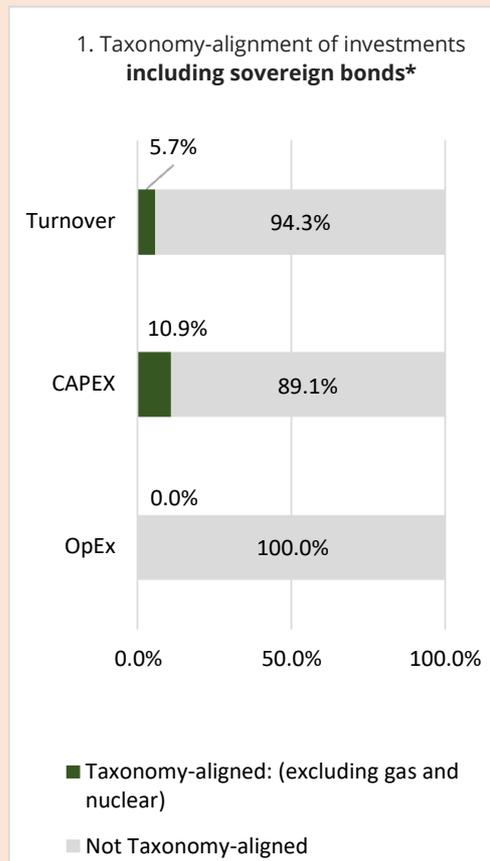
No:

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 no significant harm to any EU Taxonomy objective – 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 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.

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 investments made in transitional and enabling activities?

N/A

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

In 2023, its alignment with the EU Taxonomy was 2.75%.



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

In 2024, sustainable investments with an environmental objective that are not aligned with the EU Taxonomy accounted for 9.6% of the net assets, on average, based on quarter-end data.



What was the share of socially sustainable investments?

In 2024, sustainable investments with a social objective accounted for 16.6% of the net assets, on average, based on quarter-end data.



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

The remainder of the portfolio (i.e. beyond the minimum share of 90%) may also promote environmental and social characteristics but is not systematically covered by ESG analysis. These assets may include securities for which ESG analysis may be carried out after the financial instrument in question is acquired by the fund. Cash (and equivalent instruments) and derivatives (used for hedging or exposure purposes) are also included under “#2 Other”.

At corporate issuer level, investments that are not sustainable investments are assessed to ensure compliance with global standards on environmental protection, human rights, employment practices and anti-corruption measures through controversy screening (“standards-based” approach). These investments are analysed on the basis of the minimum safeguards in place to ensure that their business activities comply with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

Environmental, social and governance considerations are integrated into the instruments enabling synthetic exposure based on the framework applied to derivative instruments, as detailed below. The approach adopted will depend on the type of derivative instrument used by the fund: a derivative on a single underlying or a derivative on an index.

Derivatives on a single underlying

Derivatives offering short exposure to a single underlying security are not subject to additional checks related to ESG. The underlying issuer may feature on the fund’s exclusion lists, given that signalling a lack of confidence in a company with poor ESG characteristics by short selling the security is considered reasonable when attempting to balance the investment objectives of holders. These instruments are not subject to a START rating.

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

Derivatives on an underlying index

Derivatives offering exposure to an index, whether long or short, may be subject to additional checks to ensure their eligibility as a fund asset, depending on their purpose.

- Derivatives used for the purposes of hedging and efficient portfolio management: Index derivatives acquired by the fund for hedging purposes are not analysed on the basis of ESG criteria.
- Derivatives used for the purposes of exposure: index derivatives may be acquired for the purposes of exposure, provided that they present the following characteristics and are held for a period of greater than one month:
 - o Concentrated index (five components or less): The index must not include components that are included on the fund's exclusion list.
 - o Broad index (more than five components): The significant majority of the index (>80% of exposure) must comprise companies that are not included on the fund's exclusion list.

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

The fund's reference indicator remains outside the scope of application of this framework that is applicable to index derivatives, and is not taken into account for ESG purposes.

The fund applies a netting calculation (netting a long position against equivalent short positions in the relevant issuer) in order to measure adverse impacts.

All of the fund's assets (excluding cash and derivatives) are subject to sectoral and standards-based exclusions guaranteeing minimum environmental and social safeguards.

Moreover, the exclusion process, the lack of significant harm, and monitoring of adverse impacts apply to all fund assets.

In 2024, no derivatives were used to achieve the environmental and social characteristics promoted by the fund.



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

ESG integration

In 2024, we introduced a new model in some of our funds to meet the objectives of the Paris agreements. The portfolio's climate targets have been set to reduce greenhouse gas emissions by 50% in 2030, 70% in 2040 and to reach net zero by 2050. The reference year for the portfolio's climate targets is 2018.

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

In 2024, we also formalised our ESG integration process for collateralised loan obligations (CLOs). ESG analysis is carried out for a significant proportion of CLOs. Ad hoc analysis of the environmental and/or social characteristics of eligible securitisation vehicles is conducted by the portfolio manager. Funds using this model cannot invest in lower-rated instruments.

