




LEA 02	Monetary	Gateway	Reason: PRI 1,2,3	
Individual/ internal staff engagements	<b>Reason for interaction</b> <input checked="" type="checkbox"/> To support investment decisionmaking & company internal ESG issues <input checked="" type="checkbox"/> To enhance corporate practice or identify the need to enhance it <input checked="" type="checkbox"/> To engage investor ESG expertise <input type="checkbox"/> Other: specify	<input type="checkbox"/> To support investment decisionmaking & company internal ESG issues <input type="checkbox"/> To enhance corporate practice or identify the need to enhance it <input type="checkbox"/> To engage investor ESG expertise <input type="checkbox"/> Other: specify	<input type="checkbox"/> To support investment decisionmaking & company internal ESG issues <input type="checkbox"/> To enhance corporate practice or identify the need to enhance it <input type="checkbox"/> To engage investor ESG expertise <input type="checkbox"/> Other: specify	
Collaborative engagements				<input type="checkbox"/> To support investment decisionmaking & company internal ESG issues <input type="checkbox"/> To enhance corporate practice or identify the need to enhance it <input type="checkbox"/> To engage investor ESG expertise <input type="checkbox"/> Other: specify
Service provider engagements				<input type="checkbox"/> To support investment decisionmaking & company internal ESG issues <input type="checkbox"/> To enhance corporate practice or identify the need to enhance it <input type="checkbox"/> To engage investor ESG expertise <input type="checkbox"/> Other: specify

# RI TRANSPARENCY REPORT

2019

Carmignac Gestion

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the reporting period specified above. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information.

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Usage restrictions

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Third party organisations who have accessed Transparency reports outside of the Data Portal and intend to use those require the prior written consent of PRI (other than for internal use or research or for the sole benefit of the organisation whose report this refers to).

OO 01.1	Select the services and funds you offer		
	Select the services and funds you offer	% of asset under management (AUM) in ranges	
	Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%	
	Fund of funds, manager of managers, sub-advised products	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%	
	Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%	
	Total 100%		

OO 02.1	Select the location of your organisation's headquarters.		
	France		
OO 02.2	Indicate the number of countries in which you have offices (including your headquarters).		
	<input type="radio"/> 1 <input type="radio"/> 2-5 <input checked="" type="radio"/> 6-10 <input type="radio"/> >10		
OO 02.3	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).		
	278		

OO 03.1	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.		
	<input type="radio"/> Yes <input checked="" type="radio"/> No		

OO 04.1	Indicate the year end date for your reporting year.		
	31/12/2018		
OO 04.2	Indicate your total AUM at the end of your reporting year.		
	Total AUM 42,454,000,000 EUR 48,435,477,014 USD		
OO 04.4	Indicate the total assets at the end of your reporting year subject to an execution and/or advisory approach.		
	Assets under execution and/or advisory only services 1,650,500,000 EUR 1,883,044,114 USD		

OO 05.1	Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes and investment strategies:		
		Internally managed (%)	Externally managed (%)

Listed equity	27.5	0
Fixed income	70.1	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	2.4	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

OO 06	Mandatory	Descriptive	General
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OO 06.1	Select how you would like to disclose your asset class mix.
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- as percentage breakdown
- as broad ranges

OO 06.3	Indicate whether your organisation has any off-balance sheet assets [Optional].
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- Yes
- No

OO 06.5	Indicate whether your organisation uses fiduciary managers.
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- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

OO 07	Mandatory to Report, Voluntary to Disclose	Gateway	General
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Private

OO 09	Mandatory	Peering	General
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OO 09.1	Indicate the breakdown of your organisation's AUM by market.
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85.8

85.8	Developed Markets
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14.2

14.2	Emerging Markets
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0

0	Frontier Markets
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0

0	Other Markets
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OO 10	Mandatory	Gateway	General
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OO 10.1	Select the active ownership activities your organisation implemented in the reporting year.
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Listed equity – engagement
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- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting
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- We cast our (proxy) votes directly or via dedicated voting providers

We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

**Fixed income SSA – engagement**

- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

**Fixed income Corporate (financial) – engagement**

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

**Fixed income Corporate (non-financial) – engagement**

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

**Fixed income Corporate (securitised) – engagement**

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11	Mandatory	Gateway	General
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**OO 11.1** Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

**Listed equity**

- We address ESG incorporation.
- We do not do ESG incorporation.

**Fixed income - SSA**

- We address ESG incorporation.
- We do not do ESG incorporation.

**Fixed income - corporate (financial)**

- We address ESG incorporation.
- We do not do ESG incorporation.

**Fixed income - corporate (non-financial)**

- We address ESG incorporation.
- We do not do ESG incorporation.

**Fixed income - securitised**

- We address ESG incorporation.
- We do not do ESG incorporation.

**Cash**

- We address ESG incorporation.
- We do not do ESG incorporation.

OO 12	Mandatory	Gateway	General
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**OO 12.1** Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

**Core modules**

- Organisational Overview
- Strategy and Governance

**RI implementation directly or via service providers**

**Direct - Listed Equity incorporation**

- Listed Equity incorporation

**Direct - Listed Equity active ownership**

- Engagements
- (Proxy) voting

Direct - Fixed Income
<input checked="" type="checkbox"/> Fixed income - SSA <input checked="" type="checkbox"/> Fixed income - Corporate (financial) <input checked="" type="checkbox"/> Fixed income - Corporate (non-financial)
Closing module
<input checked="" type="checkbox"/> Closing module

OO LE 01	Mandatory	Gateway	General
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**OO LE 01.1** Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.

Strategies	Percentage of internally managed listed equities
Passive	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Active - quantitative (quant)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Active - fundamental and active - other	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Total 100%	

**OO LE 01.2** Additional information. [Optional]

Carmignac pursues a conviction-based management approach. Decorrelated from market indices, this approach gives us maximum flexibility in our investment decisions. Truly international, our management style focuses on long term, sustainable growth themes identified through global economic and financial analysis. Our success is built on the benefits from our highly active management.

OO FI 01	Mandatory	Gateway	General
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**OO FI 01.1** Provide a breakdown of your internally managed fixed income securities by active and passive strategies

Type	Passive	Active - quantitative	Active - fundamental & others	Total internally managed fixed income security
SSA	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%
Corporate (financial)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%
Corporate (non-financial)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%
Securitised	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%

OO FI 03	Mandatory	Descriptive	General
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**OO FI 03.1** Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.

SSA	70	Developed markets
	30	Emerging markets

OO FI 03.2 Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.

Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (financial)	<input checked="" type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> 0%	<input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input checked="" type="checkbox"/> 0%	100%
Corporate (non-financial)	<input checked="" type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> 0%	<input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input checked="" type="checkbox"/> <10% <input type="checkbox"/> 0%	100%
Securitised	<input checked="" type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> 0%	<input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input checked="" type="checkbox"/> 0%	100%

**SG 01.1** Indicate if you have an investment policy that covers your responsible investment approach.

Yes

**SG 01.2** Indicate the components/types and coverage of your policy.

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach	
<input checked="" type="checkbox"/> Formalised guidelines on environmental factors	
<input checked="" type="checkbox"/> Formalised guidelines on social factors	
<input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors	
<input checked="" type="checkbox"/> Fiduciary (or equivalent) duties	
<input checked="" type="checkbox"/> Asset class-specific RI guidelines	<input type="radio"/> Applicable policies cover all AUM
<input checked="" type="checkbox"/> Sector specific RI guidelines	<input checked="" type="radio"/> Applicable policies cover a majority of AUM
<input checked="" type="checkbox"/> Screening / exclusions policy	<input type="radio"/> Applicable policies cover a minority of AUM
<input checked="" type="checkbox"/> Engagement policy	
<input checked="" type="checkbox"/> (Proxy) voting policy	
<input checked="" type="checkbox"/> Other, specify (1) Sustainability approach in SRI Fund Prospectus	
<input type="checkbox"/> Other, specify(2)	

**SG 01.3** Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)

**Other description (1)**

Clearly defined ESG Strategies suitable for retail clients (with glossary) in addition to our published transparency codes on our SRI web-page. .

- Other RI considerations, specify (2)

**SG 01.4** Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

After 30 successful years of representing long term savers investment needs we are designing our future strategy to meet their new needs. Our previous ethical focus has been broadened to a mainstream approach to ESG integration already a few years ago given our investment philosophy as Risk Managers, and we are putting our expertise to work to provide a broader, more committed Socially Responsible Investment range. SRI is now part of a 3-part key growth area for next 30 years at Carmignac. We have achieved French Government accreditation by the French government for 3 of our funds. The real economy impact filters and themes that the portfolio managers endeavour to invest in are as follows: The Grande Europe fund follows 4 specific themes that encapsulates several SDGs : Basic Needs, Empowerment, Climate Change and Natural Resources. In addition impact metrics have been identified for each company to monitor the progress of their impacts. The 2 emerging funds are in search of specific themes that have a direct economic impact: Financing for the Future, Sustainable Technologies, Innovative Technologies, Improving Standards of Living. These points are including in all our marketing and investment process documents as found in the above links.

**SG 01.5** Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Carmignac maintains an overarching mainstream socially responsible process.

The responsibility of ESG criteria implementation is given to the Analysts and Portfolio Managers of the whole investment team. The investment teams form their own proprietary views, as well as use external research sources to understand the E, S and G risks and challenges associated with their investment universe. External research sources include independent industry analysts' investigations, and discussions with customers and suppliers of a given company. Carmignac has subscribed to a global MSCI ESG company ratings research service to complement its own ESG research. MSCI ESG Research offers the capacity for pre-screening of companies for ESG scores and assessments prior to our analysts and Portfolio Managers company research meetings. The team also subscribes to the MSCI business involvement screening (BISR) tool which enables them to screen for particular controversies and check involvement by revenue.

