

## ESG WEBCAST

# MAKE A DIFFERENCE THROUGH AN ACTIVE ESG APPROACH

CARMIGNAC PF GREEN GOLD: ACTIVE SUSTAINABLE  
INVESTING IN ENERGY TRANSITION



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Green Gold



# The EU Sustainable Finance Disclosure Regulation (SFDR)

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## What's the purpose?

To increase transparency on sustainability among financial institutions and market participants by **standardising sustainability disclosures**. This will improve industry-wide comparability and prevent greenwashing.

## What is it?

Disclosure requirements at firm and product level (where applicable).

## Regulatory Background

This law will be officially implemented on March 10<sup>th</sup> 2021 ( Level 1) and applies to financial market participants (FMPs) and financial advisors (FAs) whose business is in Europe, non-EU FMPs who do business in the EU or sell products to the EU and non-EU firms that sub-manage EU assets or Funds.

## What does this mean in practice?

All FMPs will need to report on two levels:

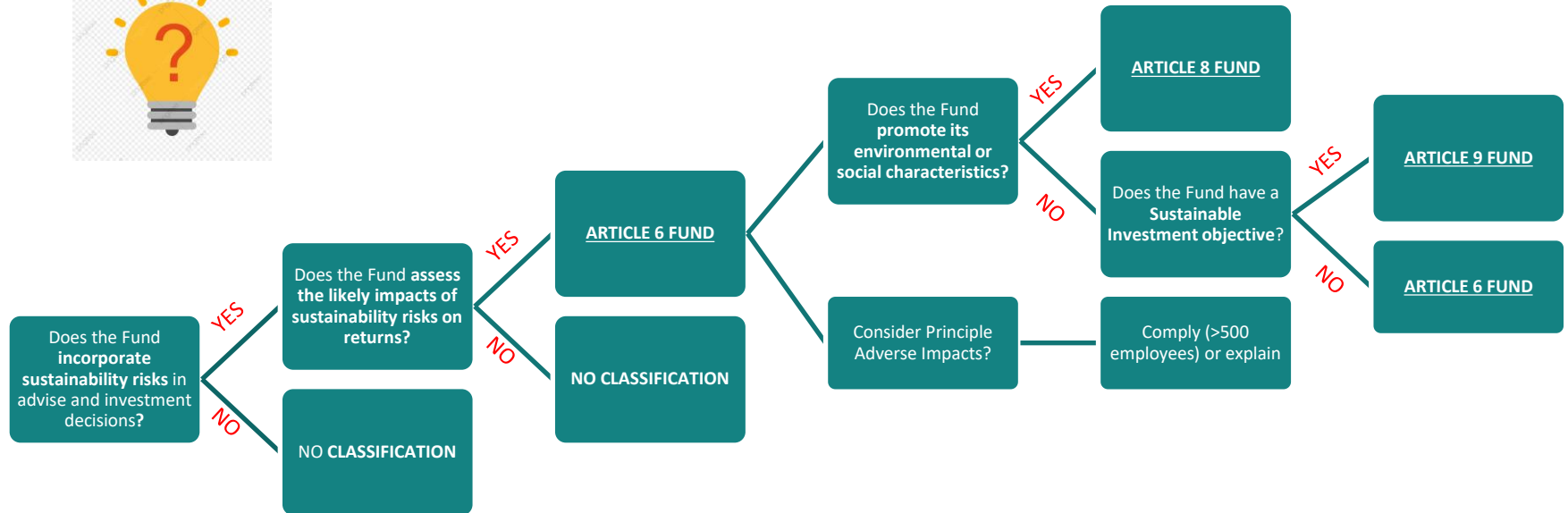
1. Disclosure about sustainability information **at firm level** (Articles 3 – 5)
2. Information on the 'sustainable' **products** they offer, if applicable (6 – 11)

For each level there are **general** and **specific** disclosure requirements. These are set out in the level 2 Regulatory Technical Standards (RTSs), which provide further detail to ensure firms take a consistent approach in their methods of collecting and disclosing information. Final draft published 5 February 2021

