Carmignac's
Responsible Investment Approach

Sandra Crowl, CAIA
Stewardship Director

Carmignac, a pioneer in sustainable EM debt

- Fixed income funds account for **20.3%** of all sustainable funds in Europe compared to **51.1%** of equity funds

- Sustainable fixed income funds account for **14.4%** of the overall fixed income fund universe compared to **21.6%** of the comparable equity funds in its own universe

- Within the sustainable fund space, EM Sovereign debt funds represent **6%** of fixed income funds (€30bn AuM out of €495bn AuM of fixed income funds) and **1.2%** of all sustainable funds in Europe

Source: Carmignac

Carmignac Portfolio EM Debt

Recommended minimum investment horizon: 3 years

Lower risk — Higher risk
Potentially lower return — Potentially higher return

1	2	3	4*	5	6	7

★★★★★
Overall Morningstar Rating ™

Joseph MOUAWAD
Fund manager

CITYWIRE AAA

WHY THIS STRATEGY?

1. Aims to capture **EM bond market opportunities** with a **sustainable approach** whatever the market conditions
2. Prolonged period of very low/negative interest in DM sovereigns while **EM bonds offer much higher yields**
3. Cheap valuations in EM bonds as many EM assets have not recovered their pre-crisis levels **while the dollar multi-year cycle supports the asset class**

3Y KEY METRICS

Annualized Performance	**+12.28%**	**Sortino Ratio**	**1.73**
Sharpe Ratio	**1.25**	**Average Rating**	**BBB-**

Fund ID Card

- Inception Date: **31 July 2017**
- AuM: **€ 103 m** as of 30/06/2021
- Reference Indicator: JP Morgan GBI – Emerging Markets Global Diversified Composite Unhedged EUR Index*
- Category: **Global Emerging Market Bond**
- SFDR Fund Classification: Article 9 EUR-lex
- Stars: ★★★★★

Modified Duration	**Distressed Corporate credit**
-4 to +10	0% to 5%
Distressed Government Bonds	**Credit Derivatives Instruments**
0% to 15%	0% to 50%

Source: Carmignac, 28/06/2021. A & F Share Class EUR Acc. *Bloomberg code: JGENVUEG
Risk Scale from the KIID (Key Investor Information Document). Risk 1 does not mean a risk-free investment.
This indicator may change over time. The reference to a ranking or prize, is no guarantee of the future results of the UCITS or the manager.
EUR Global Emerging Market Bond. Morningstar Direct © 2021 Morningstar, Inc.
Source and Copyright: Citywire. Joseph Mouawad is AAA rated by Citywire for his rolling three year risk-adjusted performance across all funds the manager is managing to 30th AugustJune 2021. Citywire Fund Manager Ratings and Citywire Rankings are proprietary to Citywire Financial Publishers Ltd ("Citywire") and © Citywire 2021. All rights reserved.
Past performance is not necessarily *indicative of future performance. The return may increase or decrease as a result of currency fluctuations*
Performances are net of fees (excluding applicable entrance fee acquired to the distributor
In order to achieve the investment amount of EUR 100 shown, an investor would have had to spend EUR 104 if a front-end load of 4% had been charged..

Carmignac Portfolio Emerging Patrimoine

Recommended minimum investment horizon: 5 years

Lower risk — Higher risk
Potentially lower return — Potentially higher return

1	2	3	4*	5	6	7

Why Investing in EM Debt with Carmignac?

AN EXPERIENCED MANAGEMENT TEAM

- The management team has been in place at the helm of the EM Debt strategy since launch as well as Carmignac Ptf Emerging Patrimoine since 09/2015 **demonstrating both strong absolute and relative performance**

HIGHLY FLEXIBLE INVESTMENT PROCESS

- The '**Systematic Signals**' monitoring by the management team allows to cover this large investment universe
- The Strategy seeks **to benefit from market upturns while limiting drawdowns**, and offers great diversification

SUSTAINABLE OBJECTIVE

- This Strategy's sustainable objective* through rules based, proprietary ESG rating, is to **invest in countries that are making progress** in some or all the three Environment, Social and Governance dimensions

ATTRACTIVE RISK REWARDS FOR EM BOND PICKERS

EUR-lex
Source: Carmignac, April 2021
*SFDR fund category : Article 9

Highly Flexible Investment Process

01 02 03

Top-Down

- Economic context analysis

- Impact on EM Fixed Income markets

- Determination of the Fund's **overall Beta**, and **specific Beta to EM FX, EM Rates & EM Credit**

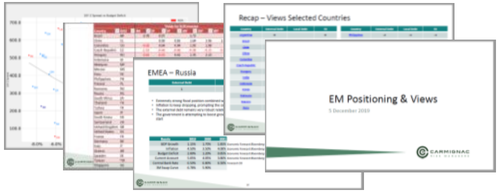
SYSTEMATIC SIGNALS

ESG ASSESSMENT

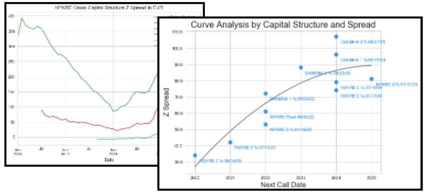
HANDS-ON ANALYSIS

Bottom-Up

- Issuer analysis



- Bond picking



Source: Carmignac

ESG Criteria is **Central** in the Decision-Making Process

03

Carmignac Portfolio EM Debt's investment process

Systematic Signals

Hands-on Analysis

ESG ASSESSMENT & MONITORING

Proprietary impact scoring system for EM countries that focuses primarily on the dynamics with regards to ESG factors. As consideration of ESG issues does not end when the investment decision is made, the management team continuously reviews their investment impact through the tracking of key metrics.

ESG = Environment, Social & Governance.
Source: Carmignac, March 2021

Measurable ESG Objectives: Proprietary Emerging Market Sovereign Impact Scoring System

03

WHAT?

- **Numerical scoring system** that goes from 1 (Bad) to 5 (Good) with 3 as a neutral point.
- Country score composed of the equally weighted average of the three components E, S, and G.

WHY?

