



LEA 02	Discipline: Mandatory	Principle: PRI 1, 2, 3
<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transition or identify the need for additional or other specific</li> <li><input type="checkbox"/> We do not engage via internal staff</li> </ul>	<p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p>	
	<p>Collaborative engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input type="checkbox"/> To enhance corporate transition or identify the need for additional or other specific</li> <li><input type="checkbox"/> We do not engage via collaborative engagements</li> </ul>
	<p>Service provider engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input type="checkbox"/> To enhance corporate transition or identify the need for additional or other specific</li> <li><input type="checkbox"/> We do not engage via service providers</li> </ul>

# RI TRANSPARENCY REPORT

## 2018

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 2018 reporting cycle. 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. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		-	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Private							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown by passive, active strategies	✓	Private							✓
OO FI 02	Option to report on <10% assets	🔒	n/a							✓
OO FI 03	Breakdown by market and credit quality	✓	Private							✓
OO SAM 01	Breakdown by passive, quantitative, fundamental and other active strategies	🔒	n/a							✓
OO PE 01	Breakdown of investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership	🔒	n/a							✓
OO PR 01	Breakdown of investments	🔒	n/a							✓
OO PR 02	Breakdown of assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of investments	🔒	n/a							✓
OO INF 02	Breakdown of assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	-	n/a							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	-	n/a							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	🔒	n/a							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public							✓
SG End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Private	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 07	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 11	ESG issues in index construction	🔒	n/a	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 13	Measurement of financial and ESG outcomes of ESG incorporation	✓	Private	✓						
LEI 14	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagement methods	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
LEA 15	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 16	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 17	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 18	Confirmation of votes	-	n/a		✓					
LEA 19	Securities lending programme	✓	Private		✓					
LEA 20	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 21	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 22	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 23	Shareholder resolutions	-	n/a		✓					
LEA 24	Examples of (proxy) voting activities	-	n/a		✓					
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Private	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Negative screening - overview and rationale	✓	Public	✓						
FI 06	Examples of ESG factors in screening process	✓	Private	✓						
FI 07	Screening - ensuring criteria are met	✓	Public	✓						
FI 08	Thematic investing - overview	🔒	n/a	✓						
FI 09	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 10	Thematic investing - assessing impact	🔒	n/a	✓						
FI 11	Integration overview	✓	Public	✓						
FI 12	Integration - ESG information in investment processes	✓	Public	✓						
FI 13	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 14	ESG incorporation in passive funds	🔒	n/a	✓						
FI 15	Engagement overview and coverage	✓	Private		✓					
FI 16	Engagement method	✓	Private	✓	✓					
FI 17	Engagement policy disclosure	✓	Private	✓	✓					
FI 18	Financial/ESG performance	✓	Private							✓
FI 19	Examples - ESG incorporation or engagement	-	n/a	✓	✓					
FI End	Module confirmation page	✓	-							

Assurance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM 1 01.1	Assurance, verification, or review	✓	Public							✓
CM 1 01.2 & 01.8	Assurance of this year's PRI data	✓	Public							
CM 1 01.3 & 01.9	Assurance of last year's PRI data	✓	Public							✓
CM 1 01.4, 10-12	Other confidence building measures	✓	Public							✓
CM 1 01.5	External assurance	🔒	n/a							✓
CM 1 01.6	Assurance or internal audit	✓	Public							✓
CM 1 01.7	Internal verification	✓	Public							✓
CM 1 01 End	Module confirmation page	✓	-							

## Basic information

OO 01	Mandatory	Public	Gateway/Peering	General
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### OO 01.1 | Select the services and funds you offer

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

- Fund of funds, manager of managers, sub-advised products
- Other, specify

Further options for investment managers (may be selected in addition to the above)

- Execution and advisory services
- Hedge funds
- Fund of hedge funds

OO 02	Mandatory	Public	Peering	General
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### 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).

- 1
- 2-5
- 6-10
- >10

### OO 02.3 | Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

282

OO 03	Mandatory	Public	Descriptive	General
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OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

Yes

No

OO 04

Mandatory

Public

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

31/12/2017

OO 04.2

Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		56	513	296	749
Currency	EUR				
Assets in USD		67	052	843	840

OO 06

Mandatory

Public

Descriptive

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

OO 06.1

Select how you would like to disclose your asset class mix.

as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	38.89	0
Fixed income	53.93	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0

Farmland	0	0
Inclusive finance	0	0
Cash	7.18	0
Other (1), specify	0	0
Other (2), specify	0	0

as broad ranges

**OO 06.2**

Publish asset class mix as per attached image [Optional].

### Asset class implementation gateway indicators

**OO 10**

**Mandatory**

**Public**

**Gateway**

**General**

**OO 10.1**

Select the active ownership activities your organisation implemented in the reporting year.

#### Listed equity – 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.

#### Listed equity – voting

- 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 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 (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	Public	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	Public	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**

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised

**RI implementation via external managers****Closing module**

- Closing module

**Investment policy****SG 01****Mandatory****Public****Core Assessed****General**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**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.

Select all that apply

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 type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Other, specify (1) <b>Prospectus guidelines for 4 funds</b> <input type="checkbox"/> Other, specify(2)	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

**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 and related issues
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, and how they consider ESG factors and real economy impact.

