1 January 2023

APPENDIX

Pre-contractual disclosure for the financial products referred to in Article 9(1) to (4a), of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

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

Product name: CARMIGNAC EMERGENTS **Legal entity identifier:** 969500VVKKCHDLC43L73

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☒ It will make a minimum of **sustainable investments with an environmental objective:** 5%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☒ It will make a minimum of **sustainable investments with a social objective:** 35%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

What is the sustainable investment objective of this financial product?

The fund's sustainable investment objective consists in investing at least 80% of net assets in companies deriving at least 50% of their revenue from goods and services linked to, or investing at least 50% of their CapEx in, business activities that positively align with at least one of the nine United Nations Sustainable Development Goals ("SDGs"), out of a total of 17, selected for this fund: (1) No poverty, (2) Zero hunger, (3) Good health and well-being, (4) Quality education, (6) Clean water and sanitation, (7) Affordable and clean energy, (9) Industry, innovation and infrastructure, (11) Sustainable cities and communities and (12) Responsible consumption and production. To find out more about the United Nations sustainable development goals, please visit https://sdgs.un.org/goals.

A company is considered "aligned" if it derives at least 50% of its revenue from activities that are deemed to contribute to one or more of the nine SDG above, or if at least 50% of its CapEx is invested in such activities. These 50% thresholds indicate significant commitment from the company with respect to its contribution and growth projects.

In order to determine which companies are aligned, the management company has identified a robust company classification system and mapped 1,700 different business activities. Furthermore, the management company uses the "SDG Compass", a resource created by the GRI ("Global Reporting Initiative"), the United Nations Global Compact and the World Business Council for Sustainable Development, to identify the business activities that contribute to each SDG. Carmignac has also created "investable themes" corresponding to business activities. The management company filters each business activity in the classification system based on these themes, sorting the relevant business activities into Carmignac's "investable themes" and using SDG targets to verify their suitability. Once the 50% revenue or investment threshold is reached for a given issuer, the total weight of that holding is considered aligned.

The minimum levels of sustainable investments with environmental and social objectives are 5% and 35% of the fund's net assets, respectively.

With regard to Regulation (EU) 2020/852 (the EU Taxonomy), the fund contributes, through its investments, to the following environmental objectives: climate change mitigation and climate change adaptation. The fund does not have a carbon footprint reduction target aligned with the Paris Agreement, but it does seek to achieve carbon intensity (tCO_2/$m of revenue converted into euro, aggregated at portfolio level (scopes 1 and 2 of the GHG Protocol)) 50% lower than that of its reference benchmark, which is the MSCI EM (USD) index, net dividends reinvested, converted into EUR.

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

The fund has no designated reference benchmark for demonstrating the attainment of the sustainable investment objective. This is an absolute objective to invest 80% of net assets in companies that are aligned with one of the nine SDGs listed above in relation to the pre-defined revenue or CapEx thresholds (>50%).

Attainment of the sustainable investment objective is ensured on an ongoing basis through monitoring and controls, which are published on a monthly basis at www.carmignac.com.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

This fund uses the following sustainability indicators derived from its four-pillar approach to measure the attainment of its sustainable investment objective:

1) **Coverage rate of ESG analysis:** ESG integration, through ESG rating via Carmignac's proprietary "START" (System for Tracking and Analysis of a Responsible Trajectory) platform, is applied to at least 90% of securities (excluding cash and derivatives).

2) **Reduction of the investment universe** (at least 20% of the portfolio's equity component, and of the corporate bond component where applicable): negative screening and exclusions of unsustainable activities and practices, reflected in low ESG scores from START, MSCI and ISS ("Institutional Shareholder Services") ESG, are carried out based on the following indicators: (a) practices that are harmful to society and to the environment, (b) controversies concerning the OECD Guidelines and the UN Global Compact principles, (c) controversial weapons, (d) thermal coal production, (e) energy producers that have not set a target for alignment with the Paris Agreement, (f) companies involved in tobacco production and (g) companies involved in adult entertainment. Broader exclusions encompass the oil and gas, conventional weapons, gambling and animal proteins sectors. The investment universe is reduced even further by excluding companies that are not aligned with the SDGs, identified using the method set out above.