- Allows to **identify the causes of poor-performance for countries under difficulties and vice-versa**.
- **Methodology that contrasts with industry practice** as competitors tend to assign a high ESG score to the more developed countries
- **Lack-of-quality information in Emerging Market Debt**. Plus, available information tends to focus on static country situations and not on their trajectories

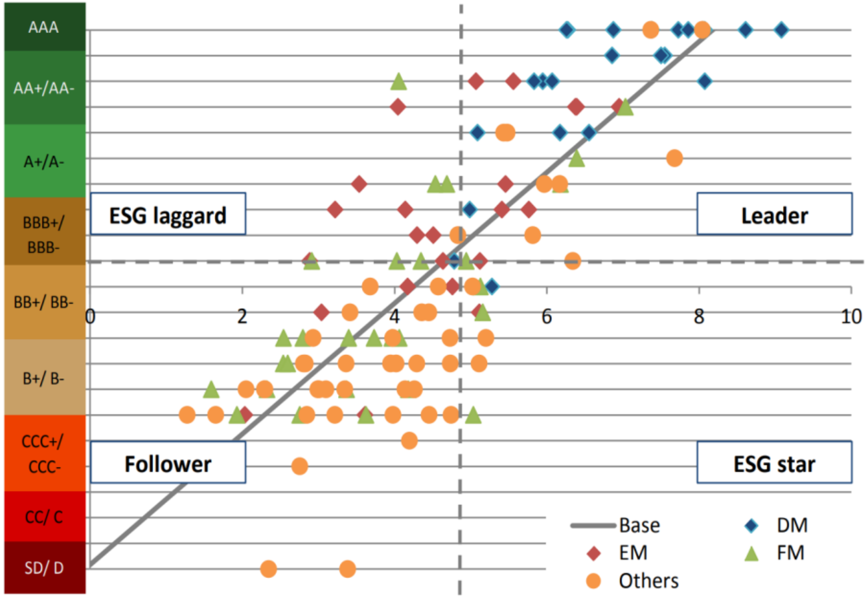
HOW?

- **Each of E,S & G components is the average of their sub-components**. If a sub-component has a Static and Dynamic score they are averaged before being included in the component average calculation.
- **Fund score is then aggregated** as the weighted average of the country score and the exposure of the positions.

ESG = Environment, Social & Governance.
All the funds and underlying issuers are not concerned by this statement. For more details, please refer to: https://www.carmignac.com/en_US/responsible-investment/in-practice-4744
Source: Carmignac, 31/01/2021

Proprietary EM Sovereign ESG Scoring System:
A Contrarian Approach

Industry Approach*



- Our methodology contrasts with the vast majority of what is done by **the current market approach which tends to assign a high ESG score to the more developed countries**, focusing on things like absolute level of GDP per capita, access to internet or absolute level of life expectancy.
- Our **dynamic scoring approach enable us to isolate countries which are making progress in ESG terms** not those which are in a good position today

*for illustrative purpose only.
Source: Carmignac, December 2020

Measurable ESG Objectives: Proprietary Emerging Market Sovereign ESG Scoring System

03

Proprietary EM Sovereign ESG Indicators

ENVIRONMENT

Capturing investment in climate mitigation and sustainable development

- CO2 per capita
- Share of Renewables

SOCIAL

Long-term social improvements that drive growth and stability

- GDP per capita PPP[1]
- Life expectancy
- GINI[2]
- Education

GOVERNANCE

Credit Worthiness, Rule of Law, institution & regulatory quality and control of corruption

- Ease of doing business
- Fiscal Position
- Debt as years of Revenue Position
- Current Account Position

MANUAL ADJUSTMENT FACTOR[3] THAT MANAGEMENT TEAM CAN USE TO CORRECT ON AN AD HOC BASIS EACH OF THE E, S, AND G FACTORS FOR A COUNTRY

1. Gross domestic Product per capita purchasing power parity
2. GINI: Inequality index developed by Conrado GINI.

3. While the management team is aiming at having a transparent and thus relatively simple index, there are aspects that are not captured. Typically, these would be the impact of recent events not yet reflected in the data or that the data available does not cover fully the situation

Source: Carmignac, March 2021

Proprietary EM Sovereign ESG Scoring System: **Environment Pillar**

E

- The Environmental aspect aims at capturing what are countries doing **to mitigate the impact of climate change and how sustainable is the country's development**
- The Environmental factor enables us to find countries that are taking steps **to reduce the impact of climate change on their people**
- Furthermore, **an immediate impact of energy importers substituting fossil fuels to renewables** is a positive impact on the Trade Balance

Element	Index	Comments
CO2 per capita	Our World In Data – Oxford University	Static + Dynamic
Share of Renewables	Share of Renewables in total installed capacity – BNEF (Bloomberg New Energy Finance)	Dynamic We take into account Large Hydro in renewables

Source: Carmignac, December 2020

Proprietary EM Sovereign ESG Scoring System: **Social Pillar**

S

- Looking at the investment's countries are making to **improve their Human Capital** which means improving the **health of the population** and the **level of education**
- Furthermore, we look at **changes in inequality**, captured by the GINI, to see if growth is spread over rather than captured by a few
- Improving the Human Capital is related to **higher quality growth** and **economic diversification**
- Looking at **dynamic aspects** for education and life expectancy allow to **better capture the performance of countries regardless of their existing wealth**

Element	Index	Comments
GDP Per Capita PPP	IMF	Dynamic
Life Expectancy	Life expectancy at birth of both sexes – World Bank	Dynamic only, we take the change in the life expectancy of a country vs the world average
GINI	GINI coefficient – World Bank	Static and Dynamic
Education	PISA (Reading, Maths, Science) – OECD and if too little data or missing Litteracy Rate – World Bank	Dynamic

Source: Carmignac, December 2020

Proprietary EM Sovereign ESG Scoring System: **Governance Pillar**

G

- Governance should capture how **well set-up is the government for delivering long term growth**: this will mean looking at the **macro-economic set-up** as well as **the 'rule of law'**
- **Rule of Law is included in sub-indexes of the ease of doing business index** compiled by the World Bank
- Improving the ease of doing business will imply making sure that there is **access to energy for companies**, to **making it easier and faster to start a company**
- Use of the IMF data for the **fiscal deficit**, **debt to GDP** and **current account to GDP** in order to further quantify the macro prudential regime.

Element	Index	Comments
Ease of Doing Business	Ease of doing business – World Bank	Dynamic Captures contract enforcement metrics
Fiscal Position	Fiscal Deficit - IMF	Static and Dynamic
Debt as Years of Revenue Position	Gross Debt to GDP and Revenue to GDP – IMF	Static and Dynamic
Current Account Position	Current Account to GDP – IMF	Static and Dynamic

Source: Carmignac, December 2020

Chile vs Russia Case Study:
A Similar Score for Two Different Political Systems

	CHILE	RUSSIA
CO2 per Capita	3.00	2.00
Share of Renewables	4.00	3.00
Adjustment*		
ENVIRONMENT	3.50	2.50
Life Expectancy	2.00	3.00
GDP Per Capita PPP	3.00	3.00
GINI Coefficient	3.50	3.00
Education	4.00	3.00
Adjustment*		
SOCIAL	3.13	3.00
Ease of Doing Business	3.00	4.00
Fiscal Position	3.00	5.00
Debt Position	2.50	4.00
Current Account Position	2.50	3.50
Adjustment*		
GOVERNANCE	2.75	4.13
TOTAL	3.13	3.21

CHILE

CHILE

RUSSIA

Source: Carmignac, December 2020
For Illustrative purposes only, composition of the portfolio may vary at any time