Our ESG approach to our investment process is based on 4 stages:

- 1.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.
- 2.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.
- 3.Committing to the long term. Promoting ESG criteria within our investment professional peers and corporations, especially in our Voting Policy.
- 4.Communicating to our investors. Publishing our funds' annual reports and our voting policy report. Provide our funds' annual MSCI ESG analytics reports when requested.

No

Your responses to this indicator will be used to determine if you meet the minimum requirements of being a PRI signatory introduced for the first time in 2018. Signatories have until 2020 to meet these requirements.

You can find out more information on the PRI website.

There are two minimum requirements for this indicator SG 01.1 and SG 01.2:

- A policy, or similar document, that:Sets out your overall approach to responsible investment; or
- Formalised guidelines on environmental factors; or
- Formalised guidelines on social factors; or
- Formalised guidelines on governance factors.
- 

The PRI recognises that RI "policies" can take many different forms and can have a variety of titles. Please see the explanatory notes for this indicator to see further explanation of this and further guidance.

- This policy/document should cover more than 50% of your AUM

If you have any questions or need support please contact reporting@unpri.org or call on + 44 (0) 203 714 3187.

SG 02	Mandatory	Public	Core Assessed	PRI 6
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach

URL/Attachment
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- URL

URL
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<http://www.carmignac.fr/en/our-fund-management/responsible-investment>

- Attachment (will be made public)
- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- Sector specific RI guidelines

URL/Attachment
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- URL

URL

<https://www.carmignac.co.uk/en/carmignac-emergents-a-eur-acc>

- Attachment (will be made public)
- Screening / exclusions policy

URL/Attachment

- URL

URL

<http://www.carmignac.fr/en/our-fund-management/responsible-investment>

- Attachment (will be made public)
- Engagement policy
- (Proxy) voting policy
- Other, specify (1)

Other, specify (1) description

Specific guidelines for: Carmignac Emergents, Carmignac Portfolio Emergents, Carmignac Portfolio Emerging Patrimoine, Carmignac Portfolio Grande Europe

URL/Attachment

- URL

URL

<https://www.carmignac.co.uk/en/carmignac-emergents-a-eur-acc>

- 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

- URL

URL

[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)

- Attachment
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment

URL/Attachment

- URL

URL

[https://docs.publifund.com/kiid/FR0010149302/en\\_FR](https://docs.publifund.com/kiid/FR0010149302/en_FR)

- Attachment
- ESG incorporation approaches

URL/Attachment

- URL

URL

[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)

- Attachment
- Active ownership approaches

URL/Attachment

- URL

URL

[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)

- Attachment
- Reporting

URL/Attachment

- URL



URL

[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)

Attachment

Climate-related issues

URL/Attachment

URL

URL

[https://www.carmignac.lu/en/files/2016/AR\\_LU0099161993\\_LU\\_en.pdf](https://www.carmignac.lu/en/files/2016/AR_LU0099161993_LU_en.pdf)

Attachment

We do not publicly disclose any investment policy components

**SG 02.3** Indicate if your organisation's investment principles, and overall investment strategy is publicly available

Yes

URL

[https://www.carmignac.fr/en\\_GB/our-funds/our-approach-418](https://www.carmignac.fr/en_GB/our-funds/our-approach-418)

No

**SG 02.4** Additional information [Optional].

Further details are available on our website and more details are available upon requests.

<b>SG 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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**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.

The company does not engage in any brokerage or research activities for outside companies. Regarding potential conflicts of interest, it is worth mentioning that Carmignac Gestion's equity capital is held by the founder and the employees.

Carmignac has a written policy designed to identify and, if necessary, deal fairly with any conflicts of interest that might arise in the course of carrying out one of its services, either between its own interests and those of its clients, or between the interests of several clients.

No

## Objectives and strategies

<b>SG 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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**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]

Bi-annual ESG committee setting and reviewing company ESG/SRI objectives.

## Governance and human resources

<b>SG 07</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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**SG 07.1** Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), 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  
**Compliance and Internal Controllers**

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- ESG portfolio manager
- 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
- External managers or service providers
  - 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)

<b>SG 07.2</b>	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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The ESG Committee headed by the ESG coordinator interfaces with investment management team. Specialised resources have been dedicated to ESG investment choices within the committee which includes 6 members of the investment team. While there are 9 members within the committee all with different responsibilities no one member is dedicated 100% to only ESG initiatives.

<b>SG 07.3</b>	Indicate the number of dedicated responsible investment staff your organisation has.
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	Number
--	--------

1

<b>SG 07.4</b>	Additional information. [Optional]
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Carmignac has been sensitizing 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.

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.

First-level controls are performed by the risk management department. Furthermore, restrictions lists with hard and soft exclusions are implemented directly in the company's trading tools, making it impossible for example to 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.

The Compliance and Internal Control team can review the global ISR approach followed by Fund Managers, in the course of the conduct of the annual compliance monitoring program.

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.

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.

Your responses to this indicator will be used to determine if you meet the minimum requirements of being a PRI signatory introduced for the first time in 2018. Signatories have until 2020 to meet these requirements.

You can find out more information on the PRI website.