Source: <https://eur-lex.europa.eu/eli/reg/2019/2088/oj>

# Which Fund Classification

## Article 6, 8 and 9 Funds



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\***

# Summary of Required Disclosures (EU)2019/2088

Disclosure Level	Article	Purpose	Disclosure Content	Disclosure Location	Availability of RTSs*
FIRM:					
All FMPs	3	Demonstrate sustainability approach	FMPs and Financial Advisors publish policies on the incorporation of sustainability risks	Website	None
	4		<u>Comply or explain:</u> statement on <b>due diligence policies</b> regarding the <b>principal adverse impacts on sustainability factors</b> . Mandatory for entities with over 500 employees.	Website	2 on content, methodology and presentation
	5		Information on <b>remuneration policies</b> and their consistency with the incorporation of sustainability risks	Website	None
PRODUCT:					
All products	6	Product classification	<u>If/ how the following is met, and in the case it is not met, explain why:</u> a) <i>Integration of <b>sustainability risks</b> into advise and investment decisions</i> b) <i>Assess the likely impacts of sustainability risks on financial returns</i>	Pre-contractual materials	None
	7	Demonstrate sustainability approach	<u>Comply or explain:</u> information on the incorporation of <b>the principal adverse impacts at product level</b> . Effective from September 2022.	Pre-contractual materials	None
Classified ESG or Sustainable products	8	Product classification	<u>If / how the following is met:</u> a) <i>'<b>Environmental or social characteristics</b> promoted by the financial product'</i> b) <i>'No significant harm to the sustainable investment objectives'...</i>	Pre-contractual materials	2 RTSs on content and presentation
	9	Product classification	<u>If/ how the following is met:</u> a) <i>'<b>Sustainable investment objective</b> of the financial product'</i> b) <i>'No significant harm to the sustainable investment objectives'...</i>	Pre-contractual materials	2 RTSs on content and presentation
	10	On-going monitoring	Description of the extent to which the product characteristics or objective have been met <b>(monitoring of objectives)</b>	Website	1 RTS on content and presentation
	11	Supporting information	<b>Description of the objective/characteristics</b> + information on the methodologies used to assess, measure and monitor the product characteristics/objective + Article 8, 9 and 10 information	Periodic report	1 RTS on content and presentation

Source: AMF



























\*Regulatory Technical Standards (RTS) are specifications on the disclosure requirements  
Source: <https://eur-lex.europa.eu/eli/reg/2019/2088/oj>







# Carmignac funds: A comparison of the SFDR fund categories

	Article 6	Article 8	Article 9
	<b>Carmignac Investissement</b>	<b>Carmignac Portfolio Grande Europe</b>	<b>Carmignac Portfolio Green Gold</b>
<b>Aim: Sustainable investments</b>	No sustainable investments objective	Environmental and Social characteristics. No sustainable investments objective	Sustainable investment objective: invest > 60% Taxonomy business activities
<b>Investment strategy</b>	Firmwide exclusions	Extended exclusions Positive screening SDGs	Positive screening for 3 environmental themes
<b>Communication</b>	Basic	Core and binding	Core and binding
<b>Proportion of investments in sustainable investments</b>	5-10%	55-70%	60-70%
<b>DNSH Adverse impacts</b>	DNSH screening	DNSH screening, Quarterly outcomes reporting*	DNSH screening 'T', Quarterly outcomes reporting*
<b>Universe reduction</b>		>20%	>20%
<b>CO2 policies</b>	Firmwide policy	Target 30% reduction vs reference indicator	Energy transition
<b>ESG performance</b>	Yearly reporting	Monthly ESG and CO2 factsheet ESG and HR reporting	Monthly ESG and CO2 factsheet, Quarterly Taxonomy, Environmental breakdown financial factsheet*

\* As from March 2021

# Our SRI and ESG thematic product range

SRI		EUROPE 			EMERGING MARKETS (EM) 			GLOBAL 
		CP* Grande Europe	CP* Patrimoine Europe	C** Euro Entrepreneurs	C** Emergents	CP* Emergents	CP* EM Patrimoine	CP* Grand-children
	Asset class	Equities	Multi-Asset	Equities	Equities	Equities	Multi-Asset	Equities
	SRI Focus	SDGs <sup>1</sup>	SDGs <sup>1</sup>	Entrepreneurship	Positive screening	Positive screening	Positive screening	SDGs <sup>1</sup>
	Label(s)	 			 			 
	EU classif.	Art.8	Art.8	Art.8	Art.8	Art.8	Art.8	Art.8
	Ext. exclusions							
	Low carbon							

ESG thematic		EM 	GLOBAL 	
		CP* EM Debt	CP* Green Gold	CP* Family Governed
	Asset class	Emerging Bonds	Equities	Equities
	ESG Focus	ESG trajectory	Climate Change mitigation	Governance
	Label(s)			 
	EU classif.	Art.9	Art.9	Art.8
	Ext. exclusions			
	Low carbon			

CP\*: Carmignac Portfolio (SICAV fund)

C\*: Carmignac (FCP)