China Case Study:
ESG Rating 3.34 | A+ Credit Rating

CO_2 per Capita	2.00
Share of Renewables	5.00
Adjustment*	
ENVIRONMENT	**3.50**
Life Expectancy	3.00
GDP Per Capita PPP	5.00
GINI Coefficient	2.50
Education	3.00
Adjustment*	
SOCIAL	**3.38**
Ease of Doing Business	5.00
Fiscal Position	1.50
Debt Position	2.50
Current Account Position	3.50
Adjustment*	
GOVERNANCE	**3.13**
TOTAL	**3.34**

Chinese sovereign bonds are well suited with regards to our ESG framework

Source: Carmignac, December 2020
For Illustrative purposes only, composition of the portfolio may vary at any time

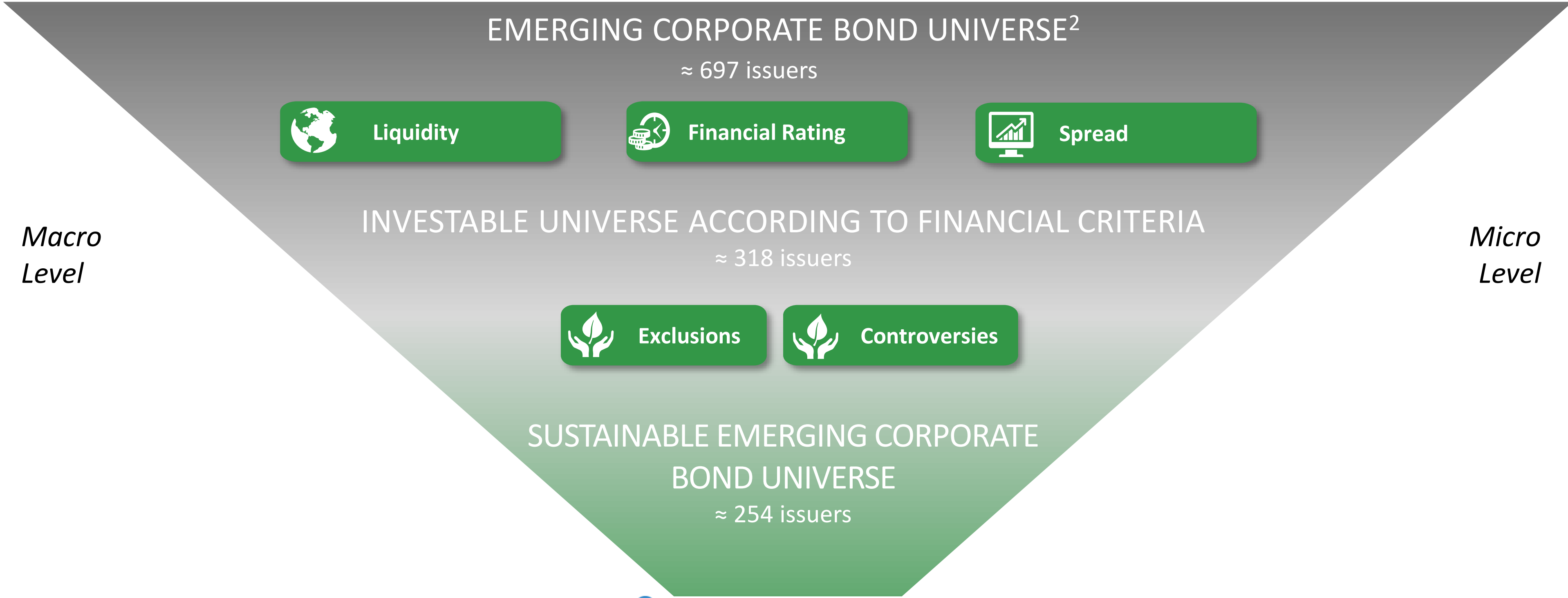
Saudi Arabia Case Study:
ESG Rating 2.68 | A Credit Rating

CO_2 per Capita	2.50
Share of Renewables	1.00
Adjustment*	
ENVIRONMENT	**1.75**
Life Expectancy	2.00
GDP Per Capita PPP	3.00
GINI Coefficient	
Education	3.00
Adjustment*	-0.50
SOCIAL	**2.16**
Ease of Doing Business	5.00
Fiscal Position	3.50
Debt Position	3.00
Current Account Position	5.00
Adjustment*	
GOVERNANCE	**4.13**
TOTAL	**2.68**

'Bad' rating for Saudi sovereign bonds with regards to our ESG framework

Source: Carmignac, December 2020
For Illustrative purposes only, composition of the portfolio may vary at any time

Corporate Bond Approach to Socially Responsible Investment[1]



Carmignac Portfolio EM Debt

1: All the funds and underlying issuers are not concerned by this statement. For more details, please refer to: https://www.carmignac.com/en_US/responsible-investment/in-practice-4744
2: Universe: JPM CEMBI Index (USD).
Portfolio composition may vary overtime.
Data as of 30/09/2020. Source: Carmignac, October 2020

Carmignac's firm-wide fund exclusions policy

Our exclusions policy

Our exclusion list contains companies and sectors that are excluded due to their **activities** or their **business norms.**

This policy applies to **all funds** where Carmignac acts as an investment manager.

Firm-wide hard restrictions

(transactions are prohibited and blocked on trading tools)

- **Controversial weapon manufacturers** that produce products that do not comply with treaties or legal bans*
- **All Tobacco producers + wholesale distributors and suppliers** with revenues over 5% from such products
- **Thermal coal miners** with over 10% revenues or 20 million tonnes from extraction
- **Power generators** that produce more CO2 than the defined threshold**
- **Adult entertainment and pornography** producers and distributers with over 2% revenues from such product
- **International Global Norms violations** including OECD Business Principle, ILO Principles, UNGC Principles , EU, UN or OFAC sanctions

*Companies that do not comply with: 1) The Ottawa Treaty (1997) which prohibits the use, stockpiling, production and transfer of anti-personnel mines; 2) The Convention on Cluster Munitions (2008) which prohibits the use, stockpiling, production and transfer of cluster munitions; 3) The Belgian Loi Mahoux, the ban on uranium weapons; 4) The Chemical Weapons Convention (1997) which prohibits the use, stockpiling, production and transfer of chemical weapons; 5) The Treaty on the Non-Proliferation of Nuclear Weapons (1968), which limits the spread of nuclear weapons to the group of so-called nuclear weapons states (USA, Russia, UK, France and China); 6) Biological Weapons Convention (1975) which prohibits the use, stockpiling, production and transfer of biological weapons
**In line with the 2 ◦ C scenario suggested by the IEA or new coal/nuclear build or Gas>30%, Coal >10%, Nuclear >30% revenues if CO2 data not available
Please refer to Carmignac's exclusion policy for further detail
Exclusion lists are updated on a quarterly basis
Source: Carmignac, October 2020
For more information, please see our Exclusion Policy available on our website: www.carmignac.co.uk/en_GB/responsible-investment/policy