There are two minimum requirements for this indicator SG 07.1:

- A role implementing responsible investment: Individuals with implementation roles are those charged with implementing specific aspects of the organisation's responsible investment practices, for example, conducting ESG-related research, incorporating ESG issues into investment strategies, voting shareholdings, engaging with companies and policy makers;
- This can be an internal staff or an external role;
- They do not have to be a dedicated RI/ESG investment staff (captured in 07.3); and
- They do not have to be allocating the majority of their time to RI/ESG activities.
- 
- Senior level oversight and accountability for RI implementation: Individuals with oversight roles are those with management or governance responsibility for ensuring that the organisation implements its policies, and achieves its objectives and targets in relation to responsible investment performance; and
- "Senior level" includes the roles: Chief level staff, head of department, CEO, CIO, Investment Committee and Board members or trustees.
- 

If you have any questions or need support please contact [reporting@unpri.org](mailto:reporting@unpri.org) or call on + 44 (0) 203 714 3187.

## Promoting responsible investment

SG 09	Mandatory	Public	Core Assessed	PRI 4,5
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

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.
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**Select all that apply**

- Principles for Responsible Investment

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

- Basic  
 Moderate  
 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

- Asian Corporate Governance Association  
 Australian Council of Superannuation Investors  
 AFIC – La Commission ESG  
 BVCA – Responsible Investment Advisory Board  
 CDP Climate Change  
 CDP Forests  
 CDP Water  
 CFA Institute Centre for Financial Market Integrity  
 Code for Responsible Investment in SA (CRISA)  
 Code for Responsible Finance in the 21st Century  
 Council of Institutional Investors (CII)  
 Eumedion  
 Extractive Industries Transparency Initiative (EITI)  
 ESG Research Australia  
 EVCA – Responsible Investment Roundtable  
 Global Investors Governance Network (GIGN)  
 Global Impact Investing Network (GIIN)  
 Global Real Estate Sustainability Benchmark (GRESB)  
 Green Bond Principles  
 Institutional Investors Group on Climate Change (IIGCC)  
 Interfaith Center on Corporate Responsibility (ICCR)  
 International Corporate Governance Network (ICGN)  
 Investor Group on Climate Change, Australia/New Zealand (IGCC)  
 International Integrated Reporting Council (IIRC)  
 Investor Network on Climate Risk (INCR)/CERES  
 Local Authority Pension Fund Forum  
 Principles for Sustainable Insurance  
 Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify  
FEBELFIN: Quality Standard for sustainable financial products

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

- Basic
- Moderate
- Advanced
- 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

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

- Basic
- Moderate
- Advanced

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

Included in our voting policy

- Other collaborative organisation/initiative, specify  
French/Luxembourg government sponsored SRI Forums AFG SRI working group Belgian Pensio-plus SRI working group IA, UK SRI working group UNPRI ALFI SRI Conference panellist

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

- Basic
- Moderate
- Advanced

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

Attended French and Luxembourg government sponsored SRI Forums.

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

SG 10	Mandatory	Public	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

Internal Handbook/ guidelines  
 New recruitments induction with dedicated ESG section  
 Ad Hoc trainings for fund managers, analysts and support teams  
 UNPRI ALFI SRI Conference Speaker, Luxembourg 05/02/2018  
 Portfolio Advisor SRI conference, Speaker, London 08/02/2018  
 European Commission Sustainable Finance, Delegate, Brussels, 22/03/18  
 Fondresearch SRI institutional investment conference, Speaker, Vienna 13/03/2018

## Frequency of contribution

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

Proactively discloses evolution of our funds ESG evolutions. Proactively increase voting participation in owned companies. Ongoing discussion with clients on ways to improve transparency and disclosure on responsible investment.

## Frequency of contribution

- Quarterly or more frequently  
 Biannually  
 Annually  
 Less frequently than annually  
 Ad hoc  
 Other
- Spoke publicly at events and conferences to promote responsible investment

## Description

Participation of ESG committee members at investor seminars and conferences on ESG.

#### Frequency of contribution

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

Wrote and published in-house research papers on responsible investment

#### Description

Written ESG analysis on companies owned in portfolios when no external research exists. Ad Hoc comments on controversies that could occur on invested companies or their peers if relevant.

#### Frequency of contribution

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

#### 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

Participant in the FEBELIN Quality Standard for sustainable financial products work group. Participation in the Belgian Pensioplus SRI working group. Participant in the AFG SRI working group.



#### 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

Press article on SRI within asset management for AGEFI Luxembourg.

#### 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

#### Description

UNPRI ALFI SRI Conference panellist.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify
- No

### Outsourcing to fiduciary managers and investment consultants

SG 12

Mandatory

Public

Core Assessed

PRI 4

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 12.1**

Indicate whether your organisation uses investment consultants.

- 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.

- Custodial services
- Investment policy development
- Strategic asset allocation
- Investment research

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.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above
- No, we do not use investment consultants.

**ESG issues in asset allocation****SG 13****Mandatory****Public****Descriptive****PRI 1**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 13.1**

Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

**Asset class implementation not reported in other modules**

SG 16	Mandatory	Public	Descriptive	General
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Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - Securitised	Structured products represent a small fraction of AuM.
Cash	Not applicable

SG 16.2	Additional information [Optional].
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Not applicable

## Communication

SG 19	Mandatory	Public	Core Assessed	PRI 6
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SG 19.1	Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
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	Fixed income
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- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

	Listed equity - Engagement
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- 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
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- Yes
- 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
Frequency	<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
URL	<a href="https://www.carmignac.fr/fr/files/2017/AR_FR0010148981_FR_fr.pdf">https://www.carmignac.fr/fr/files/2017/AR_FR0010148981_FR_fr.pdf</a>