3) **Alignment with sustainable development goals:** at least 80% of the fund's net assets are invested in the equities of companies that are positively aligned with one of the nine SDGs listed above. The management company maps business activities with respect to its nine SDGs (out of a total of 17) in order to identify those that are "investable" (i.e. the

companies in question are able to support progress towards these SDGs thanks to their products and/or services). A company is considered "aligned" if it derives at least 50% of its revenue from activities that are deemed to contribute to one or more of the nine SDG above, or if at least 50% of its CapEx is invested in such activities.

4) **Active stewardship:** companies' environmental and social engagement efforts leading to an improvement in companies' sustainable development policies are measured using the following indicators: (a) level of active engagement and voting policies, (b) number of engagement efforts, (c) voting rate and (d) participation in shareholder (or bondholder) meetings.

The fund also seeks to achieve carbon emissions 50% lower than those of its reference benchmark (MSCI EM (USD), net dividends reinvested, converted into EUR), measured by carbon intensity (tCO_2/$m of revenue converted into euro, aggregated at portfolio level (scopes 1 and 2 of the GHG Protocol)).

Moreover, as regards monitoring principal adverse impacts ("PAI"), and in accordance with Annex 1 to Commission Delegated Regulation (EU) 2022/1288, the fund monitors 16 mandatory environmental and social indicators, and 2 optional indicators to demonstrate the impact of sustainable investments with respect to these indicators: greenhouse gas (GHG) emissions, carbon footprint, GHG intensity of investee companies, exposure to companies active in the fossil fuel sector, share of non-renewable energy consumption and production, energy consumption intensity per high impact climate sector, activities negatively affecting biodiversity-sensitive areas, emissions to water, hazardous waste and radioactive waste ratio, water usage and recycling (optional choice), violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, unadjusted gender pay gap, board gender diversity, exposure to controversial weapons, excessive pay ratio (optional choice). Sovereign issuers are monitored for violations of social norms with respect to their GHG intensity.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

All the fund's investments (not just sustainable investments) are assessed for compliance with global standards on environmental protection, human rights, employment practices and anti-corruption measures, through controversy screening. Specifically, the investments are analysed on the basis of the minimum safeguards in place to ensure that their business activities comply with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

In addition, the fund ensures that these activities do no significant harm to the environmental and social objective.

The aim of engagement on controversial behaviour is to put a stop to companies violating the UNGC Guiding Principles and/or OECD Guidelines for Multinational Enterprises and to establish suitable management systems to prevent such breaches from recurring. Where engagement efforts are unsuccessful, the company is considered excluded. Cases warranting enhanced engagement are selected every quarter based on need. The emphasis placed on the engagement process may differ depending on the level of exposure.

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

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

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

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

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

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

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

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

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

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

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

Does this financial product consider principal adverse impacts on sustainability factors?

✖ **Yes**, the management company is committed to applying the regulatory technical standards ("RTS") referred to in Annex 1 to Commission Delegated Regulation (EU) 2022/1288, which describes 16 mandatory environmental and social indicators, and 2 optional indicators to demonstrate the impact of sustainable investments with respect to these indicators: greenhouse gas (GHG) emissions, carbon footprint, GHG intensity of investee companies, exposure to companies active in the fossil fuel sector, share of non-renewable energy consumption and production, energy consumption intensity per high impact climate sector, activities negatively affecting biodiversity-sensitive areas, emissions to water, hazardous waste and radioactive waste ratio, water usage and recycling (optional choice), violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, unadjusted gender pay gap, board gender diversity, exposure to controversial weapons, excessive pay ratio (optional choice).

To mitigate the adverse impacts detected, a more in-depth assessment is carried out to identify a strategy for engaging with or potentially divesting from the company, as set out in Carmignac's engagement and principal adverse impacts policies.