Carmignac’s proprietary ESG research system, START

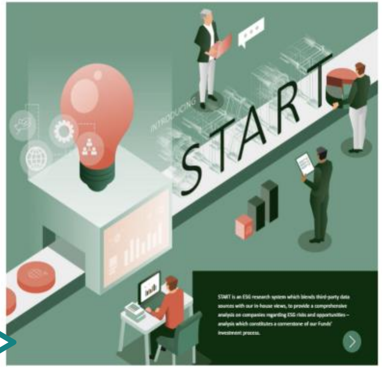
Integrates ESG research throughout the investment process

Group
We compare a company vs. its peers to decide on which have similar significant stakeholders. We then group these companies by region and size to constitute our own ESG peer groups

Collect
We gather large quantities of raw data from specialised sources such as company reported data and controversies. This data is automatically transferred into START

Rank
Companies are ranked within their ESG peer group based on financially material ESG metrics to provide **a baseline quantitative rating** of A-E

Analyse
Our analysts use their in-depth company and industry knowledge and quantitative and qualitative analysis to provide unique insights and input



START’s output

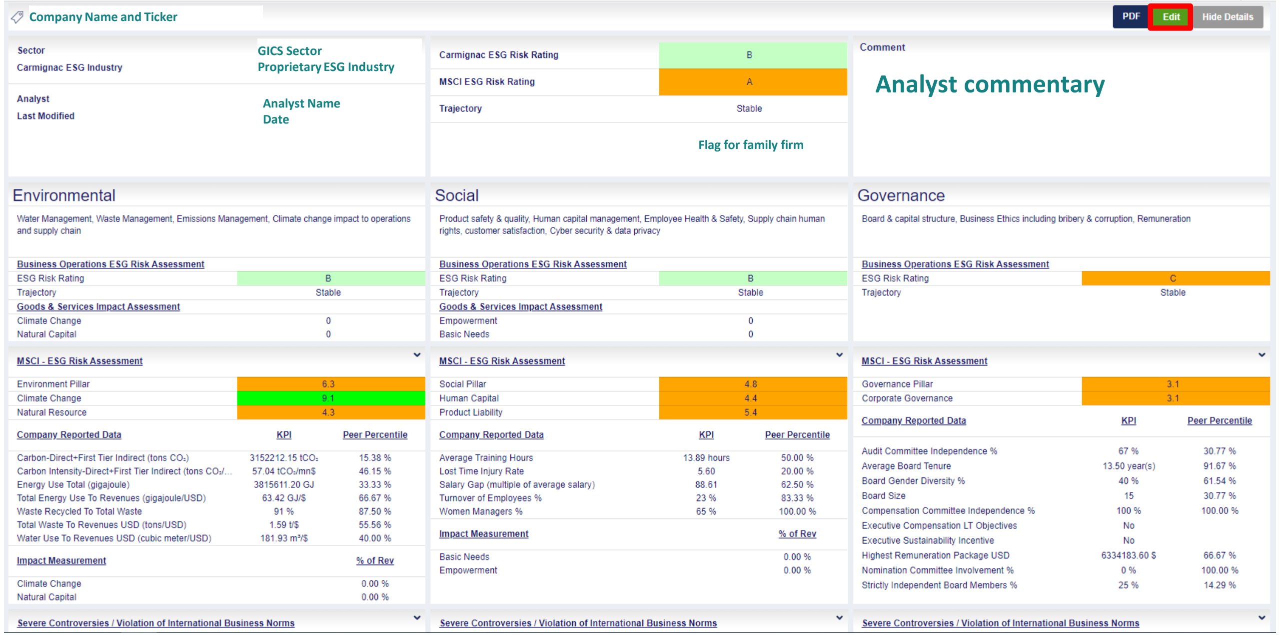
- Rating of A (best) to E (worst)
- Supporting comment to qualify rating
- Forward-looking outlook assessment

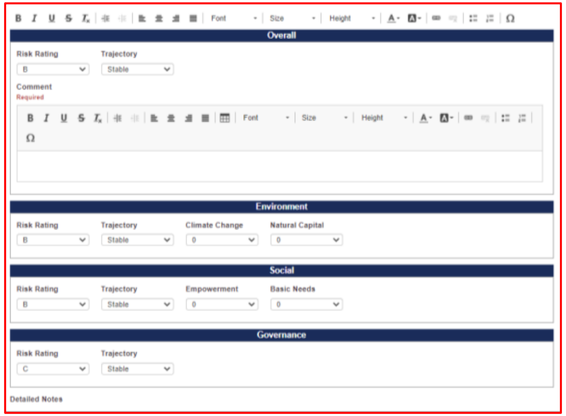
<u>Key components:</u>
1. Proprietary **ESG peer groups** including regional and market cap considerations
2. Both **machine** and **human** input
3. Inclusion of **impact** assessment

The proprietary ESG system START combines and aggregates market leading data providers ESG indicators . Given the lack of standardisation and reporting of some ESG indicators by public companies, not all relevant indicators can be taken into consideration. START provides a centralised system whereby Carmignac’s proprietary analysis and insights related to each company are expressed, irrespective of the aggregated external data should it be incomplete. For more information, please refer to our website: https://www.carmignac.co.uk/en_GB/responsible-investment/in-practice-4744

Source: Carmignac, October 2020

START in practice





The proprietary ESG system START combines and aggregates market leading data providers ESG indicators . Given the lack of standardisation and reporting of some ESG indicators by public companies, not all relevant indicators can be taken into consideration. START provides a centralised system whereby Carmignac's proprietary analysis and insights related to each company are expressed, irrespective of the aggregated external data should it be incomplete.

For illustrative purposes only

START* ESG indicators and output rating

ESG Indicators

We analyse and compare each company against 31 identifiable and relevant sustainable metrics

Environmental	Social	Governance
Carbon Emissions –Direct & First Tier Indirect (tonnes CO2e)	% Employee Satisfaction	% Audit Committee Independence
Carbon Intensity- Direct & First Tier Indirect (tonnes CO2e/USD mn)	Employee Turnover	Compensation Committee Independence
Flaring of Natural Gas	Female Managers	Nomination Committee Involvement
Total Energy Use/Revenues	Average Employee Training Hours	Long Term Objective-Linked Executive Compensation
Renewable Energy Use Ratio	Lost Time Due to Injury Rate	Independent Board Members
Energy Use Total	Employee Fatalities	Average Board Tenure
Total Waste / Revenues	Chief Executive Salary Gap	% Board Gender Diversity
Waste Recycled /Total Waste	% Gender Pay Gap	Highest Remuneration Package
Accidental Spills	% Customer Satisfaction	Board Size
Water Use / Revenues		Sustainability Compensation Incentives
Water Recycled		
Fresh Water Withdrawal Total		

START output rating

Each company is given a rating of A-E which reflects our analysts' view of firm ESG risk

Rating	Definition
A	Manages their risk effectively that have financial impact and communicates with investors
B	Flaws in management system led & working on improvement following recent financial impact controversies.
C	Aware of future risks but do not have adequate systems to manage impact of future financial material risk.
D	Do not understand & no action taken on recent controversies. Management doesn't understand and not addressing risk
E	Not aware of the risk they are facing and has no management plan in place. Faced with controversies and has no plans

*The proprietary ESG system START combines and aggregates market leading data providers ESG indicators . Given the lack of standardisation and reporting of some ESG indicators by public companies, not all relevant indicators can be taken into consideration. START provides a centralised system whereby Carmignac's proprietary analysis and insights related to each company are expressed, irrespective of the aggregated external data should it be incomplete.