**Listed equity – (Proxy) Voting**

- 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**

- Yes
- No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	<input type="radio"/> Explain all voting decisions <input type="radio"/> Explain some voting decisions <input type="radio"/> Only explain abstentions and votes against management <input checked="" type="radio"/> No explanations provided
Frequency	<input type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested
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>

**Listed equity - Incorporation**

- 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

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	<input checked="" type="radio"/> Broad approach to ESG incorporation <input type="radio"/> Detailed explanation of ESG incorporation strategy used
Frequency	<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
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>

## ESG incorporation in actively managed listed equities

### Implementation processes


LEI 01	Mandatory	Public	Core Assessed	PRI 1
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**


<b>LEI 01.1</b>	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%)
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**ESG incorporation strategy (select all that apply)**

- 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	
	93

- 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	
	7

**Total actively managed listed equities**

100%

**LEI 01.2** Describe your organisation’s approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.

At Carmignac, we believe that ESG incorporation is not only a "green tag", or a "nice to have". Indeed, we believe that an asset manager's number one fiduciary duty to its investors is to mitigate as much 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 asses 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. In addition to Tobacco, coal, oil sands and adult entertainment, meat processing companies 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, identifies 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 complemented 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 producers, oil sands, gambling, adult education, 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.

May include a discussion of the following:

- The main ESG strategies in use, and the motivation for its use.
- Who is responsible for the implementation of these strategies.
- How your ESG incorporation strategies differ (e.g. by sector, geography, etc.).
- If relevant, how combinations of strategies are used.

**LEI 01.3**

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

We apply a strict exclusion policy for which controversial companies and countries are pre-set into our Bloomberg AIM portfolio management system preventing trading. Our MSCI ESG Business Involvement tool provides an aid to screening for other controversies. Extra financial ESG criteria are integrated during company due diligence where checklists are used to monitor the companies approach to ESG, financial projections and valuation. Most of our funds have a low exposure to fossil fuels and we have integrated a carbon emissions monitoring and reporting process in the largest funds since 2017. Furthermore, we have implemented in 2017 a full and complete responsible investment approach for our emerging funds, which is available on our website. The portfolio managers and analysts are responsible for the implementation of the ESG criteria, while Carmignac's dedicated ESG committee is responsible for the launch and implementation of new ESG initiatives, client enquiries on the company's ESG approach and track record and ESG policy adherence of our Funds. The ESG committee is composed of members of the investment committee, marketing, compliance and middle office representatives.

## (A) Implementation: Screening



LEI 04.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.
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**Type of screening**

- Negative/exclusionary screening

**Screened by**

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

	Description
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All funds/assets managed:

- Hard exclusion policy for controversial weapons and global sanctions for all our funds/assets
- Soft screening with automatic alert for Nuclear companies and Tobacco Producers

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

- Additional hard exclusion for tobacco, thermal coal, oil sands, adult entertainment, meat processing and Ethical Treatment of Animals

Carmignac Portfolio Grande Europe:

- Additional hard exclusions for Tobacco, Thermal Coal, Oil Sands, Adult Entertainment and Gambling
- Additional soft screening on oil & gas companies (to minimise exposure to fossil fuels)

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

Corporate governance screenings are done by the investment teams and through the proxy voting provider ISS.

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.

Describe which ESG screens are used, for which funds and whether they are used in combination with other screens.

- Positive/best-in-class screening
- Norms-based screening

**Screened by**

- 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
  - USA Patriot Act
  - Oslo & Ottawa treaties
  - Convention on Cluster Munitions (Dublin, may 30, 2008)

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.

<b>LEI 04.2</b>	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
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- 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.
- 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.

<b>LEI 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**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.
- 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

### (C) Implementation: Integration of ESG issues

**LEI 08****Mandatory****Public****Core Assessed****PRI 1****LEI 08.1**

Indicate which 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: 5px; display: flex; align-items: center;"> <div style="width: 10%;"></div> <div>Environmental</div> </div> <p> <input type="radio"/> &lt;10%  <input type="radio"/> 10-50%  <input type="radio"/> 51-90%  <input checked="" type="radio"/> &gt;90% </p>
Social	<div style="background-color: #0070C0; color: white; padding: 5px; display: flex; align-items: center;"> <div style="width: 10%;"></div> <div>Social</div> </div> <p> <input type="radio"/> &lt;10%  <input type="radio"/> 10-50%  <input type="radio"/> 51-90%  <input checked="" type="radio"/> &gt;90% </p>
Corporate Governance	<div style="background-color: #0070C0; color: white; padding: 5px; display: flex; align-items: center;"> <div style="width: 10%;"></div> <div>Corporate Governance</div> </div> <p> <input type="radio"/> &lt;10%  <input type="radio"/> 10-50%  <input type="radio"/> 51-90%  <input checked="" type="radio"/> &gt;90% </p>

## Engagement

### Overview

LEA 01	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>LEA 01.1</b>	Indicate whether your organisation has a formal engagement policy.
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Yes

<b>LEA 01.2</b>	Attach or provide a URL to your engagement policy.
-----------------	--

Attachment provided:

URL provided:

**LEA 01.3**

Indicate what your engagement policy covers:

- Conflicts of interest
- Insider information
- Alignment with national stewardship code requirements
- Due diligence and monitoring process
- Prioritisation of engagements
- Transparency of engagement activities
- Environmental factors
- Social factors
- Governance factors
- Other, describe
- None of the above

**LEA 01.4**

Provide a brief overview of your organization's approach to engagement

Engagements occur directly with Companies regarding E, S or G issues and are subject to a specific Sustainability report.