Our mainstream SRI approach to our investment process is based on four stages:

Understanding the investment universe. Incorporating and selecting best socially responsible practices. Portfolio managers can make use of an ex ante screening tool, MSCI Business Involvement Screening Research.

Integration of ESG criteria. Identifying risk factors and adopting responsible behaviour. Comply with a list of excluded companies and identify potential controversies in our investments.



Committing to the long term. Promoting ESG criteria within our investment professional peers and corporations, especially in our Voting Policy target of 70% for mainstream and over 80% vote participation for SRI Funds which meets our responsibility to representing our investors as active owners and recognising their rights as shareholders.

Communicating to our investors. Publishing our funds' annual reports and our voting policy report. Provide our funds' annual MSCI ESG analytics reports when requested.

The Portfolio Managers and Analysts complete a rationale for investment case which includes comments on E, S and G issues, and engage with companies on relevant ESG topics and controversies. These exchanges, along with the investment rationale, are documented in the front office database TAMALE. When a controversy occurs during the investment, Analysts and Portfolio Managers engage directly with companies to determine, either, a resolution to the controversy or an exit from the investment.

Corporate bond analysts also respect the requirement for ESG assessment for each issuer. Relevant ESG risks and opportunities are evaluated and documented within the investment rationale. MSCI ESG research can be used as an addition to proprietary research if necessary. Corporate bond selection respects the firm-wide exclusions across the mainstream funds and also more wider exclusions within the Socially Responsible funds where applicable. When a controversy occurs during the investment, Analysts and Portfolio Managers engage directly with companies to determine, either, a resolution to the controversy or an exit from the investment.

All Carmignac funds respect a list of harmful sector and global norms exclusions which reflects our Mainstream approach to ESG. Companies involved in controversial weapons such as anti-personnel mines and cluster bombs are systematically excluded and other restriction lists are taken into account when selecting securities such as the USA Patriot Act or the list of firms violating human rights. All global tobacco producing companies are excluded from the investment universe. Coal mining companies that earn more than 25% of revenues from Coal extraction are also excluded. Companies involved in nuclear energy are subject to a soft alert.

Our ESG restrictions are configured within our internal risk management system CMGR to avoid investments in stocks, sectors or countries that do not comply with our internal ESG policy. The exclusion list is managed by the ESG committee and controlled by the Compliance & Internal Control department.

As an exception the Fund Carmignac Portfolio Commodities limits coal producers to a maximum of 5% of its assets under management.

Carmignac also manages four socially responsible Funds that implement a broader set of SRI processes such as expanded negative screening ( all conventional arms, non-conventional energy, adult entertainment, coal companies with revenues above 5%, target 100% voting participation, positive impact investment and are resolutely low carbon in their approach.

Our responsible investing approach and SRI Guidelines and Flyers, detailed Voting policy and report, UNPRI Transparency report and Assessment results as well as the Transparency Codes for our Socially Responsible Funds (SR) are available on our company website dedicated section on ESG: [https://www.carmignac.fr/en\\_GB/about-us/socially-responsible-investment-sri-1245](https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245)

No

SG 02	Mandatory	Core Assessed	PRI 6
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**SG 02.1** Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

Policy setting out your overall approach

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.carmignac.co.uk/en_GB/about-us/socially-responsible-investment-sri-1245">https://www.carmignac.co.uk/en_GB/about-us/socially-responsible-investment-sri-1245</a>
<input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on environmental factors

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.carmignac.lu/uploads/pdf/0001/06/e476909cf6a7c29fbe3eb9fcfe7e0adb87df2bb8.pdf">https://www.carmignac.lu/uploads/pdf/0001/06/e476909cf6a7c29fbe3eb9fcfe7e0adb87df2bb8.pdf</a>
<input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on social factors

Formalised guidelines on corporate governance factors

Fiduciary (or equivalent) duties

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.carmignac.co.uk/en_GB/about-us/socially-responsible-investment-sri-1245">https://www.carmignac.co.uk/en_GB/about-us/socially-responsible-investment-sri-1245</a>
<input type="checkbox"/> Attachment (will be made public)

Asset class-specific RI guidelines

Sector specific RI guidelines

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.carmignac.co.uk/en_GB/about-us/socially-responsible-investment-sri-1245">https://www.carmignac.co.uk/en_GB/about-us/socially-responsible-investment-sri-1245</a>
<input type="checkbox"/> Attachment (will be made public)

Screening / exclusions policy

URL/Attachment
<input checked="" type="checkbox"/> URL

[https://www.carmignac.co.uk/en\\_GB/about-us/socially-responsible-investment-sri-1245](https://www.carmignac.co.uk/en_GB/about-us/socially-responsible-investment-sri-1245)

Attachment (will be made public)

Engagement policy

(Proxy) voting policy

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.carmignac.lu/uploads/pdf/0001/08/845fbca6146f46c4faaee2245874cd30e7f88e2a.pdf">https://www.carmignac.lu/uploads/pdf/0001/08/845fbca6146f46c4faaee2245874cd30e7f88e2a.pdf</a>
<input type="checkbox"/> Attachment (will be made public)

Other, specify (1)

Other, specify (1) description
<a href="https://www.carmignac.lu/uploads/pdf/0001/08/ac95348d8681f17028549bc0077d7185a04dabf7.pdf">https://www.carmignac.lu/uploads/pdf/0001/08/ac95348d8681f17028549bc0077d7185a04dabf7.pdf</a> <a href="https://www.carmignac.lu/uploads/pdf/0001/08/845fbca6146f46c4faaee2245874cd30e7f88e2a.pdf">https://www.carmignac.lu/uploads/pdf/0001/08/845fbca6146f46c4faaee2245874cd30e7f88e2a.pdf</a> <a href="https://www.carmignac.lu/uploads/pdf/0001/08/bacc7024d3b95fe87d9f80daca9118a89030c25.pdf">https://www.carmignac.lu/uploads/pdf/0001/08/bacc7024d3b95fe87d9f80daca9118a89030c25.pdf</a>

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.carmignac.lu/uploads/pdf/0001/08/bacc7024d3b95fe87d9f80daca9118a89030c25.pdf">https://www.carmignac.lu/uploads/pdf/0001/08/bacc7024d3b95fe87d9f80daca9118a89030c25.pdf</a>
<input type="checkbox"/> Attachment (will be made public)

We do not publicly disclose our investment policy documents

**SG 02.2** Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.carmignac.co.uk/en_GB/about-us/socially-responsible-investment-sri-1245">https://www.carmignac.co.uk/en_GB/about-us/socially-responsible-investment-sri-1245</a>
<input type="checkbox"/> Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.carmignac.co.uk/uploads/pdf/0001/08/a749560bafaedf3e82e6e7bf2afaadf6907c727.pdf">https://www.carmignac.co.uk/uploads/pdf/0001/08/a749560bafaedf3e82e6e7bf2afaadf6907c727.pdf</a>
<input type="checkbox"/> Attachment

Time horizon of your investment

Governance structure of organisational ESG responsibilities

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.carmignac.co.uk/uploads/pdf/0001/08/ea77db40577437880fe6286c453c7e16792c9ae0.pdf">https://www.carmignac.co.uk/uploads/pdf/0001/08/ea77db40577437880fe6286c453c7e16792c9ae0.pdf</a>
<input type="checkbox"/> Attachment

ESG incorporation approaches

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245">https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245</a>
<input type="checkbox"/> Attachment

Active ownership approaches

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.carmignac.lu/uploads/pdf/0001/08/845fbca6146f46c4faaee2245874cd30e7f88e2a.pdf">https://www.carmignac.lu/uploads/pdf/0001/08/845fbca6146f46c4faaee2245874cd30e7f88e2a.pdf</a>
<input type="checkbox"/> Attachment

Reporting

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.carmignac.co.uk/en_GB/about-us/socially-responsible-investment-sri-1245">https://www.carmignac.co.uk/en_GB/about-us/socially-responsible-investment-sri-1245</a>
<input type="checkbox"/> Attachment

Climate change

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.carmignac.co.uk/en_GB/about-us/socially-responsible-investment-sri-1245">https://www.carmignac.co.uk/en_GB/about-us/socially-responsible-investment-sri-1245</a>
<input type="checkbox"/> Attachment

- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- We do not publicly disclose any investment policy components

**SG 02.3** Additional information [Optional].

SR Funds links:

SRI guidelines and Flyers

Annual Reports ( ESG assessment and Engagements)

Main SRI webpage Carbon reports and Voting and Engagement reports

Transparency Codes

Emerging funds Transparency Code  
<https://www.carmignac.co.uk/uploads/pdf/0001/08/a749560bafaedf3e82e6e7bf2afaafd6907c727.pdf>

European Fund Transparency Code  
<https://www.carmignac.co.uk/uploads/pdf/0001/08/ea77db40577437880fe6286c453c7e16792c9ae0.pdf>

Carmignac Emergents  
[https://www.carmignac.co.uk/en\\_GB/funds/carmignac-emergents/a-eur-acc/documents-and-reports](https://www.carmignac.co.uk/en_GB/funds/carmignac-emergents/a-eur-acc/documents-and-reports)

Carmignac Portfolio Emerging Patrimoine  
[https://www.carmignac.co.uk/en\\_GB/funds/carmignac-portfolio-emerging-patrimoine/f-gbp-acc-hdg/documents-and-reports](https://www.carmignac.co.uk/en_GB/funds/carmignac-portfolio-emerging-patrimoine/f-gbp-acc-hdg/documents-and-reports)

Carmignac Portfolio Grande Europe  
[https://www.carmignac.co.uk/en\\_GB/funds/carmignac-portfolio-grande-europe/w-gbp-acc/documents-and-reports](https://www.carmignac.co.uk/en_GB/funds/carmignac-portfolio-grande-europe/w-gbp-acc/documents-and-reports)

Voting policy

Our voting policy is part of this commitment to promote best practices in all companies. This is the reason why Carmignac decided to leverage on the principles set in the « sustainability » policy defined by ISS Governance.