French Label ISR

For further information, please visit <https://www.llelabelisr.fr/en/>



Belgian Label Towards Sustainability

For further information, please visit: <https://www.towardssustainability.be/>

<sup>1</sup>SDGs: Sustainable Development Goals

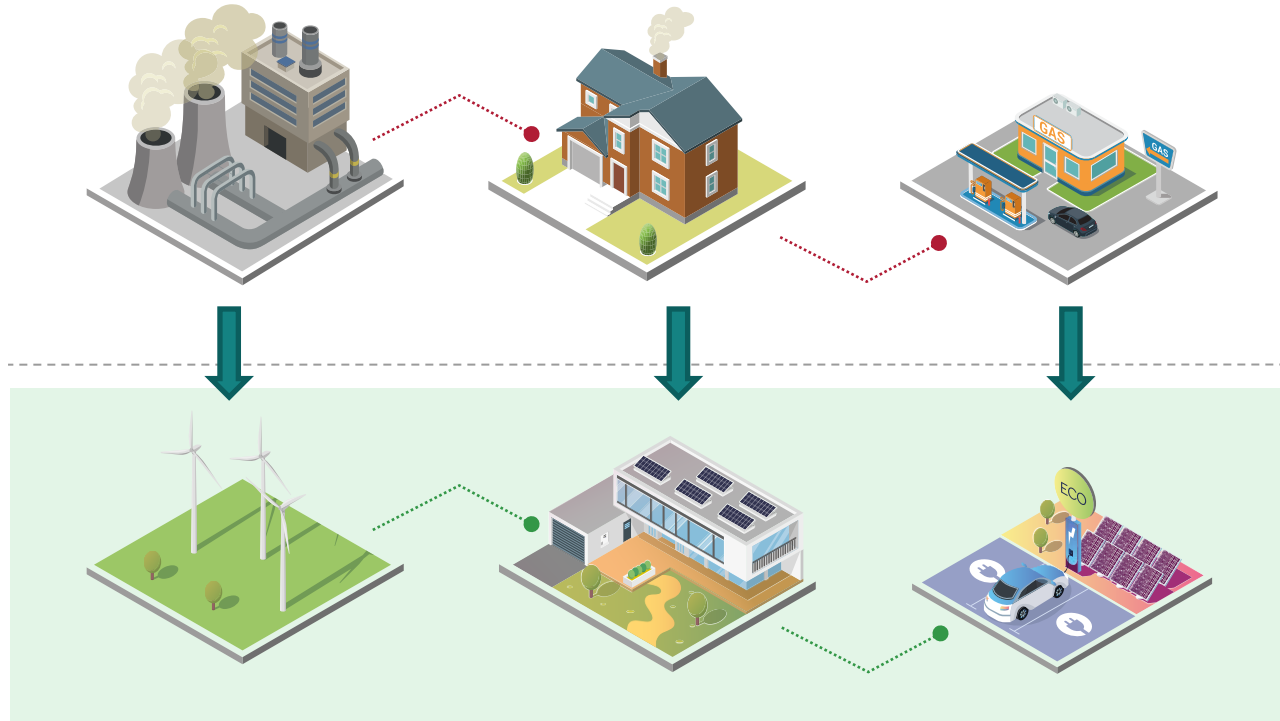




# Focus on Carmignac Green Gold Strategy & Energy Transition



# Energy Sector is Changing at an Unprecedented Pace with Increased Demand for Clean Energy Sources



- Environmental concerns have brought clean energy goals centre stage
- Market influences demand competitive pricing to promote healthy investments while renewable energy policies evolve at the government and supranational level
- We look for ways to phase out fossil fuels and reduce our dependence on energy sources that harm our planet
- 65 out of 195 countries use renewable sources for at least 50% of their electricity

# 3 Key Changes Shaping our Lives, Impacting our Investment Universe

## Commodity crisis & transformation of energy generation

*Amount spent on renewable power generation in 2017*

**\$298bn**

*And in fossil fuel power generation*

**\$132bn**

## Tech Disruption & Innovation

*Number of active Internet of Things connections in EU cities in 2019*

**6.6  
million**

*In 2022*

**24.8  
million**

## The unstoppable force of ESG investing supported by policy action

*Global growth in sustainable investments in US\$ Trillion 2012-2018*

**+\$17.4T**

*Germany renewable energy target by 2025*

**45%**



# © Carmignac Portfolio Green Gold

AUM  
(05/02/2021) € 396m

STRUCTURE UCITS

A Strategy that Aims to Accompany Climate Change and the Energy Needs of the Future

## INVEST WITH A PURPOSE

Aiming to generate attractive returns while contributing to climate change mitigation & decarbonization efforts

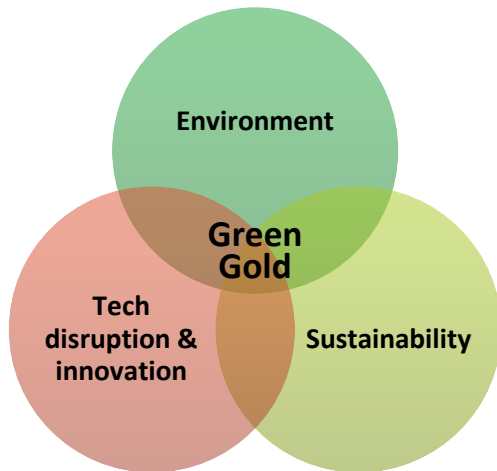
## INVEST EFFICIENTLY

A differentiated & holistic approach targeting not only clean energy providers but also:

- Raw metal suppliers, vital for transition
- High emitters making best in class efforts to reduce toxic emissions

## INVEST IN INNOVATION

Targeting innovative and sustainable growth companies with a technological edge and solid business models



## INVEST SUSTAINABLY

Seeking to invest at least 60% of its assets in companies contributing to climate change mitigation according to EU taxonomy standards



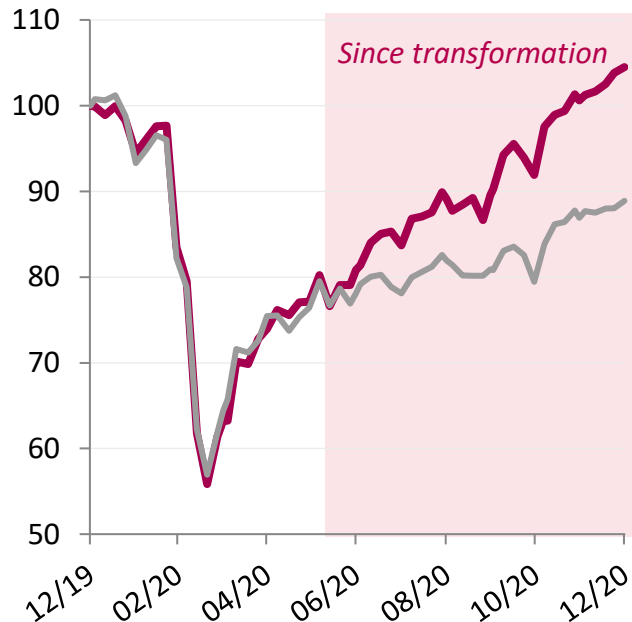
Recommended minimum investment horizon: **5 years**