Fund managers and analysts engage with companies' management during due diligence before investment decisions are made. For companies we invest in, there are regular discussions and follow up of topics during meetings with the companies. When controversies occur, fund managers and analysts are responsible for the engagement and follow up with their respective companies. The ESG committee can also request fund managers and engage with a company on a specific topic or controversy. These are documented and visible to all investment staff.

We have initiated new guidelines within our Portfolio Management Handbook. This handbook serves as a reminder of most significant Portfolio Managers' Regulatory requirements, commitments and internal guidelines

Regarding our voting policy, since 2015 with the cooperation of ISS, we have raised our level of voting participation from 40% to 77% across all our FCP fund range.

We have introduced Socially Responsible objectives into the Prospectus for 4 Funds for which we have committed to active voting policy >80% participation rate.

- Carmignac Emergents
- Carmignac Portfolio Emergents
- Carmignac Portfolio Emerging Patrimoine
- Carmignac Portfolio Grande Europe

Guidance on this indicator available in Explanatory Notes.

No

**LEA 01.6**

Additional information [optional]

As Responsible Investors, portfolio managers and analysts are required to:

Assess and document risks on E, S and G issues for every investment rationale and review and record them in TAMALE; Document Engagements with companies on E S or G issues should controversies arise in TAMALE Respect exclusions of controversial sectors and country sanction lists, which are maintained by Compliance and recorded in Bloomberg AIM. Promote active voting participation Document a specific rationale when voting against ISS sustainability recommendations

LEA 02	Mandatory	Public	Gateway	PRI 1,2,3
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**LEA 02.1** Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<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"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
<b>Collaborative engagements</b>	<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"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<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"/> Other, specify <input type="checkbox"/> We do not engage via service providers

## Process

### Process for engagements run internally

LEA 03	Mandatory	Public	Core Assessed	PRI 2
--------	-----------	--------	---------------	-------

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 03.1** Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

Yes

**LEA 03.2**

Describe the criteria used to identify and prioritise engagement activities carried out by internal staff.

- Geography / market of the companies
  - Materiality of ESG factors
  - Systemic risks to global portfolios
  - Exposure (holdings)
  - In response to ESG impacts that have already occurred.
  - As a response to divestment pressure
  - Consultation with clients/beneficiaries
  - Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
  - As a follow-up from a voting decision
  - Client request
  - Other, describe
- No

**LEA 04****Mandatory****Public****Core Assessed****PRI 2**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 04.1**

Indicate if you define specific objectives for your engagement activities.

- Yes
  - Yes, for all engagement activities
  - Yes, for the majority of engagement activities
  - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out by internal staff.

**LEA 04.2**

Indicate if you monitor the actions that companies take during and following your engagements activities carried out by internal staff.

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out by internal staff.

**LEA 04.3**

Indicate if you do any of the following to monitor and evaluate the progress of your engagement activities carried out by internal staff.

- Define timelines for your objectives
- Tracking and/or monitoring progress against defined objectives
- Tracking and or monitoring progress of actions taken when original objectives are not met
- Revisit and, if necessary, revise objectives on continuous basis
- Other, please specify
- We do not monitor and evaluate progress of engagement activities carried out by internal staff

### Process for engagements conducted via collaborations

**LEA 05****Mandatory****Public****Core Assessed****PRI 2**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 05.1**

Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements

Yes

**LEA 05.2**

Describe the criteria used to identify and prioritise collaborative engagements.

- Potential to learn from other investors
- Ability to add value to the collaboration
- Geography / market of the companies targeted by the collaboration
- Materiality of ESG factors addressed by the collaboration
- Systemic risks to global portfolios addressed by the collaboration
- Exposure (holdings) to companies targeted by the collaboration
- In reaction to ESG impacts addressed by the collaboration that have already occurred.
- As a response to divestment pressure
- As a follow-up from a voting decision
- Consultation with clients/beneficiaries
- Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
- Other, describe

No

**LEA 06****Mandatory****Public****Core Assessed****PRI 2**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**



**LEA 06.1**

Indicate if you define specific objectives for your engagement activities carried out collaboratively.

- Yes
  - Yes, for all engagement activities
  - Yes, for the majority of engagement activities
  - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out collaboratively.

**LEA 06.2**

Indicate if you monitor the actions companies take during and following your collaborative engagements.

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out collaboratively

**LEA 06.3**

Indicate if you do any of the following to monitor and evaluate the progress of your collaborative engagement activities.

- Define timelines for your objectives
- Tracking and/or monitoring progress against defined objectives
- Tracking and or monitoring progress of actions taken when original objectives are not met
- Revisit and, if necessary, revise objectives on continuous basis
- Other, please specify
- We do not monitor and evaluate progress of engagement activities carried out by internal staff

May include a discussion of the following;

- How collaborative engagement objectives are defined.
- How progress of collaborative engagement activities are tracked, including how you monitor action taken by companies.
- How the decision to terminate or escalate a collaborative engagement programme or activity is made.
- How insights from collaborative engagement are incorporated into investment decision-making.
- How lessons learned are tracked and integrated into future engagement programmes.
- Any relevant examples.