Since 2015, an active voting participation has been adopted The objective for our mainstream funds is to participate in over 70% of possible votes in 2018 which has been achieved and surpassed

The Fund Management team is the body responsible for deciding how votes are to be cast. Decisions are taken either at management committee meetings, or individually, having regard to the principles set out in the "voting policy" document. The Middle Office Funds unit is the body responsible for reviewing and coordinating the voting process.

Voting Report 2018 French Funds FCP  
<https://www.carmignac.lu/uploads/pdf/0001/08/845fbc6146f46c4faaee2245874cd30e7f88e2a.pdf>

Voting Report 2018 Luxembourg Sicav Funds  
<https://www.carmignac.lu/uploads/pdf/0001/08/bacc7024d3b95fe87d9f80daca9118a89030c25.pdf>

Voting policy 2018 Carmignac  
<https://www.carmignac.lu/uploads/pdf/0001/08/ac95348d8681f17028549bc0077d7185a04dabf7.pdf>

**SG 03** Mandatory Core Assessed General

**SG 03.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

**SG 03.2** Describe your policy on managing potential conflicts of interest in the investment process.

Regarding potential conflicts of interest, it is worth mentioning that Carmignac Gestion's equity capital is held by the founder and the employees. In addition, the company does not engage in any brokerage or research activities for outside companies. Both elements are aimed at reducing potential situations of conflict of interest.

Carmignac has established a mapping of theoretic situations that could be viewed as a conflict of interest. The measures taken consist in anticipating potential risks that a conflict of interest may occur via specific written internal procedures.

These procedures, included in the Internal Code of Conduct of the company, aim to prevent, detect, and managed fairly the conflict of interest that might appear between the company's own interests and those of its clients or between the interests of different clients.

No

**SG 04** Voluntary Descriptive General

Private

**SG 05** Mandatory Gateway/Core Assessed General

**SG 05.1** Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

Quarterly or more frequently

- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

**SG 05.2** Additional information. [Optional]

Quarterly quarterly SRI label portfolio monitoring and audit and biannual ESG committee meetings encompassing all aspects of sustainable policies : voting, engagements, disclosures, label requirements, regulatory changes...

SG 06	Voluntary	Descriptive	General
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Private

SG 07	Mandatory	Core Assessed	General
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**SG 07.1** Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

**Roles**

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- Other role, specify (2)

- External managers or service providers

**SG 07.2** For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

The CIO implements oversight and enforces mainstream ESG integration

The Board member, Head of UK branch leads the SR product innovation, launches oversight

The Portfolio Managers and analysts are fully responsible for ESG integration

The SR fund portfolio managers implement SR investment processes and French SRI label requirements

The ESG Committee headed by the Stewardship manager interfaces with investment management team.

She is responsible for adherence to ESG integration and oversight of the ESG processes for the SR funds

Specialised resources have been dedicated to ESG within the ESG committee with different responsibilities for voting policy and reporting guidelines of sustainability votes, ESG compliance and exclusions monitoring, disclosure requirements and SRI label and portfolio monitoring.

A new hire, Sustainability Manager, has been appointed (Start June 2019) to the portfolio management team to broaden ESG implementation, automate portfolio monitoring, engineer proprietary screening, aid in corporate engagement, specialise in thought leadership research

SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.
6	
SG 07.4	Additional information. [Optional]
<p>Carmignac has been educating all investment teams on responsible investing. All Funds are reviewed bi-annually with discussions on the E, S and G problematics with the fund managers and analysts. Regular trainings on the internal and external ESG tools are provided. ESG factors and their importance are now part of the portfolio manager induction process that is maintained by Compliance.</p> <p>At Carmignac, portfolio managers and analysts are directly responsible for the implementation and oversight of ESG criteria in their portfolio. They are helped by the ESG committee. The Emerging markets team has a dedicated ESG analyst, whose annual objectives and pay are linked to SRI targets. One emerging market Fund manager and one European fund manager have annual ESG objectives.</p> <p>First-level controls are performed by the support functions . Furthermore, restrictions lists with hard and soft exclusions are implemented directly in the company's trading tools, making it impossible for example t invest in securities part of a fund's hard exclusion list, or opening a pop-up alert on the soft exclusion which the fund manager has to close manually.</p> <p>The Compliance and Internal Control team perform annual audit on the SRI activity and obligations followed by Fund Managers, in the course of the conduct of the annual compliance monitoring program. A compliance program has been established to monitor the requirements of the French Government SRI label.</p> <p>Carmignac has chosen a world leader in research-based indexes and analytics, MSCI ESG, to enhance its understanding of ESG-related risks and opportunities in equity and bond selection. Carmignac performs comprehensive fund analytics and carbon emission analysis using MSCI ESG Portfolio Analytics reports, enabling an external benchmarking of its SRI process with recognized SRI targeted indexes.</p> <p>Carmignac has partnered with the most experienced governance advisor with global reach, benefiting from their comprehensive governance research and recommendations, while maintaining total control of its voting choices. ISS supports Carmignac's efforts for specific responsible investing engagement and reporting. Two members of the middle office team are responsible of the oversight of the monitoring and right implementation of the responsible investing voting policy.</p>	

SG 08	Voluntary	Additional Assessed	General
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Private

SG 09	Mandatory	Core Assessed	PRI 4,5
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SG 09.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
<input checked="" type="checkbox"/> Principles for Responsible Investment	
	Your organisation's role in the initiative during the reporting period (see definitions)
Advanced	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
Heightened initiatives in communication and application of ESG policies and engagement	
Accreditation of 3 of our funds of French Government SRI label representing many of the UNPRI principles adherence	
<input type="checkbox"/> Asian Corporate Governance Association <input type="checkbox"/> Australian Council of Superannuation Investors <input type="checkbox"/> AFIC – La Commission ESG <input type="checkbox"/> BVCA – Responsible Investment Advisory Board <input type="checkbox"/> CDP Climate Change <input type="checkbox"/> CDP Forests <input type="checkbox"/> CDP Water <input type="checkbox"/> CFA Institute Centre for Financial Market Integrity <input type="checkbox"/> Code for Responsible Investment in SA (CRISA) <input type="checkbox"/> Code for Responsible Finance in the 21st Century <input type="checkbox"/> Council of Institutional Investors (CII) <input type="checkbox"/> Eumedion <input type="checkbox"/> Extractive Industries Transparency Initiative (EITI) <input type="checkbox"/> ESG Research Australia <input type="checkbox"/> Invest Europe Responsible Investment Roundtable <input type="checkbox"/> Global Investors Governance Network (GIGN) <input type="checkbox"/> Global Impact Investing Network (GIIN) <input type="checkbox"/> Global Real Estate Sustainability Benchmark (GRESB) <input type="checkbox"/> Green Bond Principles <input type="checkbox"/> Institutional Investors Group on Climate Change (IIGCC) <input type="checkbox"/> Interfaith Center on Corporate Responsibility (ICCR) <input type="checkbox"/> International Corporate Governance Network (ICGN) <input type="checkbox"/> Investor Group on Climate Change, Australia/New Zealand (IGCC) <input type="checkbox"/> International Integrated Reporting Council (IIRC) <input type="checkbox"/> Investor Network on Climate Risk (INCR)/CERES <input type="checkbox"/> Local Authority Pension Fund Forum <input type="checkbox"/> Principles for Sustainable Insurance	

- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

Febelfin Quality Standard consultations AFG,SRI Committee IA, UK S&RI Committee Alfi Carbon disclosure and SR committees

**Your organisation's role in the initiative during the reporting period (see definitions)**

Moderate

**Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]**

French/Luxembourg government sponsored SRI Forums.  
 Stewardship Manager participated to the responses of the following for all 3 fund association groups AFG, Alfi and IA  
 AFG, France SRI Committee member and member of Carbon and Impact disclosure working group.  
 IA, UK S&RI Committee and member of Disclosure working group  
 ALFI, Luxembourg SRI Committee and Chair of Climate Disclosure working group

- Ecolabel consultation Paper
- Non-Financial Reporting Directive Guidelines NFRD Carbon disclosures
- MIFID II Amendment draft proposal:ESG preferences and product governance
- Taxonomy draft proposals
- Disclosure draft proposals
- Disclosure revised text
- Carbon index draft proposals
- ESMA Consultation Paper Disclosures
- ESMA Consultation Paper MIFID II amendment

Moderated the Alfi European Asset Management Conference Sustainable Finance proposed draft legislation  
 Belgian Pensioplus:lead 2 SRI forums on 1) SRI investing and 2) ESG scoring methods  
 Participate in industry seminars and conferences

- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

French/Luxembourg government sponsored SRI Forums. AFG SRI working group (wg). Belgian Pensioplus SRI working group. IA, UK SRI wg. ALFI SRI wg Conference panellist

**Your organisation's role in the initiative during the reporting year (see definitions)**

Advanced

**Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]**

Stewardship Manager  
 French/Luxembourg government sponsored SRI Forums.  
 AFG, France SRI Committee member and member of Carbon and Impact disclosure working group  
 IA, UK S&RI Committee and member of Disclosure working group  
 ALFI, Luxembourg SRI Committee and Chair of Climate Disclosure working group  
 Moderated the Alfi European Asset Management Conference Sustainable Finance proposed draft legislation  
 Belgian Pensioplus:lead 2 SRI forums on 1) SRI investing and 2) ESG scoring methods  
 Participate in industry seminars and conferences  
 Asset Management Distribution Roundtable on SRI Copenhagen  
 Adviser SRI conference speaker London  
 Fondsconsult SRI Conference speaker Zurich  
 Simply Biz SRI Video panellist London  
 Salone di Risparmio SRI speaker Milan  
 GIS SRI conference speaker Zurich