Please refer to the Prospectus for a full description of the Fund, including extra-financial analysis and a list of categories of assets and financial contracts.  
\* For the A EUR Acc share classe. Risk Scale from the KIID (Key Investor Information Document). Risk 1 does not mean a risk-free investment. This indicator may change over time.

Source: Carmignac, July 2020. Source Carmignac, 2021

# Carmignac Portfolio Green Gold – Performance Analysis

## 2020 Performance



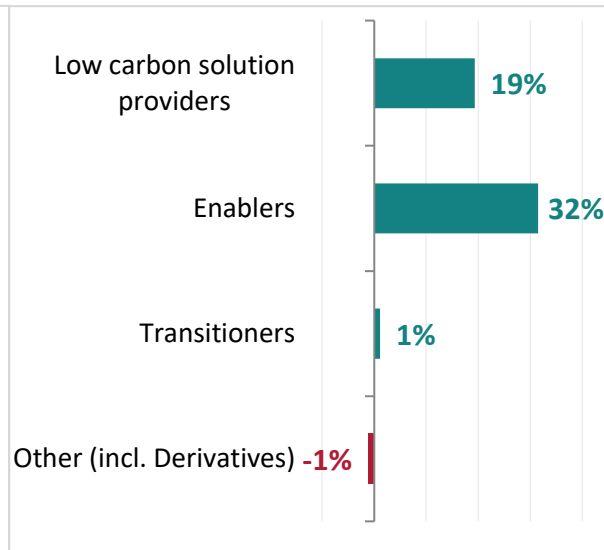
## Positive contribution of all buckets since rebranding (14/05/2020)

### Since transformation From 14/05/2020 to 31/01/2021

- **Carmignac P. Green Gold: +42.7%**
- **Ref. indicator: +21.3%**

### 2020 From 31/12/2019 to 31/12/2020

- **Carmignac P. Green Gold: +4.5%**
- **Ref. indicator: -11.1%**



\*MSCI ACWI (USD) (Reinvested net dividends)

Source: Carmignac at 31/01/2021

The composition of the reference indicator changed on 01/07/2013: the MSCI ACWI Chemicals NR (USD) index replaces the MSCI AC World Food Products (USD) and performances are presented using the chaining method.

From 01/01/2013 the equity index reference indicators are calculated net dividends reinvested.

Past performance is not necessarily indicative of future performance. Performances are net of fees (excluding possible entrance fees charged by the distributor).

# ***Our Solution***

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# Carmignac Portfolio Green Gold Objectives

## What ?

### *Fund objective*



## How ?

### *Fund's Focus*

Deliver positive change through reduced CO<sup>2</sup> emissions

Leading Innovative Growth Companies

Sustainable Long term Positive Externalities

Focused Portfolio of 25-40 companies

### *Investment / Impact Focus*



## Under the legal framework of

### *Taxonomy*



# *Climate Change & Energy Transition*

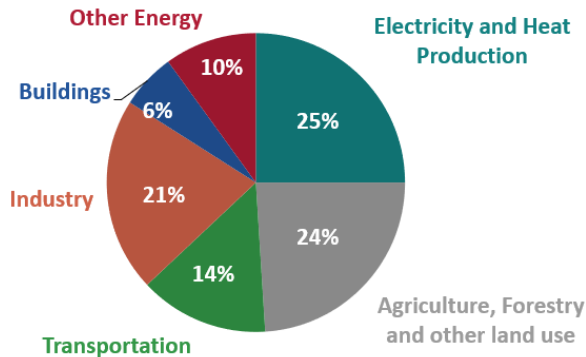
***Where do we stand?  
Where are we heading?***



# The energy sector is changing at an unprecedented pace to adapt to the needs of a transitioning world

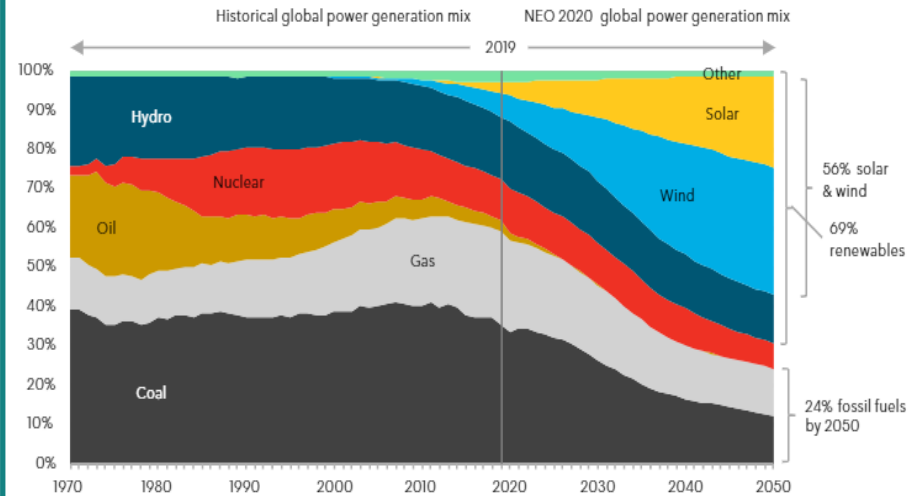
## Where do we stand?