### Process for engagements conducted with/on your behalf by service providers

**LEA 07****Mandatory****Public****Core Assessed****PRI 2,4**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 07.1**

Indicate if you play a role in the engagement process that your service provider conducts on your behalf.

Yes

**LEA 07.2**

Indicate the role(s) you play in engagements that your service provider conducts on your behalf.

- Discuss the topic (or ESG issue(s)) of engagement
- Discuss the rationale for engagement
- Discuss the objectives of the engagement
- Select the companies to be engaged with
- Discuss the frequency/intensity of interactions with companies
- Discuss next steps for engagement activity
- Participate directly in certain engagements with your service provider
- Other, specify
- We play no role in engagements that our service provider conducts.

No

May include a discussion of the following:

- Your role in setting engagement/active ownership objectives.
- How you monitor/oversee service provider activities.
- Any joint engagement conducted with the service provider.

**LEA 08****Mandatory****Public****Core Assessed****PRI 2,6****LEA 08.1**

Do you monitor and review the outcomes of the engagement activities undertaken by your service providers on your behalf?

Please select all that apply

- Yes, periodically
- Yes, ad hoc basis
- We do not monitor or review them

### General processes for all three groups of engagers

**LEA 09****Mandatory****Public****Additional Assessed****PRI 1,2****LEA 09.1**

Indicate if insights gained from your engagements are shared with your internal or external investment managers.

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
<b>Service provider engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

May include a discussion of the following:

- How you decide what information to pass to investment decision-makers.
- What you expect investment decision-makers to do with the insights you pass on.
- How you monitor their use of insights you passed on.
- Whether ESG data collected through engagement feeds into an internal ratings tool/platform.

LEA 10	Mandatory	Public	Gateway	PRI 2
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LEA 10.1	Indicate if you track the number of your engagement activities.
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Type of engagement	Tracking engagements
<b>Individual / Internal staff engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track and cannot estimate our engagements
<b>Service provider engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track and cannot estimate our engagements

May include a discussion of the following:

- The systems in place to track engagement progress.
- A description of the information collected.
- How regularly tracking systems are updated and to whom this information is provided
- Any auditing procedures that occur.

## (Proxy) voting and shareholder resolutions

### Overview

LEA 15

Mandatory

Public

Core Assessed

PRI 1,2,3

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 15.1

Indicate whether your organisation has a formal voting policy.

Yes

LEA 15.2

Indicate what your voting policy covers:

- Conflicts of interest
- Share blocking
- Securities lending process
- Prioritisation of voting activities
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Filing/co-filing resolutions
- Extraordinary meetings
- Regional voting practices
- Transparency of proxy voting activities
- Company dialogue pre/post vote
- Other, describe
- None of the above

LEA 15.3

Attach or provide a URL to your voting policy. [Optional]

URL

<https://www.carmignac.fr/uploads/pdf/0001/03/5e808765e89ca33830d940096a70acb6881f455f.pdf>

LEA 15.4

Provide a brief overview of your organization's approach to (proxy) voting.

Since 2015, ISS supports Carmignac's efforts for specific responsible investing engagement and reporting.

By appointing an external service provider, Carmignac expects to leverage on ISS Governance expertise regarding the analysis performed on submitted resolution during corporate meetings. Moreover, Carmignac is conscious of economic, social and environmental concerns that issuers will face in the future. This is the reason why Carmignac decided to leverage on the principles set in the « sustainability » policy defined by ISS Governance and is subject to a specific annual report.

Since 2015, we have raised our level of voting participation from 40% to 77% across all our FCP fund range and 58% for our Sicav range of funds. Our objective is 70% in 2018 across all funds.

We introduced SRI approach into the prospectus of 4 funds with commitment to active voting policy >80% participation rate.

Carmignac also exercises the voting rights attached to the securities held by the UCI it manages on behalf of unit holders and/or shareholders where there is a risk of companies changing their strategy, which may be evidenced by a risk of:

- change in the majority shareholder;
- merger / acquisition;
- change in the management team;
- restructuring...

Guidance on this indicator available in Explanatory Notes.

No

## Process

LEA 16	Mandatory	Public	Descriptive	PRI 2
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LEA 16.1	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) that make voting recommendations or provide research that we use to inform our voting decisions.

### Based on

- the service provider voting policy signed off by us
- our own voting policy
- our clients' requests or policy
- other, explain

Based on our own voting policy from which our Service Provider Voting guidelines is a material component.

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

<b>LEA 16.2</b>	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 (if applicable).
-----------------	---

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.

May include a discussion of the following;

- Who is involved in making final voting decisions internally.
- Description of criteria used to review service provider's recommendations.
- Any examples of situations in which there is more than one decision-maker or when decisions are made jointly.

<b>LEA 20</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>LEA 20.1</b>	Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting
-----------------	---

- Yes, in most cases
- Sometimes, in the following cases:
- Neither we nor our service provider raise concerns with companies ahead of voting

<b>LEA 20.2</b>	Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.
-----------------	---

- Yes, in most cases
- Sometimes, in the following cases.
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

You may like to include information on the criteria used to outline which companies are informed of voting decisions before or after voting takes place.