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 10	Mandatory	Core Assessed	PRI 4
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**SG 10.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.**

- Yes

**SG 10.2 Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.**

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description
New recruitment induction with dedicated ESG section Ad Hoc training for fund managers, analysts and support teams PensioPlus Belgium seminar dedicated to external ESG research methodologies and dedicated ESG ratings, 18/01/2019 and 29/11/2019 Other speaking engagements throughout the year.
Frequency of contribution
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other

- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description
We proactively disclose the SRI evolution of our funds . Proactively increase voting participation in owned companies. Ongoing discussion with clients on ways to improve transparency and disclosure on responsible investment.
Frequency of contribution
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other

- Spoke publicly at events and conferences to promote responsible investment

Description
Speaker and moderator at SRI industry events. Participate in industry seminars and conferences o Asset Management Distribution Roundtable on SRI Copenhagen o Adviser SRI conference speaker London o Fondconsult SRI Conference speaker Zurich o Simply Biz SRI Video panellist London o Salone di Risparmio SRI speaker Milan o GIS SRI conference speaker Zurich
Frequency of contribution
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other

- Wrote and published in-house research papers on responsible investment

Description
Investment analysts have written internal proprietary study on controversial issues such as cannabis, Vale Dam disaster, Facebook date breach but were not published only on request to individual investors
Frequency of contribution
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other

- Encouraged the adoption of the PRI

Description
• Systematic inclusion of PRI section in client due diligences. Systematic communication with fund managers and analysts to take into account PRI principles. • Publication of the UNPRI Transparency report on our website. • At the Asset Management Distribution Roundtable on SRI Copenhagen, promoted the recommendations of the UNPRI amongst 35 top Investment managers globally.
Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Description
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Major role at Fund association level SR working groups and committees responding to consultation Papers and draft Delegated Acts revisions

Frequency of contribution
---------------------------

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Wrote and published articles on responsible investment in the media

Description
-------------

Publications across various media outlets written by the SR portfolio managers and the Stewardship Manager

Frequency of contribution
---------------------------

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

A member of PRI advisory committees/ working groups, specify

On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

Other, specify

specify description
---------------------

European Working Group EWG on the ESG data dictionary templates • BSI ESG standards initiative • Febelfin Quality Standards Label investor feedback

Description
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We have been solicited to participate in the above initiatives. 4 members of the ESG committee have attended or given feedback in the above

Frequency of contribution
---------------------------

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

No

SG 10.3	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]		
---------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--

We continue to enhance and improve our ESG integration. For example, early this year, two of our Emerging Market funds and one of our European equity funds were granted the French SRI label. This accreditation was attributed following a strict audit from the independent body AFNOR, which officially validates these Funds' strong commitment to sustainable investing and makes them more visible to investors across Europe.

SG 11	Voluntary	Additional Assessed	PRI 4,5,6
Private			

SG 12	Mandatory	Core Assessed	PRI 4
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SG 12.1	Indicate whether your organisation uses investment consultants.		
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Yes, we use investment consultants



SG 12.4	Indicate whether you use investment consultants for any the following services. Describe the responsible investment components of these services.		
<input type="checkbox"/> Custodial services <input type="checkbox"/> Investment policy development <input type="checkbox"/> Strategic asset allocation <input checked="" type="checkbox"/> Investment research			
<table border="1"> <tr> <td>Describe how responsible investment is incorporated</td> </tr> <tr> <td>           Incorporating and selecting best socially responsible practices. Portfolio managers can make use of an ex ante screening tool, MSCI Business Involvement Screening Research and of dedicated ESG research provided by MSCI ESG Research on individual companies, sectors or specific ESG topics. Incorporating and selecting best socially responsible practices. Portfolio managers can make use of an ex ante screening tool, MSCI Business Involvement Screening Research and of dedicated ESG research provided by MSCI ESG Research on individual companies, sectors or specific ESG topics. Carmignac engaged ISS as partner in proxy voting from 2015. The portfolio management team have access to their governance research of investee companies         </td> </tr> </table>		Describe how responsible investment is incorporated	Incorporating and selecting best socially responsible practices. Portfolio managers can make use of an ex ante screening tool, MSCI Business Involvement Screening Research and of dedicated ESG research provided by MSCI ESG Research on individual companies, sectors or specific ESG topics. Incorporating and selecting best socially responsible practices. Portfolio managers can make use of an ex ante screening tool, MSCI Business Involvement Screening Research and of dedicated ESG research provided by MSCI ESG Research on individual companies, sectors or specific ESG topics. Carmignac engaged ISS as partner in proxy voting from 2015. The portfolio management team have access to their governance research of investee companies
Describe how responsible investment is incorporated			
Incorporating and selecting best socially responsible practices. Portfolio managers can make use of an ex ante screening tool, MSCI Business Involvement Screening Research and of dedicated ESG research provided by MSCI ESG Research on individual companies, sectors or specific ESG topics. Incorporating and selecting best socially responsible practices. Portfolio managers can make use of an ex ante screening tool, MSCI Business Involvement Screening Research and of dedicated ESG research provided by MSCI ESG Research on individual companies, sectors or specific ESG topics. Carmignac engaged ISS as partner in proxy voting from 2015. The portfolio management team have access to their governance research of investee companies			
<input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify (2) <input type="checkbox"/> Other, specify (3) <input type="checkbox"/> None of the above			
<input type="checkbox"/> No, we do not use investment consultants.			

SG 13	Mandatory	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
<input type="checkbox"/> Yes, to assess future ESG factors <input type="checkbox"/> Yes, to assess future climate-related risks and opportunities <input checked="" type="checkbox"/> No, not to assess future ESG/climate-related issues	

SG 14	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1
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Private

SG 15	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
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Private

SG 18	Voluntary	Descriptive	General
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Private

SG 19	Mandatory	Core Assessed	PRI 2, 6
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SG 19.1	Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
---------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Listed equity - Incorporation
-------------------------------

Do you disclose?
------------------

- We do not proactively disclose it to the public and/or clients/beneficiaries
- We disclose to clients/beneficiaries only.
- We disclose it publicly

The information disclosed to clients/beneficiaries is the same
----------------------------------------------------------------

- Yes
- No

Disclosure to public and URL
------------------------------

Disclosure to public and URL
------------------------------

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

Annually

[https://www.carmignac.fr/en\\_GB/about-us/socially-responsible-investment-sri-1245](https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245)

Listed equity - Engagement
----------------------------

Do you disclose?
------------------

- We do not disclose to either clients/beneficiaries or the public.

- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same
<input checked="" type="radio"/> Yes <input type="radio"/> No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	<input checked="" type="checkbox"/> Details on the overall engagement strategy <input type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input type="checkbox"/> Number of engagements undertaken <input type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information
Annually	
<a href="https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245">https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245</a>	

Listed equity – (Proxy) Voting
--------------------------------

Do you disclose?
<input type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input type="radio"/> We disclose to clients/beneficiaries only. <input checked="" type="radio"/> We disclose to the public
The information disclosed to clients/beneficiaries is the same
<input checked="" type="radio"/> Yes <input type="radio"/> No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	<input type="radio"/> Disclose all voting decisions <input checked="" type="radio"/> Disclose some voting decisions <input type="radio"/> Only disclose abstentions and votes against management
Annually	
<a href="https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245">https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245</a>	

Fixed income
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Do you disclose?
<input checked="" type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input type="radio"/> We disclose to clients/beneficiaries only. <input type="radio"/> We disclose to the public

SG 19.2	Additional information [Optional]
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Our responsible investing approach and SRI Guidelines and Flyers, detailed Voting policy and report, UNPRI Transparency report and Assessment results as well as the Transparency Codes for our Socially responsible Funds are available on our company website dedicated section on ESG: [https://www.carmignac.fr/en\\_GB/about-us/socially-responsible-investment-sri-1245](https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245)

As is mentioned through the questionnaire we perform complete ESG analysis externally by MSCI ESG each year. the results of these analyses and the ESG related activity including specif engagements are written within the annual report of each fund. This also includes the carbon report.

We have republished the carbon reports of our funds on the front page of our SR website from 2018, so it is more visible to investors. In 2019, we will also republish a specific engagement report on the front page as well as within the fund pages of each funds' annual report.

LEI 01.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening and integration strategies

Percentage of active listed equity to which the strategy is applied	90%
---------------------------------------------------------------------	-----

- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined
- We do not apply incorporation strategies

Percentage of active listed equity to which no strategy is applied	10%
--------------------------------------------------------------------	-----

LEI 01.2

Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.

At Carmignac, ESG incorporation is an essential part of our business model. We believe that an asset manager's number one fiduciary duty to its investors is to mitigate as much risk as it can identify. This very resolutely includes risks associated with poor governance, shareholder underrepresentation, irreverence to social issues such as health and safety, and environmental challenges. ESG can be, and often has been, a driver of long term performance as ESG goes with sustainability. Asset managers like us at Carmignac, managing the savings of investors, often their future pension, have to see long term and not short term. As such, companies that decide to favor short term success at the cost of higher ESG risks (or any other higher risk) will be neither successful, neither a profitable investment over the years.

Within Carmignac, Portfolio managers and analyst are each responsible for Environment, Social and Governance (ESG) aspects in selecting equity and bond investments on behalf of their clients. Each fund may respect a different investment process with differing universes and risk profiles and ESG risks and implementation will vary. But a common thread on how ESG is incorporated exists.