The principal adverse impacts of investment decisions on sustainability factors are set out in table 1 (in accordance with Annex 1 to Commission Delegated Regulation (EU) 2022/1288) of Carmignac's policy on this subject. This information is disclosed in the annual reports.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance

At least 60% of the fund's net assets are exposed to equity markets, with no restrictions by region or capitalisation type. Up to 40% may be invested in bonds, transferable debt securities and money market instruments. At least two thirds of the issuers of equities and bonds held by the fund have their registered office, conduct the majority of their business, or have business development prospects in emerging (including frontier) countries. The portfolio manager aims to invest in financial instruments offering long-term growth on a sustainable basis and manages the fund according to a socially responsible approach.

As regards its sustainable investment objective, the fund invests at least 80% of net assets in the equities of companies deriving at least 50% of their revenue from goods or services linked to, or investing at least 50% of their CapEx in, business activities that positively align with at least one of the nine United Nations Sustainable Development Goals ("SDGs"), out of a total of 17, selected for this fund: (1) No poverty, (2) Zero hunger, (3) Good health and well-being, (4) Quality education, (6) Clean water and sanitation, (7) Affordable and clean energy, (9) Industry, innovation and infrastructure, (11) Sustainable cities and communities and (12) Responsible consumption and production. The minimum levels of sustainable investments with environmental and social objectives are 5% and 35% of the fund's net assets, respectively.

The investment universe is assessed in light of the ESG risks and opportunities recorded in Carmignac's proprietary ESG platform, START. Non-financial analysis is applied as part of the investment strategy through the following processes, which actively reduce the fund's equity and corporate bond investment universe by at least 20%. The full procedure for reducing the investment universe is described in the corresponding transparency codes, which are available in the "Responsible Investment" section at www.carmignac.com. The initial investment universe prior to the reduction is the MSCI EM index.

negative screening and exclusions of unsustainable activities and practices, reflected in low ESG scores from START, MSCI and ISS ("Institutional Shareholder Services") ESG, are carried out based on the following indicators: (a) practices that are harmful to society and to the environment, (b) controversies concerning the OECD Guidelines and the UN Global Compact principles, (c) controversial weapons, (d) thermal coal production, (e) energy producers that have not set a target for alignment with the Paris Agreement, (f) companies involved in tobacco production and (g) companies involved in adult entertainment. Broader exclusions encompass the oil and gas, conventional weapons, gambling and animal proteins sectors. The investment universe is reduced even further by excluding companies that are not aligned with the SDGs, identified using the method set out above.

Before the investment universe is reduced as described above, the equity and corporate bond universes are reweighted to eliminate any biases that could result in significant differences between the composition of the indices constituting these universes and that of the fund's portfolio. The two investment universes are reweighted using the fund's average historical weightings, observed over the past five years (corresponding to the recommended investment horizon). Each issuer is reweighted using the fund's historical weightings by sector, geographical region (emerging markets/developed markets) and capitalisation (small/mid/large), in order to represent the fund's sectoral, geographical and capitalisation rotations as accurately as possible. These weightings are rounded to the nearest whole number and reviewed by the management company on an annual basis.

The fund cannot invest over 10% of its net assets outside its investment universe after the reduction (by at least 20%).

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

Lastly, the aim of shareholder engagement with companies on environmental and social matters is to improve their sustainability policies (level of active engagement and voting policies, number of engagements, rate of attendance at shareholder and bondholder meetings in relation to the 100% target).