### Global GHG Emissions by sector



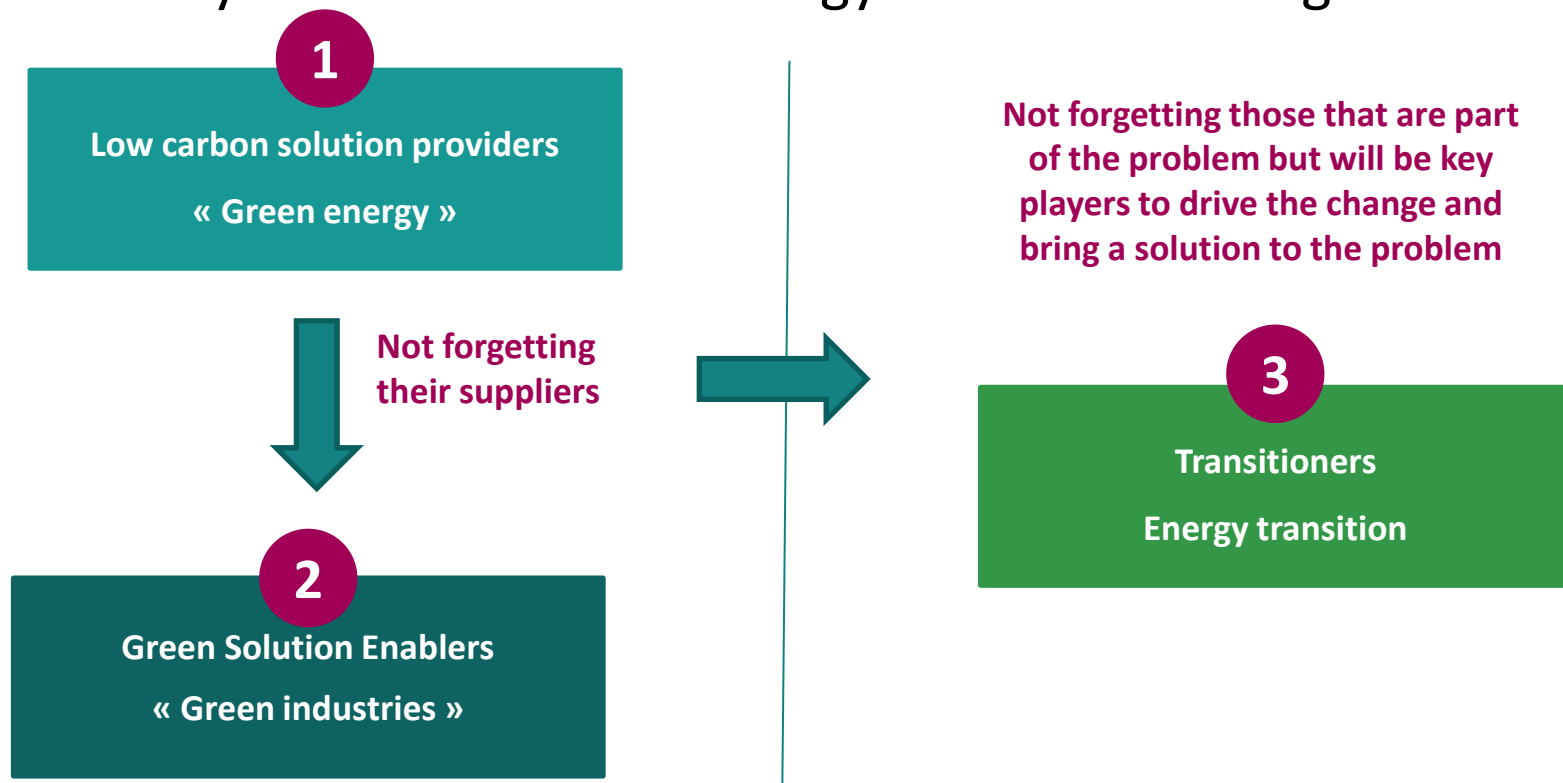
## Where are we heading?