Funds investing in very different regions, sectors, asset classes, all share the same first layer of ESG consideration: The investment universe is filtered based on financial criteria such as Free Cash Flow yields, Return on Investments and leverage ratios, then a Negative Screening is applied, excluding controversial sectors, such as controversial arms, global norms based restrictions, UN or EU company or country sanction lists, tobacco and coal producers.

This is complemented by more specific analysis, where the whole investment team, equity and bond selectors alike, are responsible for assessing ESG risks within an invest cases. Asset manager's proprietary, external ESG specialized research but also interactions with companies are used to assess Environment, Social or Governance aspects.

Finally, ESG risks have to be continuously monitored and challenged. Should controversies occur, investments teams have to review their investment case and explain their decision (whether it is to reduce/exit a position, or to keep it). The ESG Committee is systematically asking analysts and fund managers to engage and influence the concerned corporations, when relevant.

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

Even within challenging regions and sectors in terms of ESG risks, such as emerging markets, we see an ESG approach even more as a support to mitigate short as well as long term risks. Consequently, for our emerging market funds Carmignac Emergents, Carmignac Portfolio Emergents and Carmignac Portfolio Emerging Patrimoine, the whole investment process is emphasizing sustainability – not only in terms of ESG but also financially, looking at countries, sectors growth prospects, at companies' debt levels, countries' balance of payments, etc. Once a country has been selected for its positive fundamentals, sectors are picked based on under-penetration, which ensures investments are viable long term in terms of growth. This naturally favors sustainable themes, such as improving living standards, innovation, clean technologies, financing the future, etc. On a company level, the financial criteria of low net debt and sustainable free cash flow generation, tends to mechanically weight the portfolio away from highly polluting or controversial industries. The fund adopts a low carbon approach. In addition to Tobacco, coal (5% threshold), oil sands (1% threshold) and adult entertainment (2% threshold), meat processing companies, all weapons are also excluded from the investment universe

Carmignac Grande Europe invests in European equities using a fundamentally driven investment approach. The bottom-up analysis, implemented through a financial filter and scoring process, identify companies with the best long-term growth prospects, as demonstrated by their high, sustainable profitability, ideally combined with internal or external reinvestment. This investment process is complimented by in-house and third party ESG research, negative screening, carbon footprint and emissions data analysis, plus a high frequency of company and stakeholder meetings. Each step in the process supports the Fund Manager in filtering down to find the most attractive companies and building a portfolio that targets very low carbon emissions and offers a transparent SRI approach for investors. Tobacco, coal (5% threshold), oil sands (1% threshold), gambling (2% threshold) and adult entertainment (2% threshold) and all weapons and as well as most investment in oil and gas companies, are excluded from the investment universe.

Sustainable investing does not stop at the security selection process. Regular meetings with managers of the companies in which we invest in and visits to production sites around the world allow us to assess on an ongoing basis how much weight companies attach to ESG criteria and of promoting sustainable development. Our voting policy is also part of our commitment to promote best practices in all companies. We see here also an opportunity to address and highlight some short, medium as well as long term ESG related risk. For this purpose, we have a company goal of rising year by year our voting participation and have a sustainable voting policy in place with our voting proxy service provider. In this context, we are for example automatically voting "for" sustainability or pro-environment, social or governance improvements and against environment, social or governance practices which are not best in class or compliant with our or industry standards.

Should there be a reason to vote against a Sustainability recommendation identified as such by ISS, the judgement is backed up by documentation and/or a direct company dialogue.

LEI 01.3

If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

In addition to the above negative screening the SR funds adopt a positive screening

for the European Fund, a filter is applied to assess if a company have a positive impact in regards to the SDGs inspired impacts: Basic Needs,

Empowerment, Climate Change, Natural Capital. A company that has a negative impact is excluded from the investment universe.

for the EM SR funds, investments are sought that have a positive impact by Financing the Future, Improving Living Standards, or offer Sustainable and Innovative Technologies.

LEI 02	Voluntary	Additional Assessed	PRI 1
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Private

LEI 03	Voluntary	Additional Assessed	PRI 1
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Private

LEI 04	Mandatory	Descriptive	PRI 1
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**LEI 04.1** Indicate and describe the type of screening you apply to your internally managed active listed equities.

Negative/exclusionary screening

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description
-------------

All funds/assets managed:

- Hard exclusion policy for controversial weapons and global Norms based screening and sanctions for all our funds/assets
- hard exclusions for all tobacco producers,
- Hard exclusions all thermal and metallurgic coal producers ( 25% revenue threshold) and all coal fired electricity producers
- Soft screening with automatic alert for Nuclear companies

Our SR funds:

Carmignac Emergents, Carmignac Portfolio Emergents, Carmignac Portfolio Emerging Patrimoine:

- Hard exclusions:Tobacco, coal (5% threshold), oil sands (1% threshold) and adult entertainment (2% threshold), meat processing companies, all weapons are also excluded from the investment universe
- Soft screening on oil & gas companies (to reduce fossil fuels)

Carmignac Portfolio Grande Europe:

- Hard exclusions: Tobacco, coal (5% threshold), oil sands (1% threshold), gambling (2% threshold) and adult entertainment (2% threshold) and all weapons
- Soft screening on oil & gas companies (to reduce fossil fuels)

All screenings are based on the independent and transparent involvement tools, such as the MSCI involvement tool.

All hard exclusions are implemented in the company's trading system, blocking automatically all transactions. Soft exclusions/screening are in most cases also implemented in the trading tool, generating a pop-up alert before any transaction which has to be manually ticked to go on with the given transaction.

Positive/best-in-class screening

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description
-------------

We use the external and independent MSCI ESG ratings and fund analytics tool for peer group comparisons.

In addition, all investment teams practice best in universe selection from their own research and evaluation given our non benchmarked, active management approach.

There are possibilities to invest on a best efforts basis if a company is improving or mitigating ES or G related risk.

Norms-based screening

- UN Global Compact Principles
- The UN Guiding Principles on Business and Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify

Description
UN Global Compact Principles are implemented through our ISS voting policy, UN Guiding Principles on Business and Human Rights, USA Patriot Act, Oslo & Ottawa treaties, Convention on Cluster Munitions (Dublin, may 30, 2008) , are implemented in our trading system, blocking automatically all transactions.

**LEI 04.2** Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.

- Excluded companies, sectors, and countries are predefined in our order management system to prevent transactions which compose part of our filtering process.
- Analysts and portfolio managers will screen companies for controversies within ESG criteria among other financial criteria.
- The analysts and portfolio managers may use the MSCI ESG Business tool to screen for controversies within a sector or a country.

When changes to ESG procedure are undertaken, these will be communicated on our dedicated ESG internet website as was the case last year when we excluded tobacco and coal producers formally.

Screening criteria are automatically reviewed annually, and ad-hoc, as events occur such as lifting of sanctions for Iran, or at the request of Carmignac's ESG Committee.

**LEI 05** **Mandatory** **Core Assessed** **PRI 1**

**LEI 05.1** Indicate which processes your organisation uses to ensure screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- Trading platforms blocking / restricting flagged securities on the black list
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Review and evaluation of external research providers
- Other, specify
- None of the above

**LEI 05.2** Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.

- <10%
- 10-50%
- 51-90%
- >90%

**LEI 05.3** Indicate how frequently third party ESG ratings are updated for screening purposes.

- Quarterly or more frequently
- Bi-annually
- Annually
- Less frequently than annually

**LEI 05.4** Indicate how frequently you review internal research that builds your ESG screens.

- Quarterly or more frequently
- Bi-annually
- Annually
- Less frequently than annually

**LEI 06** **Voluntary** **Additional Assessed** **PRI 1**

Private

**LEI 08** **Mandatory** **Core Assessed** **PRI 1**

**LEI 08.1** Indicate the ESG factors you systematically research as part of your investment analysis and the proportion of actively managed listed equity portfolios that is impacted by this analysis.

ESG issues	Proportion impacted by analysis

Environmental	<div style="background-color: #0070C0; color: white; padding: 2px;">Environmental</div> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Social	<div style="background-color: #0070C0; color: white; padding: 2px;">Social</div> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Corporate Governance	<div style="background-color: #0070C0; color: white; padding: 2px;">Corporate Governance</div> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%

LEI 08.2	Additional information. [Optional]
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All analysts and portfolio managers are required and are responsible for integrating ESG analysis in stock and bond selection

LEI 09	Mandatory	Core Assessed	PRI 1
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LEI 09.1	Indicate which processes your organisation uses to ensure ESG integration is based on a robust analysis.
----------	----------------------------------------------------------------------------------------------------------

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Third-party ESG ratings are updated regularly.
- A periodic review of the internal research is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Analysis of the impact of ESG factors on investment risk and return performance
- Other, specify
- None of the above

LEI 09.2	Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.
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- <10%
- 10-50%
- 51-90%
- >90%

LEI 09.3	Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.
----------	--------------------------------------------------------------------------------------------------------

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

LEI 09.4	Indicate how frequently you review internal research that builds your ESG integration strategy.
----------	-------------------------------------------------------------------------------------------------

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

LEI 09.5	Describe how ESG information is held and used by your portfolio managers.
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- ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

LEI 10	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 1
<i>Private</i>			
LEI 12	Voluntary	Descriptive	PRI 1
<i>Private</i>			
LEI 13	Voluntary	Descriptive	PRI 1
<i>Private</i>			

## LEA 01.1 Indicate whether your organisation has an active ownership policy.

Yes

## LEA 01.2 Attach or provide a URL to your active ownership policy.

Attachment provided:

URL provided:

<https://www.carmignac.fr/uploads/pdf/0001/08/845fbc6146f46c4faaee2245874cd30e7f88e2a.pdf>

## LEA 01.3 Indicate what your active engagement policy covers:

## General approach to active ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

## Engagement

- ESG issues
- Prioritisation of engagement
- Method of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other specify;

(Proxy) voting approach

## Voting

- ESG issues
- Prioritisation and scope of voting activities
- Methods of voting
- Transparency of voting activities
- Regional voting practice approaches
- Filing or co-filing resolutions
- Company dialogue pre/post-vote
- Decision-making processes
- Securities lending processes
- Other specify;

Other

None of the above

No

## LEA 01.4 Do you outsource any of your active ownership activities to service providers?

Yes

## LEA 01.5 Where active ownership activities are conducted by service providers, indicate whether your active ownership policy covers any of the following.