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The binding elements of the investment strategy used to select investments, and to attain each of the environmental or social characteristics promoted by this financial product, are:

1) 80% of the fund's net assets are invested in the equities of companies deriving at least 50% of their revenue from goods or services linked to business activities that positively align with at least one of the nine United Nations Sustainable Development Goals out of 17, or investing at least 50% of their CapEx in such activities.
2) The minimum levels of sustainable investments with environmental and social objectives are 5% and 35% of the fund's net assets, respectively.
3) The equity investment universe is actively reduced (i) by at least 20%, and (ii) by the number of companies not aligned with the SDGs.
4) ESG analysis is applied to at least 90% of securities (excluding cash and derivatives).
5) Carbon emissions, as measured by carbon intensity, are 50% lower than those of their reference benchmark.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

To assess good governance practices, the fund uses Carmignac's proprietary ESG system ("START"), which collates automated key indicators on governance for over 7,000 companies, including: 1) percentage of independent members of the audit committee, average term of office for members of the board of directors, gender diversity on the board of directors, size of the board of directors, independence of the remuneration committee as regards sound management structures, and 2) director remuneration, sustainability incentives for directors, and the highest remuneration in terms of staff remuneration. Human resources are covered by Carmignac's "S" indicators (in particular staff satisfaction, the gender pay gap and staff turnover) within "START".

As regards tax, the fund recognises the companies in its investment universe that adhere to the OECD Guidelines for Multinational Enterprises on tax matters and encourages transparency where necessary.

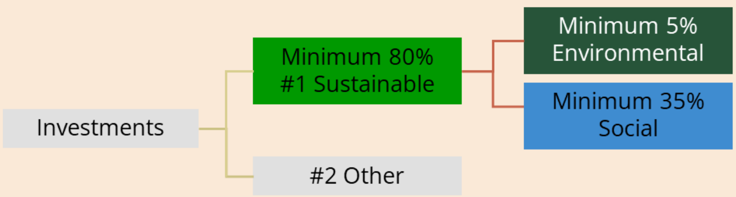
Furthermore, as a signatory to the Principles for Responsible Investment ("PRI"), the management company expects the companies in which the fund invests to:

1) Publish a comprehensive tax policy describing the company's approach to tax responsibility;
2) Report on their tax governance and risk management processes to the competent authorities; and
3) File appropriate returns in each of the countries in which they operate (country-by-country reporting, "CBCR").

These considerations inform the management company's actions with respect to companies and its votes in favour of greater transparency, for example via support for shareholder resolutions.

What is the asset allocation and the minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.



#1 Sustainable covers sustainable investments with environmental or social objective.

#2 Not sustainable Includes investments which do not qualify as sustainable investments.

A minimum share of 80% of the fund's net assets is used to attain the fund's sustainable objective, in accordance with the binding elements of the investment strategy.

The minimum levels of sustainable investments with environmental and social objectives are 5% and 35% of the fund's net assets, respectively.

How does the use of derivatives attain the sustainable investment objective?

The fund can use derivatives with a single underlying equity, or a basket of equities, as part of its sustainable investment objective. Exclusions defined at the level of the management company are applied, and the issuers of the securities underlying these derivatives are subject to the same ESG selection process applied to direct investments.

Moreover, the fund applies a netting calculation (netting a long position against short positions in an equivalent issuer in the form of derivatives) with a view to illustrating the portfolio's ESG rating and carbon emissions and measuring adverse impacts.

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

N/A.

What is the minimum share of investments in transitional and enabling activities?

N/A.

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

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 5% of the net assets.

What is the minimum share of socially sustainable investments?

The minimum share of sustainable investments with a social objective is 35% of the net assets.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

In addition to sustainable investments, the fund may invest in cash (and equivalent instruments) for cash management purposes. The fund may also invest in derivatives for hedging purposes.

To the extent that the fund takes short positions using derivatives with a single underlying, exclusions defined at the level of the management company apply. These derivatives are assessed to ensure compliance with global standards on environmental protection, human rights, employment practices and anti-corruption measures through controversy screening ("standards-based" approach). These investments are analysed on the basis of the minimum safeguards in place to ensure that their business activities comply with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

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

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

N/A.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A.

- ***How does the designated index differ from a relevant broad market index?***

N/A.

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A.

Where can I find more product specific information online?

More product-specific information can be found online on the website: www.carmignac.fr, in the "Funds" and "Responsible Investment" sections.