Source: Carmignac, October 2020

For more information, please refer to our website: https://www.carmignac.co.uk/en_GB/responsible-investment/in-practice-4744

Carmignac's Engagement Policy

In addition to active voting, Carmignac commits to engagement with companies to raise awareness of ESG controversies or issues.

Portfolio managers, analysts and the ESG team collaborate to engage actively with the investee companies.

There are five types of engagement:

1. **ESG risks**
2. **Thematic engagement**
3. **Impact engagement**
4. **Controversial behaviours engagement**
5. **Proxy voting decisions engagement**

Engagement Process

Research & identify financially material ESG themes
↓
Monitoring
↓
Define SMART* engagement objectives
↓
Dialogue with companies
↓
Result
↓
Reporting

*Specific; Measurable; Achievable; Realistic; Timely

The proprietary ESG system START combines and aggregates market leading data providers ESG indicators . Given the lack of standardisation and reporting of some ESG indicators by public companies, not all relevant indicators can be taken into consideration. START provides a centralised system whereby Carmignac's proprietary analysis and insights related to each company are expressed, irrespective of the aggregated external data should it be incomplete.

Source: Carmignac, October 2020

For more information, please see our Engagement Policy and Reports: https://www.carmignac.com/en_US/responsible-investment/policy

Committing to Collaboration and Affiliations

Signature date: 01/12/19

Signature date: 05/01/2020

Signature date: 05/01/2020

Signature date: 14/06/12

Signature date: 27/10/19

Date:: 02/01/19

Highest PRI rating achieved		2018	2019	2020
Strategy & Governance (S&G)	Our score	A	A+	**A+**
	Median*	A	A	A
Listed Equity- Incorporation	Our score	A	A+	**A+**
	Median	B	B	A
Listed Equity- Active Ownership	Our score	A	B	**A**
	Median	B	B	B
Sovereign, supra, agency (SSA)	Our score	B	C	**A**
	Median	B	B	B
Fixed Income- Corporate Financial	Our score	B	B	**A**
	Median	B	B	B
Fixed Income - Corporate Non-Financial	Our score	B	B	**A**
	Median	B	B	B

*Median across PRI Signatories

Source: RHS PRI August 2020. For more information regarding the UN PRI please refer to: www.unpri.org/reporting-and-assessment/how-investors-are-assessed-on-their-reporting/3066.article

For more information regarding our affiliations, please refer to our website: https://www.carmignac.co.uk/en_GB/responsible-investment/our-approach-4743

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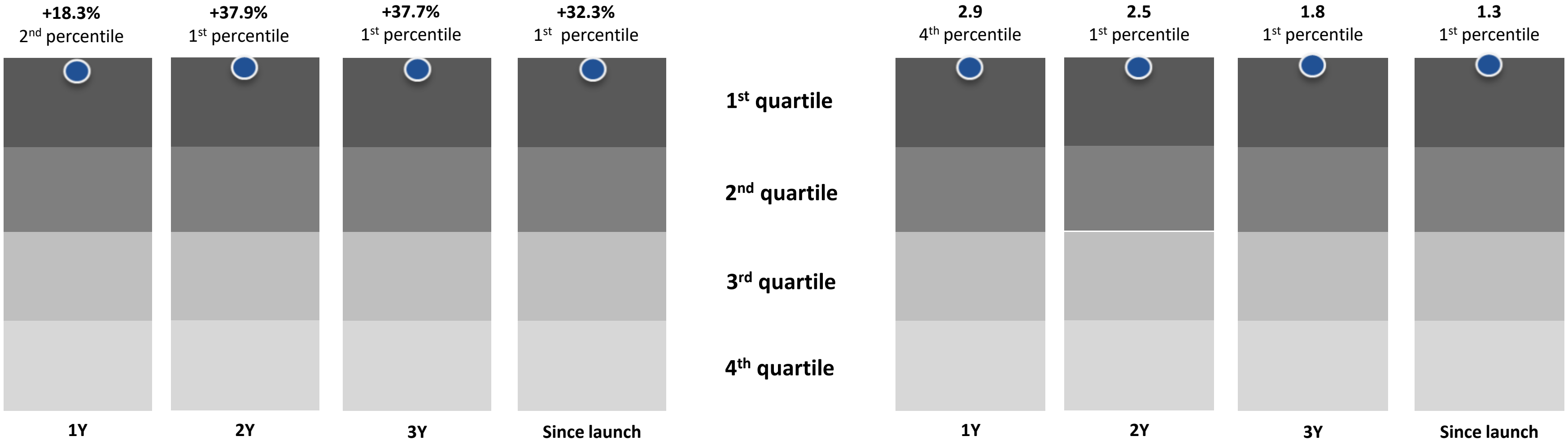
Carmignac Portfolio EM Debt: 1st decile over Multiple Periods

Return in the Global Emerging Market Bond category

Sharpe ratio in the Global Emerging Market Bond category



Returns in EUR. Sharpe ratio calculated using weekly returns. Risk-free rate: Daily capitalized EONIA. Past performance is not necessarily indicative of future performance. Performances are net of fees (excluding possible entrance fees charged by the distributor). The return may increase or decrease as a result of currency fluctuations. Carmignac Portfolio EM Debt W EUR Acc (ISIN: LU1623763734) is in the Alt – Long/Short Credit Morningstar category but will be moved to the Global Emerging Markets Bond category at the beginning of February 2020, hence results have been simulated in this category.

Main Risks of Carmignac Portfolio EM Debt

Lower risk — Higher risk

Potentially lower return — Potentially higher return

1	2	3	4*	5	6	7

Recommended minimum investment horizon: 3 years

Emerging Markets

Operating conditions and supervision in "emerging" markets may deviate from the standards prevailing on the large international exchanges and have an impact on prices of listed instruments in which the Fund may invest.

Interest rate

Interest rate risk results in a decline in the net asset value in the event of changes in interest rates.