- Outline of service providers role in implementing organisation's active ownership policy
- Description of considerations included in service provider selection and agreements
- Identification of key ESG frameworks service providers must follow
- Outline of information sharing requirements of service providers
- Description of service provider monitoring processes
- Other, specify
- None of the above

No



**LEA 01.6** Additional information [optional]

Our voting policy is part of our commitment to promote best practices in all companies. Also, we see an opportunity to address and highlight some short, medium, as well as, long term ESG related risk. For this purpose, we have a company goal of raising our voting participation to 70% in 2018 and close to 100% for our 4 Socially Responsible Funds which has been achieved. To help us manage these targets, Carmignac has partnered with one of the most experienced governance advisor, ISS. ISS Governance provides support to Carmignac in the operational management of the voting process (monitoring of meetings, automatic processing of voting cards) and above all, ISS Governance brings its expertise in reviewing the proposals submitted to voting by shareholders. Carmignac benefits from its comprehensive governance research and recommendations, while maintaining total control of its voting choices. The voting choice remains the responsibility of Carmignac.

In addition, Carmignac has a sustainable voting policy in place with our voting proxy service provider. In this context, we vote automatically "for" sustainability or pro-environment, social or governance improvements and against environment, social or governance practices which are not best in class or compliant with our or industry standards. Should there be a reason for the Carmignac Investment team to vote against an ISS Sustainability recommendation, the decision is backed up by documentation and/or a direct company dialogue by the Carmignac investment team.

**LEA 02** Mandatory Core Assessed PRI 1,2,3

**LEA 02.1** Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via service providers

**LEA 03** Mandatory Core Assessed PRI 2

**LEA 03.1** Indicate whether your organisation has a formal process for identifying and prioritising engagements.

✓ Yes

**LEA 03.2** Indicate the criteria used to identify and prioritise engagements for each type of engagement.

Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal engagements	Internal / Individual engagements
	<input type="checkbox"/> Geography / market of the companies
	<input checked="" type="checkbox"/> Materiality of the ESG factors
	<input type="checkbox"/> Exposure (size of holdings)
	<input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred
	<input type="checkbox"/> Responses to divestment pressure
	<input type="checkbox"/> Consultation with clients/beneficiaries
	<input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)
	<input checked="" type="checkbox"/> Follow-up from a voting decision
	<input checked="" type="checkbox"/> Client request
<input checked="" type="checkbox"/> Breaches of international norms	
<input type="checkbox"/> Other, specify	
<input type="checkbox"/> We do not outline engagement criteria for our individual engagements.	

	Collaborative engagements
Collaborative engagements	<input type="checkbox"/> Potential to enhance knowledge of ESG issues from other investors <input checked="" type="checkbox"/> Ability to have greater impact on ESG issues <input checked="" type="checkbox"/> Ability to add value to the collaboration <input type="checkbox"/> Geography/market of the companies targeted by the collaboration <input checked="" type="checkbox"/> Materiality of ESG factors addressed by the collaboration <input type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration <input checked="" type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Alleviate the resource burden of engagement <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not outline engagement criteria for our collaborative engagements.
<input type="radio"/> No	

LEA 03.3	Additional information. [Optional]
<p>Our formal Engagement policy will be published shortly. There is a delay on translation. What is different from last year is that we have consolidated in one document 1) our voting engagement, 2) internal engagement guidelines for the investment team 3) statistics from all types of voting and 4) key engagements that are written in the funds annual report. the purpose is to bring onto our main SRI webpage along side what is already published ( Carbon, UNPRI, Voting, and now Engagement reports)</p>	

LEA 04	Mandatory	Core Assessed	PRI 2
LEA 04.1 Indicate whether you define specific objectives for your organisation's engagement activities.			
	Individual / Internal engagements	<input checked="" type="checkbox"/> All engagement activities <input type="checkbox"/> Majority of engagement activities <input type="checkbox"/> Minority of engagement activities <input type="checkbox"/> We do not define specific objectives for engagement activities carried out by internal staff.	
	Collaborative engagements	<input checked="" type="checkbox"/> All engagement activities <input type="checkbox"/> Majority of engagement activities <input type="checkbox"/> Minority of engagement activities <input type="checkbox"/> We do not define specific objectives for engagement activities carried out through collaboration	

LEA 05	Mandatory	Core Assessed	PRI 2
LEA 05.1 Indicate if you monitor and/or review engagement outcomes.			
	Individual / Internal engagements	<input checked="" type="checkbox"/> Yes, in all cases <input type="checkbox"/> Yes, in majority of cases <input type="checkbox"/> Yes, in a minority of cases <input type="checkbox"/> We do not monitor, or review engagement outcomes carried out by our internal staff.	
	Collaborative engagements	<input checked="" type="checkbox"/> Yes, in all cases <input type="checkbox"/> Yes, in a majority of cases <input type="checkbox"/> Yes, in a minority of cases <input type="checkbox"/> We do not monitor, or review engagement outcomes via collaborative engagement activities.	

LEA 05.2	Indicate if you do any of the following to monitor and review the progress of engagement activities.		
	Individual / Internal staff engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input type="checkbox"/> Revisit and, if necessary, revise objectives on continuous basis <input type="checkbox"/> Other, specify	

Collaborative engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input type="checkbox"/> Revisit and, if necessary, revise objectives on continuous basis <input type="checkbox"/> Other; specify
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LEA 06	Mandatory	Additional Assessed	PRI 2,4
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LEA 06.1	Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.
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Yes

LEA 06.2	Indicate the escalation strategies used at your organisation following unsuccessful engagements.
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- Collaborating with other investors
- Issuing a public statement
- Filing/submitting a shareholder resolution
- Voting against the re-election of the relevant directors
- Voting against the board of directors or the the annual financial report
- Submitting nominations for election to the board
- Seeking legal remedy / litigation
- Reducing exposure (size of holdings)
- Divestment
- Other, specify

No

LEA 06.3	Additional information. [Optional]
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Refer to the Active Equity 5 ESG factor cases

LEA 07	Voluntary	Additional Assessed	PRI 1,2
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LEA 07.1	Indicate whether insights gained from your organisation's engagements are shared with investment decision-makers.
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Type of engagement	Insights shared
<b>Individual / Internal staff engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.2	Indicate the practices used to ensure information and insights collected through engagements are shared with investment decision-makers.
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- Involving investment decision-makers when developing engagement programme
- Holding investment team meetings and/or presentations
- Using IT platforms/systems that enable data sharing
- Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
- Other; specify
- None

LEA 07.3	Indicate whether insights gained from your organisation's engagements are shared with your clients/beneficiaries.
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Type of engagement	Insights shared
<b>Individual/Internal staff engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Collaborative engagements</b>	<input type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input checked="" type="radio"/> No

LEA 07.4	Additional information. [Optional]
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Refer to the Active Equity 5 ESG factor cases

LEA 08	Mandatory	Gateway	PRI 2
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**LEA 08.1** Indicate if you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Yes, we track the number of our engagements in full <input type="checkbox"/> Yes, we partially track the number of our engagements <input type="checkbox"/> We do not track
Collaborative engagements	<input checked="" type="checkbox"/> Yes, we track the number of our engagements in full <input type="checkbox"/> Yes, we partially track the number of our engagements <input type="checkbox"/> We do not track

**LEA 08.2** Additional information. [OPTIONAL]

see our Engagement report that will be published shortly.

LEA 09	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2
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Private

LEA 10	Voluntary	Additional Assessed	PRI 2
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Private

LEA 11	Voluntary	Descriptive	PRI 2
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Private

LEA 12	Mandatory	Descriptive	PRI 2
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**LEA 12.1** Indicate how you typically make your (proxy) voting decisions.

**Approach**

We use our own research or voting team and make voting decisions without the use of service providers.  
 We hire service provider(s) who make voting recommendations and/or provide research that we use to guide our voting decisions.

**Based on**

the service provider voting policy we sign off on  
 our own voting policy  
 our clients' requests or policies  
 other, explain  
 Based on our own voting policy from which our Service Provider Voting guidelines is a material component.

We hire service provider(s) who make voting decisions on our behalf, except for some pre-defined scenarios where we review and make voting decisions.  
 We hire service provider(s) who make voting decisions on our behalf.

**LEA 12.2** Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made.

The voting practice articulates around 3 departments at Carmignac: The portfolio managers, Middle office and the Compliance team. However most of the administration is performed through our service provider ISS, our custodians and our middle office. Carmignac Gestion receives the ballots for voting meetings on ProxyExchange platform from Broadridge (BP2S) ISS post the appropriate analysis for the meetings which is generally available 15 days before meeting via ProxyExchange date. Alerts are in place to be informed when there is a meeting to be voted. Carmignac's portfolio management view is expressed at each vote and not all ISS's recommendations are followed. The ISS research concerning the voting choices are consulted but most importantly direct contact is taken with the company IR or Direction on specific issues. These exchanges are documented and voting choices are manually instructed for any meeting or ballot on ProxyExchange. Statuses of ballots are updated with the information received from Broadridge relating to successful or unsuccessful vote processing. Shares on loan may be recalled to enable voting.