## Outputs and outcomes

LEA 21	Mandatory	Public	Core Assessed	PRI 2
--------	-----------	--------	---------------	-------

**LEA 21.1** 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.

We do track or collect this information

Votes cast (to the nearest 1%)

%

77

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

**LEA 21.2** Explain your reason(s) for not voting certain holdings

- Shares were blocked
- Notice, ballots or materials not received in time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- On request by clients
- Other




We do not track or collect this information

LEA 22	Mandatory	Public	Additional Assessed	PRI 2
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**LEA 22.1** Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

Yes, we track this information

**LEA 22.2** Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 87
Against (opposing) management recommendations	 12
Abstentions	 1

100%

**LEA 22.3** Describe the actions you take in relation to voting against management recommendations.

The great majority of vote against management were instructed based on the recommendation of our service provider to support the voting guidelines issued from the Sustainability Voting Policy selected by Carmignac.

May include a discussion of the following;

- How decision to vote against management is part of your engagement programme.
- How you communicate with interested companies before and after the vote.
- How you monitor a company's reaction and eventual changes to internal ESG ratings.
- How you communicate internally about the vote.

No, we do not track this information

## ESG incorporation in actively managed fixed income

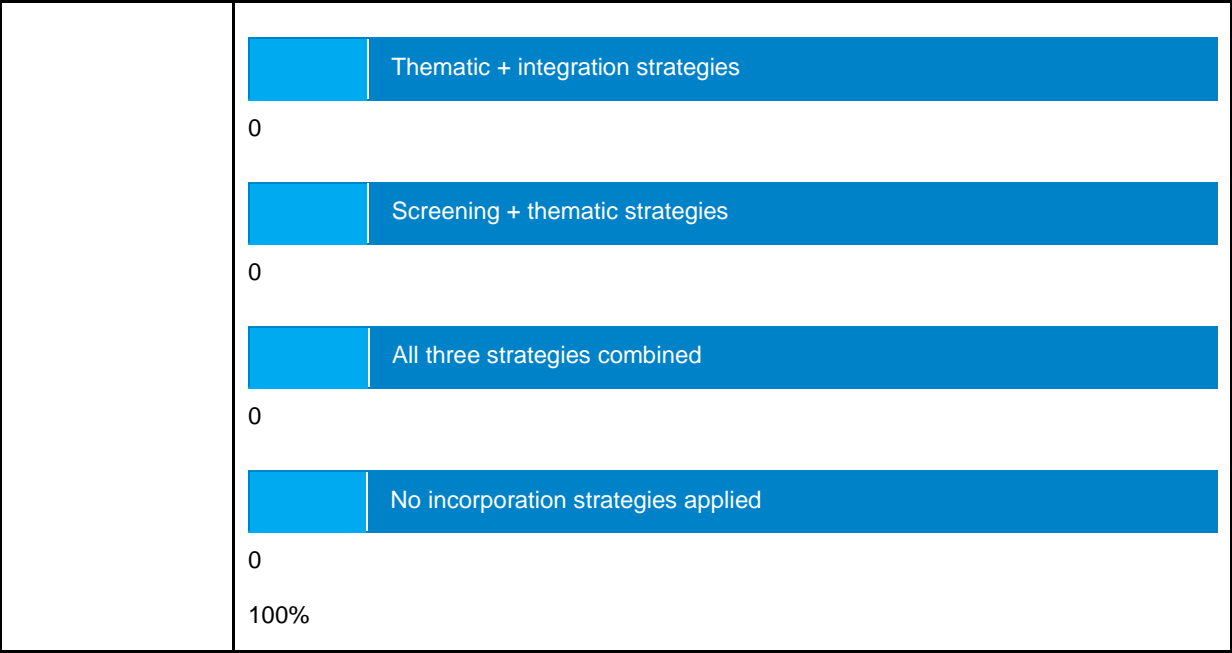
### Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
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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	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>0</td> </tr> <tr> <td>Screening + integration strategies</td> <td>100</td> </tr> <tr> <td>Thematic + integration strategies</td> <td>0</td> </tr> <tr> <td>Screening + thematic strategies</td> <td>0</td> </tr> <tr> <td>All three strategies combined</td> <td>0</td> </tr> <tr> <td>No incorporation strategies applied</td> <td>0</td> </tr> </tbody> </table>	Strategy	Percentage	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
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Strategy	Percentage																		
Screening alone	0																		
Thematic alone	0																		
Integration alone	0																		
Screening + integration strategies	100																		



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
	100%	

**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 95% of funds at Carmignac. Our Fixed income strategies can be classified in two groups :

ESG integration: with negative/ norms based screening,

- 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)

<b>FI 01.3</b>	Additional information [Optional].
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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

<b>FI 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>FI 03.1</b>	Indicate how you ensure that your ESG research process is robust:
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- 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 of ESG research are undertaken in a systematic way
- ESG analysis is benchmarked for quality against other providers
- Other, specify
- None of the above

<b>FI 03.2</b>	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 a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' 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

<b>(A) Implementation: Screening</b>
--------------------------------------

FI 04	Mandatory	Public	Gateway	PRI 1
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FI 04.1	Indicate the type of screening you conduct.
---------	---

Select all that apply

	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 checked="" 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.

FI 05	Mandatory	Public	Descriptive	PRI 1
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FI 05.1	Indicate why you conduct negative screening.
---------	--

**SSA**

	SSA
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- For legal reasons
- For non-legal reasons

**Corporate (financial)**

	Corporate (fin)
--	-----------------

- For legal reasons
- For non-legal reasons

**Corporate (non-financial)**

	Corporate (non-fin)
--	---------------------

- For legal reasons
- For non-legal reasons

<b>FI 05.2</b>	Describe your approach to ESG-based negative screening of issuers from your investable universe.
----------------	--

For our ESG fixed income investments, we incorporate norms based exclusions such as Human Rights, USA Patriot Act, Oslo & Ottawa treaties, Convention on Cluster Munitions (Dublin, may 30, 2008), etc. These are implemented in our trading system, blocking automatically all transactions with related securities. We have also implemented a list of hard exclusions for Russian corporations identified by the EU. Soft exclusions are implemented on all nuclear related companies.