Currency

Currency risk is linked to exposure to a currency other than the Fund's valuation currency, either through direct investment or the use of forward financial instruments.

Credit

Credit risk is the risk that the issuer may default.

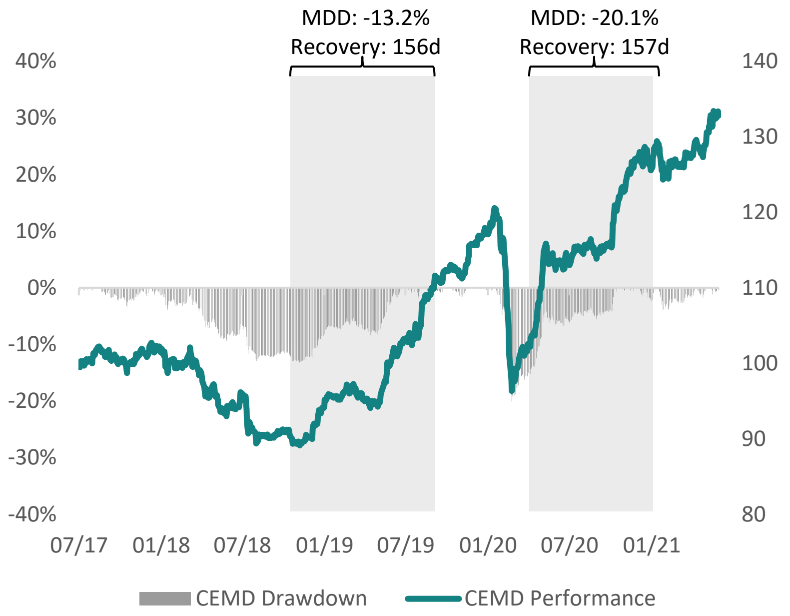
The Fund presents a risk of loss of capital

*A EUR Share class.
Risk Scale from the KIID (Key Investor Information Document). Risk 1 does not mean a risk-free investment. This indicator may change over time.

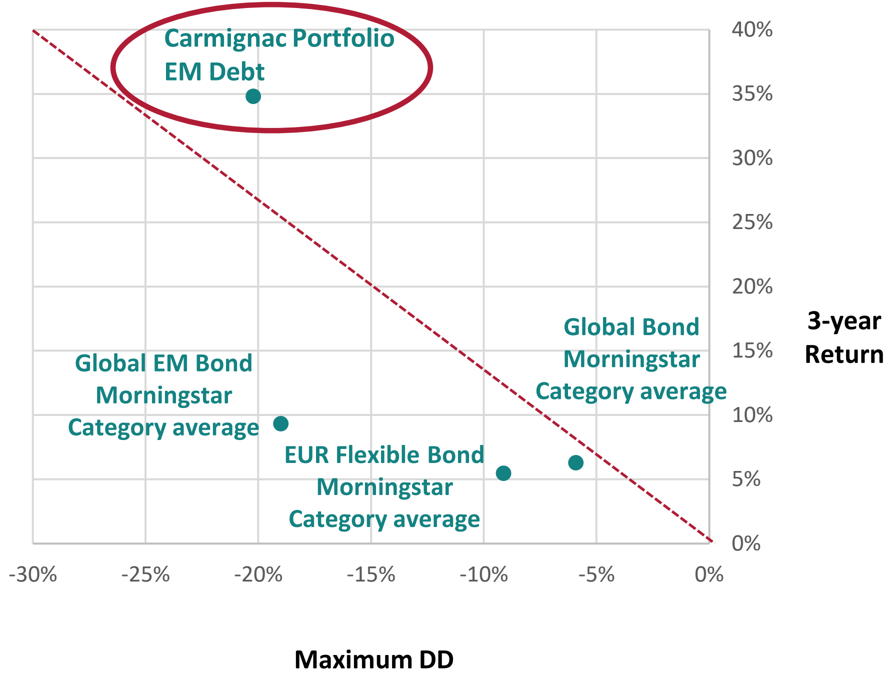
Appendix

Evolution of Maximum Drawdown and Recovery Periods

Carmignac P. EM Debt: Maximum Drawdown



MS Fixed Income Categories Max DD vs Returns



An Experienced Management Team

GLOBAL FIXED INCOME

Rose **OUAHBA**
Head of Fixed Income

Keith **NEY**

Julien **CHERON**

Eliezer **BEN ZIMRA**

Guillaume **RIGEADE**

EURO FIXED INCOME

Marie-Anne **ALLIER**

Aymeric **GUEDY**

Carmignac Portfolio EM Debt

EM DEBT

Joseph **MOUAWAD**

James **BLANNING**

CREDIT

Pierre **VERLÉ**
Head of team

Alexandre **DENEUVILLE**

Florian **VIROS**

EMERGING EQUITIES

Xavier **HOVASSE**
Head of team

Haiyan **LI**

Amol **GOGATE**

G10 FIXED INCOME

Michael **MICHAELIDES**

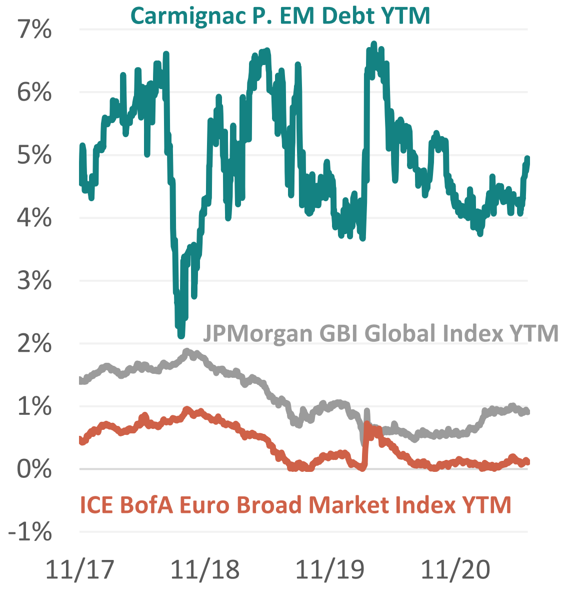
RISK MANAGEMENT

Guillaume **HUTEAU**
Front Office Risk Manager

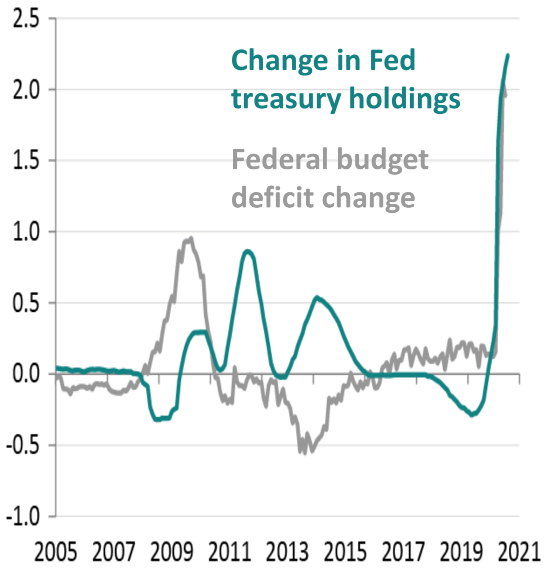
Source: Carmignac,
Management team as of 01/07/2021.
The Fund's Management Team may change over the Fund's lifespan.