### Global electricity generation mix 2019 and 2050 (%)



***How to invest to contribute to the Energy  
Transition and address the energy needs  
of tomorrow?***

# 3 possible ways to contribute to energy transition through investments



\*For more information, please refer to the KIID (Key Investor Information Document) or the prospectus of the Funds. The Funds' KIIDs and prospectus are available at [www.carmignac.com](http://www.carmignac.com). Portfolio composition may vary over time. Reference to certain securities and financial instruments is for illustrative purposes to highlight stocks that are or have been included in the portfolios of funds in the Carmignac range. This is not intended to promote direct investment in those instruments, nor does it constitute investment advice. The Management Company is not subject to prohibition on trading in these instruments prior to issuing any communication

Source: Carmignac April 2020

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## Focus on ENABLERS

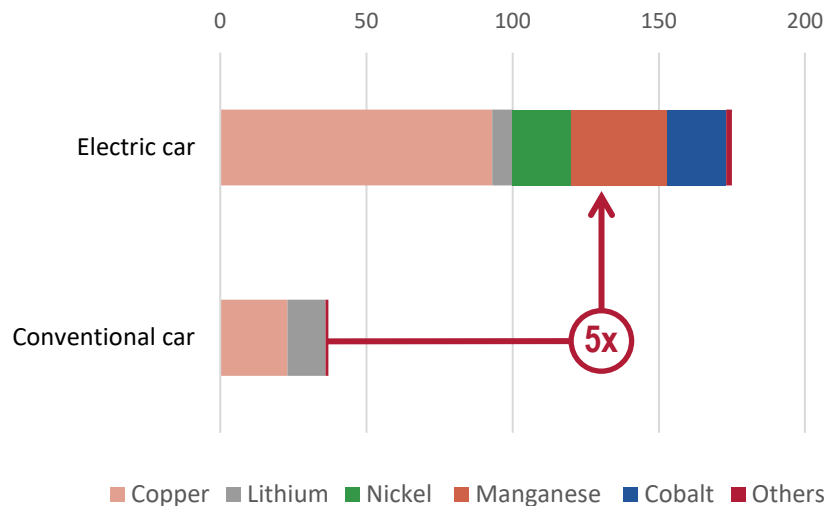
***Will Energy Transition be Metal-free?***  
***Will Energy Transition be Tech-free?***

# The case for « Green Metals »

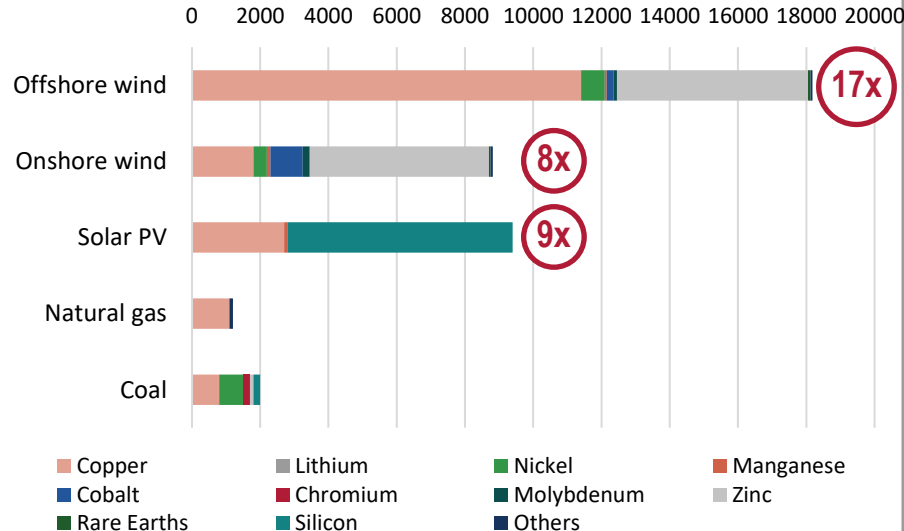
A renewed focus on mineral supplies is vital for accelerated energy transitions



Minerals used in selected transport technologies (kg/vehicle)



Minerals used in selected power generation technologies (kg/MW)



Actual consumption can vary by project depending on technology choice, project size and installation environment. The figure for electric car is based on NMC 111 lithium-ion batteries.  
Source: IEA, data and calculations September 2020

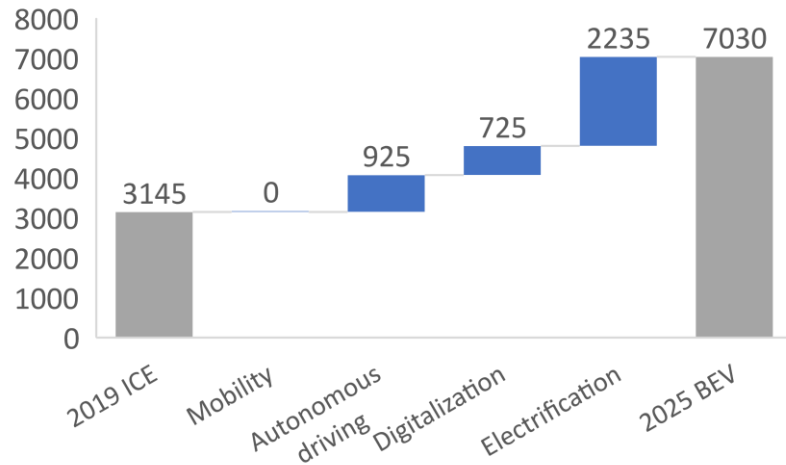
# The case for “Green Technologies”: Semiconductors