For sanctioned countries and those being disqualified due to US Patriot Act concerns, hard exclusions are also implemented in our front office trading system.

For our SRI bond fund Carmignac Portfolio Emerging Patrimoine (SRI objectives introduced at the start of 2018 in the fund prospectus) further hard exclusions such as tobacco and adult entertainment are implemented. Our proprietary country G and S screening tool provides supplementary elements in our investment rationale.

<b>FI 07</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>FI 07.1</b>	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 checked="" type="checkbox"/> Checks are 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 every 2 years. <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 regularly 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 checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input 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 regularly 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"/> Checks are 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 every 2 years. <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 regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

### (C) Implementation: Integration

FI 11	Mandatory	Public	Descriptive	PRI 1
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FI 11.1	Describe your approach to integrating ESG into traditional financial analysis.
---------	--

For our 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.

<b>FI 11.2</b>	Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.
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	SSA
--	-----

Norms based/Top down macroeconomic approach  
 Best in universe, best efforts approach  
 In addition For the SRI fund, Qualitative G and S assessment

	Corporate (financial)
--	-----------------------

Negative screening  
 ESG due diligence retained in our front office database tool  
 Best in universe, best efforts approach

	Corporate (non-financial)
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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

<b>FI 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>FI 12.1</b>	Indicate how ESG information is typically used as part of your investment process.
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Select all that apply



	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 integrated into security weighting decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is integrated into portfolio construction decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is a standard part of internal credit ratings or assessment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis for issuers is a standard agenda item at investment committee meetings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is regularly featured in internal research notes or similar	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is a standard feature of ongoing portfolio monitoring	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis features in all internal issuer summaries or similar documents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FI 13	Mandatory	Public	Additional Assessed	PRI 1
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FI 13.1	Indicate the extent to which ESG issues are reviewed in your integration process.
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	Environment	Social	Governance
SSA	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

**FI 13.2** Please provide more detail on how you review E, S and 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 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

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.

Assurance

CM 1 01.1	Mandatory	Public	Core Assessed	General
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**CM 1 01.1** Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year)
- Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
  - Whole PRI Transparency Report has been internally verified
  - Selected data has been internally verified
- Other, specify
- None of the above

CM 1 01.2 & 01.8	Mandatory	Public	Descriptive	
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**CM 1 01.2** Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

CM 1 01.3 & 01.9	Mandatory	Public	Descriptive	General
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**CM 1 01.3** We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report, or we did not have such a report last year.

CM 1 01.4, 10-12	Mandatory	Public	Descriptive	General
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CM 1 01.4	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:
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- We adhere to an RI certification or labelling scheme
- 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
- ESG audit of holdings

CM 1 01.12	Describe the process of external/third party ESG audit of holdings, including which data has been assured.
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	Description of process (including what data has been assured)
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Carmignac uses the MSCI ESG platform for the audit of its holdings. MSCI ESG scores, ranks and analyzes our holdings on key issues relative to sector peers using a best-in-class ratings system. It provides analysis, data points, granular scoring on environmental, social and governance metrics by assessing thousands ESG data points across 34 ESG issues, analyzing the intersection between a company's ESG impacts and its core business.

The audit includes:

- Identifying key ESG trends and issues where regulation or under / outperformance can create costs or revenue opportunities
- Measuring corporate exposure to each key issue taking into account any efforts that corporations make to manage and mitigate its risk exposure.

MSCI ESG Portfolio Analytics then provides multi-dimensional risk assessments at the portfolio level allowing to

- Measure ESG exposure of our portfolios relative to index benchmarks.
- Have a holistic view of the ESG profile of a portfolio, measuring key ESG statistics at the portfolio, sector, issue, and company level with an analysis of ESG impact and controversy exposure, and of controversial business involvement exposure
- Track improvements or deterioration in ESG performance by comparing portfolio ESG risk characteristics to other portfolios and to benchmarks.

- Other, specify
- None of the above

CM 1 01.6	Mandatory	Public	Descriptive	General
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CM 1 01.6	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

Corresponding indicator number

Members of our ESG committee

- RI policies

Specify

Members of our ESG committee

Corresponding indicator number

Members of our ESG committee

- RI related governance

Corresponding indicator number

Members of our ESG committee

- Engagement processes

Corresponding indicator number

Members of our ESG committee

- Proxy voting process

Corresponding indicator number

Members of our ESG committee

- Integration process in listed assets

Corresponding indicator number

Members of our ESG committee

- Screening process in listed assets

Corresponding indicator number

Members of our ESG committee

- Thematic process in listed assets

Corresponding indicator number

Members of our ESG committee

- Other

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

03/04/2018

Assurance standard used

- 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

Internal guidelines

CM 1 01.7

Mandatory

Public

Descriptive

General

CM 1 01.7

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

**Who has conducted the verification**

- CEO or other Chief-Level staff
- The Board
- Investment Committee

Sign-off or review of responses

- Sign-off
- Review of responses
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)