Why Investing in EM Debt?

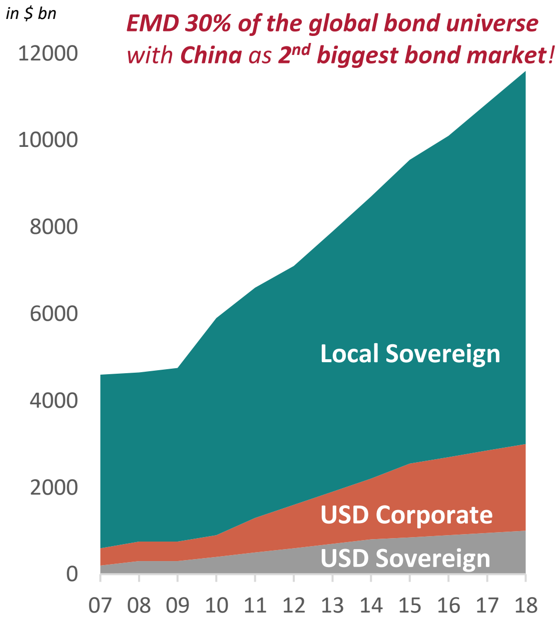
1 Financial Repression



2 Market Timing



3 Large Investment Universe



For illustrative purposes only
Source: Carmignac, Refinitiv,
Left: 05/07/2021
Middle: October 2020
Right: JPMorgan, 2018

Risk Management

Main Constraints*

Modified Duration

-4 — +10

Convertible Bonds

0% — 10%

Distressed Government Bonds

0% — 15%

Distressed Corporate credit

0% — 5%

Credit Derivatives Instruments

0% — 50%

Risk Monitoring

Within the management team

Evaluating the portfolio's behaviour using a wide range of tools (ex-ante volatility, correlations, factor decomposition, simulations) allows **the calibration of positions**

Risk Control

Independent control team through portfolio managers

Monitoring of exposures, investment limits (regulatory, prospectus, internal), portfolio **VaR** monitoring, historical **stress tests**

Volatility Risk

		All	DM Ccy	Core Rates	EM FX	EM Lcl Rates	EM Sov	Corp Credit
260	Portfolio Volatility	4.7%	1.0%	3.1%	2.8%	2.5%	2.8%	1.1%
days	Risk Contribution		1%	17%	33%	26%	25%	-2%
60	Portfolio Volatility	4.0%	0.8%	3.6%	2.5%	2.5%	2.5%	0.7%
days	Risk Contribution		0%	23%	29%	33%	18%	-3%
780	Portfolio Volatility	4.9%	1.2%	2.5%	3.1%	2.3%	2.3%	1.0%
	Risk Contribution		4%	18%	41%	19%	17%	2%

Correlation between Blocs

260	A
All	
DM Ccy	5
Core Rates	26
EM FX	55
EM Lcl Rates	49
EM Sov	43
Corp Credit	-8
Equities	

Worst 10-day DrawDowns

Tail Ratio	0.82
ExpShortfall	-3.85%

		DM Ccy	Core Rates	EM FX	EM Lcl Ra		
21-Jan-11	-5.28%	0.27%	-0.74%	-2.48%	-1.79%		
14-Nov-16	-4.83%	-0.56%	-1.45%	-0.71%	-0.12%		
12-May-15	-4.77%	-0.06%	-3.13%	-1.57%	0.05%		
08-Jun-15	-4.57%	-0.44%	-1.58%	-2.12%	-0.33%		
14-Dec-10	-4.21%	0.12%	-2.18%	-0.78%	-0.98%		
13-Aug-18	-3.62%	-0.04%	0.62%	-2.25%	0.28%		
10-Jul-17	-3.59%	-0.32%	-1.80%	-1.47%	-0.02%		
16-Aug-11	-3.59%	0.10%	0.49%	-1.61%	-0.55%	-0.65%	-1.3
05-May-17	-3.16%	-0.48%	-1.19%	-1.32%	-0.36%	0.47%	-0.2
27-Jan-12	-3.14%	0.19%	-0.65%	-0.82%	-1.49%	0.48%	-0.8
10-Mar-17	-3.09%	-0.37%	-1.68%	-1.27%	0.09%	0.10%	0.0
24-Aug-15	-3.08%	0.88%	1.10%	-3.79%	-0.48%	-1.37%	0.5
27-Sep-11	-3.07%	0.04%	-0.11%	-1.84%	0.15%	-0.67%	-0.64%

22-Jan-20

260-day betas using 5-day rtns

		CEMD	DM Ccy	Core Rates	EM FX	EM Lcl Rates	EM Sov	Corp Credit	FI Bench
Beta	JP EM FX	24%	-2%	-25%	21%	9%	29%	-8%	177%
	GBI-EM Local $ Hedged	93%	10%	57%	37%	-10%	7%	-7%	429%
Credit Duration Beta	EMBIG Sov	1.18	-0.57	-2.89	1.38	1.01	2.98	-0.72	9.77
	CDX EM	2.17	-0.42	-2.48	1.67	1.09	3.15	-0.84	13.00
	CEMBI Corp	0.34	-1.04	-4.84	1.56	1.25	4.15	-0.74	10.32
	CDX HY	0.31	-0.40	-1.40	0.77	0.47	1.67	-0.81	6.26
	ITRX XOVER	0.18	-0.49	-1.32	0.97	0.56	1.48	-1.02	6.84
Rate Duration Beta	USGG10YR								
	USGGT10Y								
	USGGBE10								
	GDBR10								
	MPSW10K								
	SASW10								
FX Beta	EURUSD								
	EURJPY								
	EURMXN								
	EURZAR								
	JPYKRW								
Equity Beta	MSCI ACWI								
	SPX								
	Nasdaq								
	MXEF								
	IBOV								
	KOSPI2								
	HSCEI								
	US CYC/DEF								
Commodities	Brent								

For illustrative purpose only.
Source: Carmignac
*gross limits

Carmignac Portfolio EM Debt: 3Y Correlation figures with largest funds in the Morningstar category