Semiconductor content value in ICE engine vs BEV

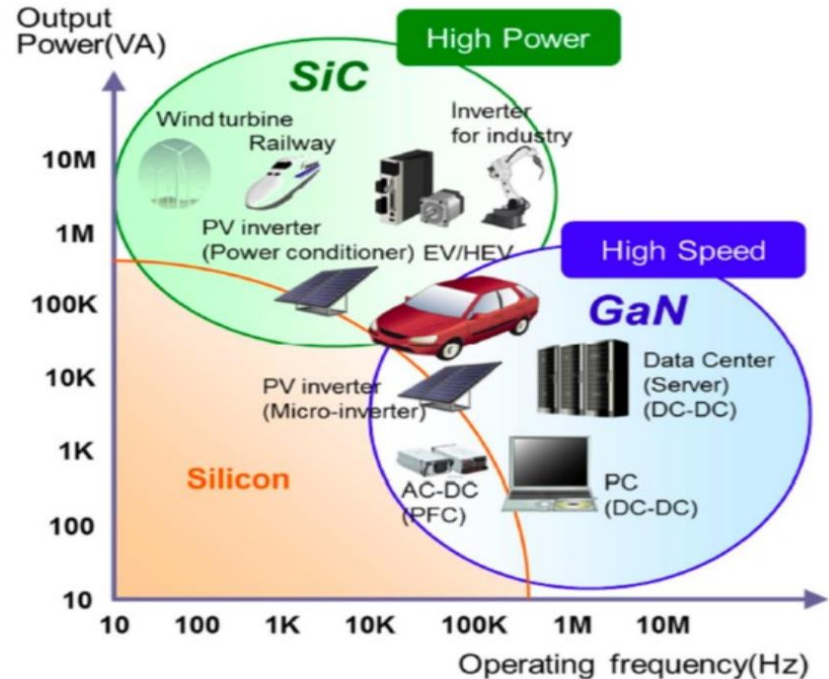
**\$3000 per unit / \$7 000 per unit**

**2.5x**

Bill of materials in USD



Ultra-wide band gap Semiconductor materials to increase energy efficiency and reliability of power electronics



Source:

LHS: McKinsey Research, Bloomberg, IAE, company data 2020

RHS: The Graham Lab, Georgia Institute of Technology, September 2020

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## Focus on Transitioners

***Can there be an Energy Transition without traditional oil & mining companies?***



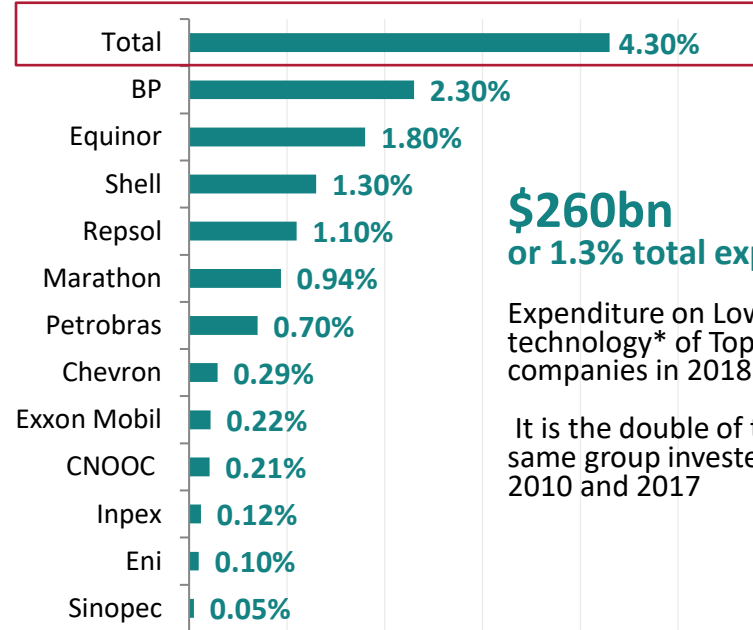
# The case of Transitioners

## The source of the problem will also be part of the solution

Top 10 companies responsible for the most global carbon emissions between 1965-2017  
(in Million Tons of CO2e)

1.	Saudi Aramco	59 262
2.	Chevron	43 345
3.	Gazprom	43 230
4.	Exxon Mobil	41 904
5.	National Iranian Oil Co.	35 658
6.	BP	34 015
7.	Royal Dutch Shell	31 948
8.	Coal India	23 124
9.	Pemex	22 645
10.	Petroleum de Venezuela	15 745

Disclosed low-carbon investment as a proportion of total Capex (2010-Q3 2018)