We have developed and introduced a holistic approach to assessing sustainable bonds, including green bonds, social bonds, sustainability bonds and sustainability-linked bonds (SLBs). These bonds are no longer considered as sustainable investments by default; they must meet certain specific criteria following an ESG analysis in order to be considered as SFDR "sustainable investments".

We have established a new framework for integrating ESG analysis into the derivative exposures of all our funds. Underlyings for single-asset derivatives and index derivatives held for exposure purposes are now subject to ESG analysis. Derivatives on a single underlying asset held for exposure purposes are now subject to the same ESG integration criteria as long positions and the ESG integration criteria have been developed as described in the document above for index derivatives. Derivatives held for hedging or efficient portfolio management purposes can still be held in the portfolio without being subject to ESG analysis. The policy was developed and implemented by the team of sustainable investment specialists and is overseen by the company's risk function.

Throughout 2024, we improved our proprietary model by adding new environmental and governance KPIs. This new proprietary model will be launched in 2025.

ESG transparency and reporting

We have continued to provide comprehensive information on our approach. Our ESG policies and reports can be found on the Carmignac website: <https://www.carmignac.com/en-gb/sustainable-investment/policies-and-reports>

In our TCFD 2024 report, we have introduced a new metric of the physical risks faced by businesses: Climate VaR (climate value at risk). Climate VaR quantifies the economic value potentially at risk depending on different climate scenarios. Publication of the Climate VaR is available as part of our wider TCFD report and can be viewed at: https://carmidoc.carmignac.com/SRICA_UK_en.pdf

Carmignac recognises the importance of “walking the talk”. That is why we published our Corporate Social Responsibility (CSR) policy in 2024. Our CSR approach is based on 5 key pillars: our operational environmental footprint, promoting an engaged workforce and an inclusive environment, our duty to society, our commitment to the arts through the Carmignac Foundation, and our responsible business conduct. Our CSR policy can be consulted at the following address: https://carmidoc.carmignac.com/CSR_FR_en.pdf.

In 2024, we also overhauled our exclusion policy to further increase transparency for our investors. The policy now includes the justification for each exclusion, the revenue threshold used for these exclusions and a table detailing the funds affected by the exclusion criteria. In addition, we have clarified our integration of the UN Guiding Principles on Business and Human Rights into our controversy monitoring processes. Our exclusion policy is available at the following address https://carmidoc.carmignac.com/SRIEXP_UK_en.pdf.

Commitments

Objective of 100% of votes: At Carmignac level we succeeded in participating in 98.15% (95% in 2023) of all the possible votes at annual general meetings in 2024. The fund had no voting rights in 2024.

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

Regulatory consultation: We have participated in roundtable discussions on ESG issues facing our industry, our products and the sector as a whole, and have also contributed to consultations and discussions led by our regulators, through the working groups of our fund associations such as AI UK, Alfi Luxembourg and AFG, France.

Carmignac believes that direct engagement and collaborative engagement are worthwhile, and that a combination of the two leads to the most impactful and effective management. It is by working together that investors can have the most effective influence on companies with regard to important ESG matters, including market-wide systemic risks, and ultimately help to improve the way the markets operate. We stepped up our participation in Climate 100+ with this in mind, particularly for the collective engagement with Pemex, as holder of the company's bonds. In 2024, we joined the Nature 100+ collaborative commitment initiative on biodiversity-related issues. We have also joined the WBA collective impact coalition on ethical AI.

With regard to engagement specifically, we have a fiduciary duty to fully exercise our rights as shareholders and engage with the companies in which we invest. Dialogue is maintained by the financial analysts, portfolio managers and ESG team. We believe that our engagement allows us to better understand how companies manage their non-financial risks and significantly improve their ESG profile, while creating long-term value for our clients, society and the environment. Each interaction covers one of the following five topics: 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, anticipates 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, Carmignac as a whole conducted 70 engagement efforts with 54 companies and 1 sovereign entity on specific ESG issues, and the Carmignac Sécurité fund engaged with 11 companies.

For example, we engaged with Accor SA in 2024.

In line with our policy on engagement, Accor SA's high staff turnover rate led us to commence this engagement effort. Carmignac asked the company to broaden the scope of data reported on health and safety issues, staff turnover and fatal accidents in managed hotels.

Management did not consider the high staff turnover figures to be a cause for concern, as they are in line with industry averages and most staff are recruited from franchised hotels. However, management acknowledged that this issue could pose a reputational risk, given that franchises use the company's brand. Management presented some of the measures it has taken to train and retain employees.

In response to Carmignac's request to disclose additional information on health and safety, management indicated that it would consider amending the key performance indicators.

Carmignac has also asked the company to provide us with more information on the SLBs we hold in a number of our funds. This conversation enabled us to obtain more information on the company's progress towards meeting the SLB targets, and gave us the opportunity to express our views on how the company reports its performance against these targets.



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

N/A

- *How did the reference benchmark differ from a broad market index?*

N/A

- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?*

N/A

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

N/A

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

N/A