LEA 14	Voluntary	Additional Assessed	PRI 2
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Private

LEA 15	Mandatory	Descriptive	PRI 2
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**LEA 15.1** Indicate the proportion of votes where you or the service providers acting on your behalf have raised concerns with companies ahead of voting.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

LEA 15.2	Indicate the reasons for raising your concerns with these companies ahead of voting.
<input type="checkbox"/> Vote(s) for selected markets <input type="checkbox"/> Vote(s) for selected sectors <input checked="" type="checkbox"/> Vote(s) relating to certain ESG issues <input type="checkbox"/> Vote(s) on companies exposed to controversy on specific ESG issues <input type="checkbox"/> Vote(s) for significant shareholdings <input type="checkbox"/> On request by clients <input type="checkbox"/> Other	

LEA 16	Mandatory	Core Assessed	PRI 2
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LEA 16.1	Indicate the proportion of votes participated in within the reporting year in which, you and/or the service provider(s) acting on your behalf, have communicated to companies the rationale for abstaining or voting against management recommendations.
<input type="radio"/> 100% <input type="radio"/> 99-75% <input type="radio"/> 74-50% <input type="radio"/> 49-25% <input checked="" type="radio"/> 24-1% <input type="radio"/> We do not communicate the rationale to companies <input type="radio"/> Not applicable because we and/or our service providers do not abstain or vote against management recommendations	

LEA 16.2	Indicate the reasons your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.
<input type="checkbox"/> Votes for selected markets <input type="checkbox"/> Votes for selected sectors <input checked="" type="checkbox"/> Votes relating to certain ESG issues <input type="checkbox"/> Votes on companies exposed to controversy on specific ESG issues <input type="checkbox"/> Votes for significant shareholdings <input type="checkbox"/> On request by clients <input type="checkbox"/> Other	

LEA 16.3	In cases where your organisation does communicate the rationale for the abstention or the vote against management recommendations, indicate whether this rationale is made public.
<input type="radio"/> Yes <input checked="" type="radio"/> No	

LEA 16.4	Additional information. [Optional]
The full voting rationale is not made public but is reviewed in a annual audit by the external SRI label certifier	

LEA 17	Mandatory	Core Assessed	PRI 2
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LEA 17.1	For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.		
<input checked="" type="checkbox"/> We do track or collect this information			
	<table border="1"> <tr> <td>Votes cast (to the nearest 1%)</td> </tr> <tr> <td>72%</td> </tr> </table>	Votes cast (to the nearest 1%)	72%
Votes cast (to the nearest 1%)			
72%			
	<table border="1"> <tr> <td>Specify the basis on which this percentage is calculated</td> </tr> <tr> <td> <input type="radio"/> of the total number of ballot items on which you could have issued instructions  <input checked="" type="radio"/> of the total number of company meetings at which you could have voted  <input type="radio"/> of the total value of your listed equity holdings on which you could have voted           </td> </tr> </table>	Specify the basis on which this percentage is calculated	<input type="radio"/> of the total number of ballot items on which you could have issued instructions <input checked="" type="radio"/> of the total number of company meetings at which you could have voted <input type="radio"/> of the total value of your listed equity holdings on which you could have voted
Specify the basis on which this percentage is calculated			
<input type="radio"/> of the total number of ballot items on which you could have issued instructions <input checked="" type="radio"/> of the total number of company meetings at which you could have voted <input type="radio"/> of the total value of your listed equity holdings on which you could have voted			
<input type="radio"/> We do not track or collect this information			

LEA 17.2	Explain your reason(s) for not voting on certain holdings
<input type="checkbox"/> Shares were blocked <input checked="" type="checkbox"/> Notice, ballots or materials not received in time <input type="checkbox"/> Missed deadline <input type="checkbox"/> Geographical restrictions (non-home market) <input type="checkbox"/> Cost <input type="checkbox"/> Conflicts of interest <input type="checkbox"/> Holdings deemed too small <input checked="" type="checkbox"/> Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)	

- Client request
- Other

LEA 18	Voluntary	Additional Assessed	PRI 2
LEA 18.1	Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.		
	<input checked="" type="checkbox"/> Yes, we track this information		
LEA 18.2	Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:		
	<b>Voting instructions Breakdown as percentage of votes cast</b> For (supporting) management recommendations 87% Against (opposing) management recommendations 12% Abstentions 1%		
	<input type="checkbox"/> No, we do not track this information		
LEA 18.3	In cases where your organisation voted against management recommendations, indicate the percentage of companies you have engaged.		

LEA 19	Mandatory	Core Assessed	PRI 2
LEA 19.1	Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.		
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
LEA 19.2	Indicate the escalation strategies used at your organisation following abstentions and/or votes against management.		
	<input type="checkbox"/> Contacting the company's board <input type="checkbox"/> Contacting the company's senior management <input type="checkbox"/> Issuing a public statement explaining the rationale <input type="checkbox"/> Initiating individual/collaborative engagement <input type="checkbox"/> Directing service providers to engage <input type="checkbox"/> Reducing exposure (holdings) / divestment <input checked="" type="checkbox"/> Other		
	Specify		
	Each vote against Management is subject to written rationale which can be verified in our full voting report.		

LEA 20	Voluntary	Descriptive	PRI 2
Private			

FI 01.1 Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.

SSA	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
Corporate (financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0

**FI 01.2** Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

ESG integration is mainstream across 90% of funds at Carmignac. Our Fixed income strategies can be classified in two groups :

ESG integration: with negative/ norms based screening and coal and tobacco exclusions,

- Carmignac Sécurité
- Carmignac Portfolio Global Bond
- Carmignac Patrimoine (balanced)

SRI strategy: ESG integration with negative/ norms based screening, sector exclusions, prospectus SRI objectives, qualitative country G and S assessment, green bond investing

- Carmignac Portfolio Emerging Patrimoine (balanced)

**FI 01.3** Additional information [Optional].

For our ESG integration funds, credit analysts assess ESG risk and document these in the investment rationales. Negative screening of controversial arms, soft exclusion of companies involved in nuclear activities and tobacco are excluded.

For supranationals and sovereigns, we apply a top down macroeconomic approach to country selection excluding those countries on poor macro-economic grounds and where we deem Governance and Social factors are detrimental and represent a systemic risk. Country exclusion lists are also respected

For our SRI fund Carmignac Portfolio Emerging Patrimoine fund, we have developed a proprietary tool to qualitatively assess emerging sovereigns for Governance and Social risk. Environmental factors have not yet been added to the screen which is still under development. The qualitative inputs are:

- Level of Corruption
- Fair Elections
- Free Press
- Institutional Strength
- Political Stability
- Current Account Balance
- Inflation and Monetary Policy mix
- Fiscal Deficit and Debt to GDP
- Economic Orthodoxy

**FI 02** Mandatory to Report, Voluntary to Disclose Core Assessed PRI 1  
Private

**FI 03** Mandatory Additional Assessed PRI 1

**FI 03.1** Indicate how you ensure that your ESG research process is robust:

- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify

specify description

The sustainable framework is for the proprietary Sovereign scoring

- None of the above

**FI 03.2** Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

**FI 04** Mandatory Gateway PRI 1

**FI 04.1** Indicate the type of screening you conduct.

	SSA	Corporate (financial)	Corporate (non-financial)
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Positive/best-in-class screening	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Norms-based screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**FI 04.2** Describe your approach to screening for internally managed active fixed income

At a corporate level, Carmignac Gestion has engaged a specialized ESG consultant, MSCI ESG Research for pre-screening of companies for ESG controversies through the BIS tool, prior to our analysts and Portfolio Managers company research meetings. Across all Fixed Income funds Carmignac operate Negative screening policy hard exclusions and soft exclusions that are discussed in FI 5.2.



In our SRI fund Carmignac Portfolio Emerging Patrimoine, we have introduced positive screening by investing in Green bonds. Currently we invest primarily in sovereign green bonds so far but we intend to extend this to corporate green bonds as the market develops.

as previously explained as a non benchmarked investor we seek opportunities in companies that are improving their ESG risks. Also there are many industries within a benchmarked best in class approach that we would not invest in. That is why in all our investor communication we state a **best in universe and best efforts basis**

[https://www.carmignac.lu/en\\_GB/about-us/socially-responsible-investment-sri-1245](https://www.carmignac.lu/en_GB/about-us/socially-responsible-investment-sri-1245)

FI 05	Voluntary	Additional Assessed	PRI 1
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Private

FI 06	Mandatory	Core Assessed	PRI 1
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**FI 06.1** Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.

Type of screening	Checks
<b>Negative/exclusionary screening?</b>	<input type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
<b>Positive/best-in-class screening</b>	<input type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
<b>Norms-based screening</b>	<input type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

FI 10	Mandatory	Descriptive	PRI 1
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**FI 10.1** Describe your approach to integrating ESG into traditional financial analysis.

**For our Mainstream ESG integration** funds, our approach integrating financial analysis and ESG factors encompasses best in universe as well as best efforts approach.

Our investment universe is first determined by macro-economic considerations. Secondly countries with poor governance are excluded from the universe or can be subject to non-buying / sell convictions. We might invest in sovereign debt whose countries governance is below best in class but improving.

For our SRI fund we have developed a proprietary qualitative sovereign Sustainability assessment. The SRI guidelines for the Carmignac Portfolio Emerging Patrimoine fund can be found on the fund's webpage.

<https://www.carmignac.lu/en/carmignac-portfolio-emerging-patrimoine-a-eur-acc>

In regards to corporate bonds the credit team operates a financial and extra financial due diligence on each issuer before investment. Governance risk can have the biggest impact on the financial state of a company's balance sheet and is prioritised by the Credit team. For issuers in materials or energy sectors, Environmental risks can be more important.