	Carmignac P. EM Debt A EUR Acc	Carmignac Sécurité A EUR Acc	Carmignac P. Flexible Bond A EUR Acc	Carmignac P. Credit A EUR Acc	Aviva Investors Em Mkts Bd I USD Acc	Schroder ISF EM Dbt Abs Rt A Dis USD Q	Fidelity Emerging Mkt Dbt Y-Acc-USD	JPM EMBI Global Diversified TR USD	JPM GBI Index
Carmignac Pf EM Debt A EUR Acc	100%								
Carmignac Sécurité A EUR Acc	74%	100%							
Carmignac Pf Flexible Bond A EUR Acc	66%	85%	100%						
Carmignac Pf Credit A EUR Acc	66%	82%	88%	100%					
Aviva Investors Em Mkts Bd I USD Acc	66%	61%	62%	54%	100%				
Schroder ISF EM Dbt Abs Rt A Dis USD Q	50%	25%	14%	17%	61%	100%			
Fidelity Emerging Mkt Dbt Y-Acc-USD	72%	66%	66%	61%	95%	65%	100%		
JPM EMBI Global Diversified TR USD	66%	61%	60%	53%	98%	64%	96%	100%	
JPM GBI Index	79%	60%	55%	53%	70%	67%	73%	71%	100%

Source: 26/06/2021. Carmignac, Morningstar. Correlation figures calculated using weekly returns in Euro, taking the oldest share class of the largest active funds included in the Global Emerging Markets Bond Morningstar category.

Main Risks of Carmignac Sécurité

Lower risk — Higher risk
Potentially lower return — Potentially higher return

1	2*	3	4	5	6	7

Recommended minimum investment horizon: 2 years

Interest rate

Interest rate risk results in a decline in the net asset value in the event of changes in interest rates.

Credit

Credit risk is the risk that the issuer may default.

Risk of capital loss

The portfolio does not guarantee or protect the capital invested. Capital loss occurs when a unit is sold at a lower price than that paid at the time of purchase.

Currency

Currency risk is linked to exposure to a currency other than the Fund’s valuation currency, either through direct investment or the use of forward financial instruments.

The Fund presents a risk of loss of capital.

Risk Scale from the KIID (Key Investor Information Document). Risk 1 does not mean a risk-free investment.
A EUR Share Class. This indicator may change over time.

Main Risks of Carmignac Portfolio Flexible Bond

Niedrigeres Risiko | Höheres Risiko
Potenziell niedrigerer Ertrag | Potenziell höherer Ertrag

1	2	3*	4	5	6	7

Empfohlene Mindestanlagedauer: 3 Jahre

Interest rate

Interest rate risk results in a decline in the net asset value in the event of changes in interest rates.

Credit

Credit risk is the risk that the issuer may default.

Equity

The Fund may be affected by stock price variations, the scale of which is dependent on external factors, stock trading volumes or market capitalization.

Currency

Currency risk is linked to exposure to a currency other than the Fund's valuation currency, either through direct investment or the use of forward financial instruments.

The Fund presents a risk of loss of capital.

Risk Scale from the KIID (Key Investor Information Document). Risk 1 does not mean a risk-free investment.
A EUR Share Class. This indicator may change over time.

Lower risk | Higher risk
Potentially lower return | Potentially higher return

1	2	3	4	5	6	7

Empfohlene Mindestanlage-dauer: 3 Jahre

Main Risks of Carmignac Portfolio Credit

Credit
Credit risk is the risk that the issuer may default.

Interest rate
Interest rate risk results in a decline in the net asset value in the event of changes in interest rates.

Risk of Capital Loss
The portfolio does not guarantee or protect the capital invested. Capital loss occurs when a unit is sold at a lower price than that paid at the time of purchase.

Currency
Currency risk is linked to exposure to a currency other than the Fund’s valuation currency, either through direct investment or the use of forward financial instruments.

The Fund presents a risk of loss of capital.

Risk Scale from the KIID (Key Investor Information Document). Risk 1 does not mean a risk-free investment.
A EUR Share Class. This indicator may change over time.

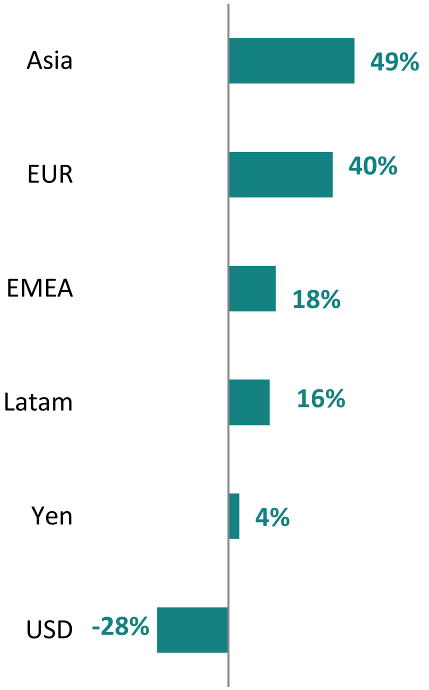
Carmignac Portfolio EM Debt: Current Positioning

Modified duration

Total **-4** **9.2** **+10**

Local debt (in basis points)	339
DM	*-118*
Asia	*363*
EMEA	*-14*
Latin America	*108*
External debt	**330**
Asia	*-10*
EMEA	*179*
Latin America	*161*
Corporate Credit	**-1**
DM	*-102*
Asia	*28*
EMEA	*22*
Latin America	*51*

FX Net Exposure



Key Figures*

Cash & equivalents	**7.0%**
Average YTM	**4.97%**
Average maturity	**13.7 years**
Average rating	**BBB-**

Portfolio composition may be changed anytime without notice.
Source: Carmignac as of 05/07/2021
YTM: yield to maturity
DM: Developed Markets

Carmignac Portfolio EM Debt – The EM FI Team

Joseph Mouawad| Fund Manager

Since 2015
Carmignac, Fund Manager – EM Debt & Currencies
2013-2015
Caxton, London, UK – Portfolio Manager
2008 - 2013
Deutsche Bank, London, UK – Head of EM Structured Fixed Income Trading
2007 – 2008
JP Morgan, London, UK – Interest Rates Derivatives Trading
2005- 2007
Barclays Capital, London, UK – Fixed Income Quantitative Analytics
2006
-Masters in Applied Math and Multidisciplinary Engineering, Ecole Centrale, Paris, France
-Masters in Financial Mathematics, Dauphine University & ENSAE, Paris, France

James Blanning| Analyst

Since 2016
Carmignac, Paris – EM Analyst
2015 - 2016
Nomura Investment Bank, London, UK – Analyst, Delta One & Stock Loan Trading Teams
2014 - 2015
Nomura Investment Bank, Paris, France – Interest Rates Junior Sales, Hedge Fund Team
2014
MSc in Quantitative Finance, Cass Business School, City University, London, UK
2013
BA in Economics and Finance, University of Exeter, UK

Source: Carmignac
Information about the staff teams is only informative.

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Aktiengesellschaft mit einem Grundkapital von 23.000.000 Euro - Handelsregister Luxembourg B67549