**For our SRI fund** Carmignac Portfolio Emerging Patrimoine fund, there are usually only 5-10 issues invested in this fund each year but they are subject to a full ESG ISR label requirements. The corporate credit positions like the equity portion of the fund, are subject to ESG analysis, ESG scoring, and a reduction of the whole investment universe by 20% based on exclusions, controversies or low ESG rating (if they exist). The MSCI research can be used as backup or comparative to the proprietary screening that the credit analysts and portfolio managers perform in the majority of cases. MSCI ratings are used to allocate ratings to the corporate bonds within the portfolio if they exist. If not the equity team would attribute the rating to the corporate credit issuer.

**FI 10.2** Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.

SSA
Norms based/Top down macroeconomic approach
Best in universe, best efforts approach

In addition For the SRI fund, Qualitative G and S proprietary Sustainability scoring assessment

Corporate (financial)	
Negative screening	
ESG due diligence assessments retained in our front office database tool	
Best in universe, best efforts approach	
For the SRI fund a broader exclusion list is implemented as already stated	
Corporate (non-financial)	
Negative screening	
ESG due diligence retained in our front office database tool	
Best in universe, best efforts approach	
For the SRI fund a broader exclusion list is implemented as already stated	

FI 11	Mandatory	Core Assessed	PRI 1
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**FI 11.1** Indicate how ESG information is typically used as part of your investment process.

	SSA	Corporate (financial)	Corporate (non-financial)
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is used to adjust the internal credit assessments of issuers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis is used to adjust forecasted financials and future cash flow estimates.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis is integrated into portfolio weighting decisions.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**FI 11.2** Additional information [OPTIONAL]

For our only SRI investing in corporate bonds and sovereign there is a stricter and more encompassing process as has already been stated in the previous questions  
the above responses are for our Mainstream funds

FI 12	Mandatory	Additional Assessed	PRI 1
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**FI 12.1** Indicate the extent to which ESG issues are reviewed in your integration process.

	Environment	Social	Governance
SSA	<b>Environmental</b> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<b>Social</b> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<b>Governance</b> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<b>Environmental</b> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<b>Social</b> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<b>Governance</b> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<b>Environmental</b> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<b>Social</b> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<b>Governance</b> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

**FI 12.2** Please provide more detail on how you review E, S and/or G factors in your integration process.

**SSA**

Sovereign risks are discussed formally on a weekly basis and ad-hoc when required. Should there be a change in any important factor (for example factors related to government’s governance for sovereign bonds: fiscal discipline, corruption, fairness of elections, etc.), these risks are discussed and positions adjusted.

Our portfolio managers make very frequent visits to countries where we have or could have investments. Public offices such as treasury departments, supra national bodies such as the IMF and local politicians and independent Think Tanks are met. This allows us to assess and update on an ongoing basis potential E, S and G risks.

Country reviews are systematically made in the form of emails and archived held within a centralised database and is accessible to all investment staff. The Country risk analyst and PMs meet formally to discuss sovereign risk and Sovereign debt on a Monday and Thursday.

**Corporate (financial)**

Issuer ESG risks are assessed prior to investment during road shows by issuers or one on one meetings with the issuer. ESG risks are followed on an ongoing base and are potentially updated after quarterly results following which both financial and extra financial comments are written. Changes in credit risk which can involve discussions of ESG issues is discussed formally every Thursday. For the mainstream funds as previously discussed issuers are not allocated an ESG score

For our SRI fund Carmignac Portfolio Emerging Patrimoine fund, there are usually only 5-10 issues invested in this fund each year but they are subject to a full ESG ISR label requirements. The corporate credit positions like the equity portion of the fund, are subject to ESG analysis, ESG scoring, and a reduction of the whole investment universe by 20% based on exclusions, controversies or low ESG rating (if they exist). The MSCI research can be used as backup or comparative to the proprietary screening that the credit analysts and portfolio managers perform in the majority of cases. MSCI ratings are used to allocate ratings to the corporate bonds within the portfolio if they exist. If not the equity team would attribute the rating to the corporate credit issuer.

**Corporate (non-financial)**

Issuer ESG risks are assessed prior to investment during road shows by issuers or one on one meetings with the issuer. ESG risks are followed on an ongoing base and updated after quarterly results following which both financial and extra financial comments are written. Changes in credit risk which can involve discussions of ESG issues is discussed formally every Thursday. For the mainstream funds as previously discussed issuers are not allocated an ESG score

For our SRI fund Carmignac Portfolio Emerging Patrimoine fund, there are usually only 5-10 issues invested in this fund each year but they are subject to a full ESG ISR label requirements. The corporate credit positions like the equity portion of the fund, are subject to ESG analysis, ESG scoring, and a reduction of the whole investment universe by 20% based on exclusions, controversies or low ESG rating (if they exist). The MSCI research can be used as backup or comparative to the proprietary screening that the credit analysts and portfolio managers perform in the majority of cases. MSCI ratings are used to allocate ratings to the corporate bonds within the portfolio if they exist. If not the equity team would attribute the rating to the corporate credit issuer.

<b>FI 14</b>	<b>Mandatory to Report, Voluntary to Disclose</b>	<b>Core Assessed</b>	<b>PRI 2</b>
<i>Private</i>			
<b>FI 15</b>	<b>Mandatory to Report, Voluntary to Disclose</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
<i>Private</i>			
<b>FI 16</b>	<b>Mandatory to Report, Voluntary to Disclose</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
<i>Private</i>			
<b>FI 17</b>	<b>Mandatory to Report, Voluntary to Disclose</b>	<b>Additional Assessed</b>	<b>General</b>
<i>Private</i>			
<b>FI 18</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1,2</b>
<i>Private</i>			

CM1 01	Mandatory	Additional Assessed	General
CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:		
<input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Whole PRI Transparency Report has been internally verified</li> <li><input type="checkbox"/> Selected data has been internally verified</li> </ul> <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above			
CM1 02	Mandatory	Descriptive	General
CM1 02.1	We undertook third party assurance on last year's PRI Transparency Report		
<input type="radio"/> Whole PRI Transparency Report was assured last year <input type="radio"/> Selected data was assured in last year's PRI Transparency Report <input checked="" type="radio"/> We did not assure last year's PRI Transparency report <input type="radio"/> None of the above, we were in our preparation year and did not report last year.			
CM1 03	Mandatory	Descriptive	General
CM1 03.1	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:		
<input checked="" type="checkbox"/> We adhere to an RI certification or labelling scheme			
CM1 03.2	Which scheme?		
<input checked="" type="checkbox"/> National SRI label based on the EUROSIF Transparency guidelines			
		% of total AUM the scheme applies	
<input checked="" type="radio"/> < 25% <input type="radio"/> 25-50 % <input type="radio"/> 50-70 % <input type="radio"/> >75 %			
<input type="checkbox"/> B-corporation <input type="checkbox"/> UK Stewardship code <input type="checkbox"/> GRESB <input type="checkbox"/> Commodity type label (e.g. BCI) <input type="checkbox"/> Social label <input type="checkbox"/> Climate label <input type="checkbox"/> RIAA <input type="checkbox"/> Other			
<input type="checkbox"/> We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report <input checked="" type="checkbox"/> ESG audit of holdings			
CM1 03.4	Describe the process of external/third party ESG audit of holdings, including which data has been assured.		
<p>the French government SRI label representative, in our case AFNOR, perform annual audits on our 3 SRI funds.</p> <p>The 6 pillars are verified with Portfolio manager teams, Stewardship staff, marketing, Middle Office, Sales and Compliance departments.</p> <p>any minor non conformities must be verified before the next audit, any major non conformities leads to a suspension of the label.</p> <p>Pillar I</p> <ul style="list-style-type: none"> <li>•The objectives targeted by the fund by taking ESG criteria into account.</li> <li>•Objectives in prospectus</li> </ul> <p>Pillar II</p> <ul style="list-style-type: none"> <li>•Issuer analysis and rating methodology used by the fund management company</li> <li>•90% of fund holdings must have ESG investment risks and opportunities commentaries plus an investable recommendation</li> </ul> <p>Pillar III</p> <ul style="list-style-type: none"> <li>•Inclusion of ESG criteria in the portfolio's construction and operation</li> <li>•20% of the investible universe after financial filter must be excluded on ESG related grounds</li> </ul> <p>Pillar IV</p> <ul style="list-style-type: none"> <li>•The policy on ESG engagement (dialogue and voting) with issuers</li> <li>•Includes objective, outcomes and actions</li> </ul> <p>Pillar V</p>			

- Enhanced transparency
- Transparency codes , due diligence, marketing documents
- Pillar VI
- Demonstration of positive impacts objectives on the development of a sustainable economy
- Carbon emissions target MSCI ESG Low Carbon Target Index,

- Other, specify
- None of the above

CM1 04	Mandatory	Descriptive	General
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CM1 04.1	Do you plan to conduct third party assurance of this year's PRI Transparency report?
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- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

CM1 06	Mandatory	Descriptive	General
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CM1 06.1	Provide details of the third party assurance of RI related processes, and/or details of the internal audit conducted by internal auditors of RI related processes (that have been reported to the PRI this year)
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	What RI processes have been assured
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- Data related to RI activities
- RI policies

	Specify
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Members of our ESG committee

- RI related governance
- Engagement processes
- Proxy voting process
- Integration process in listed assets
- Screening process in listed assets
- Thematic process in listed assets
- Other

	When was the process assurance completed(dd/ mm/yy)
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31/12/2018

	Assurance standard used
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- IIA's International Standards for the Professional Practice of Internal Auditing
- ISAE 3402
- ISO standard
- AAF 01/06
- SSE18
- AT 101 (excluding financial data)
- Other

	Specify
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Internal guidelines

CM1 07	Mandatory	Descriptive	General
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CM1 07.1	Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed
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- CEO or other Chief-Level staff
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)