**\$260bn**  
or 1.3% total expenditures

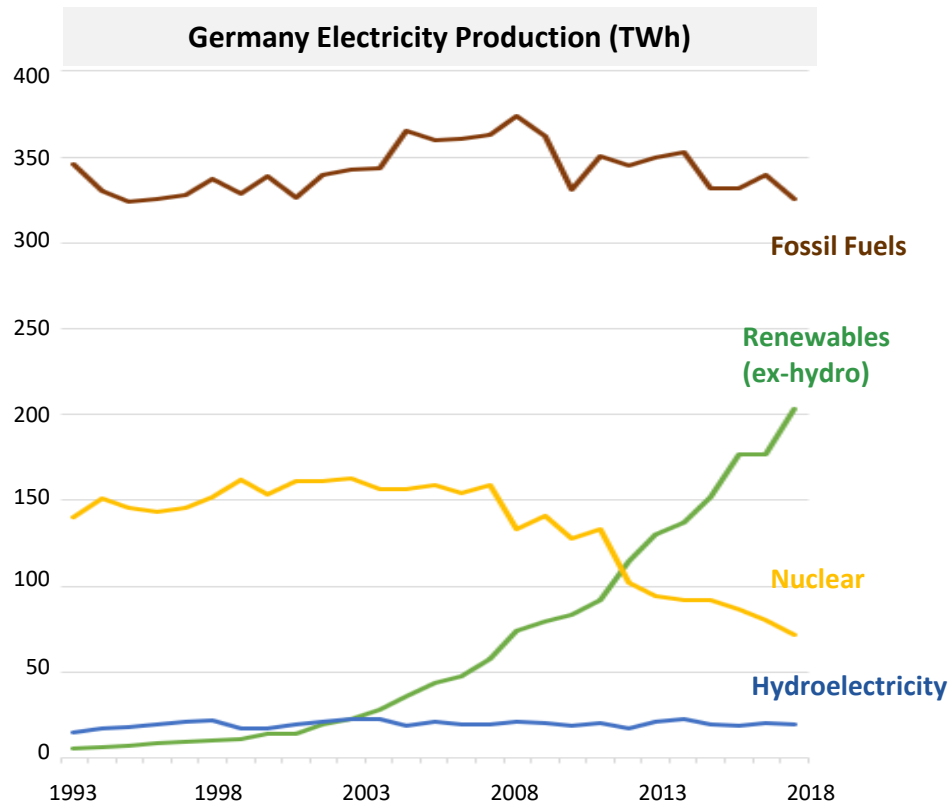
Expenditure on Low carbon technology\* of Top 24 public oil companies in 2018

It is the double of the 0.68% the same group invested between 2010 and 2017

Source: Reuters, Climate Accountability Institute, 2019

\*Low carbon technology is defined as frontier power, energy smart technologies, carbon capture and storage, biomass and waste, biofuels, onshore and offshore wind solar, thermal

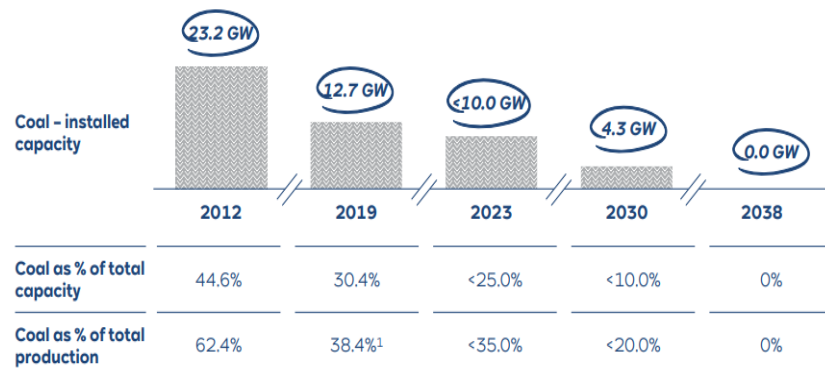
# RWE: Unique Positioning to Benefit & Contribute to Energy Transition with Ambitious Climate Protection Targets



## RWE targets to be carbon neutral by 2040

- Target to achieve carbon neutrality by 2040
  - Reduce scope 1 and 2 greenhouse gas emissions 50% per kWh by 2030 from a 2019 base year
  - Reduce absolute scope 3 scopes greenhouse gas emissions 30% by 2030 from a 2019 base year

## RWE Responsible phaseout of coal by 2038



<sup>1</sup> Includes pro forma combined renewables portfolio. | Note: Based on full load hours under normal weather conditions and achievement of government renewables targets. Excluding plants in security reserve. Production in 2038 refers to first year post closure.

Source: EIA, German Energy Ministry, Germany Energy Alliance, Science Based Targets Initiative (SBTi), RWE, Company data, Feb 2021

# Investing in Companies that Help Mitigate Climate Change across the whole renewable and industrial value chains



\*For more information, please refer to the KIID (Key Investor Information Document) or the prospectus of the Funds. The Funds' KIIDs and prospectus are available at [www.carmignac.com](http://www.carmignac.com). Portfolio composition may vary over time. Reference to certain securities and financial instruments is for illustrative purposes to highlight stocks that are or have been included in the portfolios of funds in the Carmignac range. This is not intended to promote direct investment in those instruments, nor does it constitute investment advice. The Management Company is not subject to prohibition on trading in these instruments prior to issuing any communication

Source: Carmignac December 2020

# Overview of our Key Holdings

Low carbon solution providers  
« Green Energy »

25%

Ørsted Vestas RWE

sunrun solar edge STERLING & WILSON

nel CeresPower

LG Chem BYD PROTERRA AEVA

Green Solution Enablers  
« Green industries »

56%

FIRST QUANTUM  
MINERALS LTD.

ALBEMARLE  
CORPORATION

ST  
Innovation

SAMSUNG  
ELECTRONICS

Microsoft ANSYS

Schneider  
Electric

HEXCEL

Kingspan

NIBE

WM  
WASTE MANAGEMENT

Ashlead  
group

DANAHER

CARBIO  
Sustainable Protein Solutions

ECOLAB

Transitioners  
Energy transition

12%

TOTAL

NEWMONT

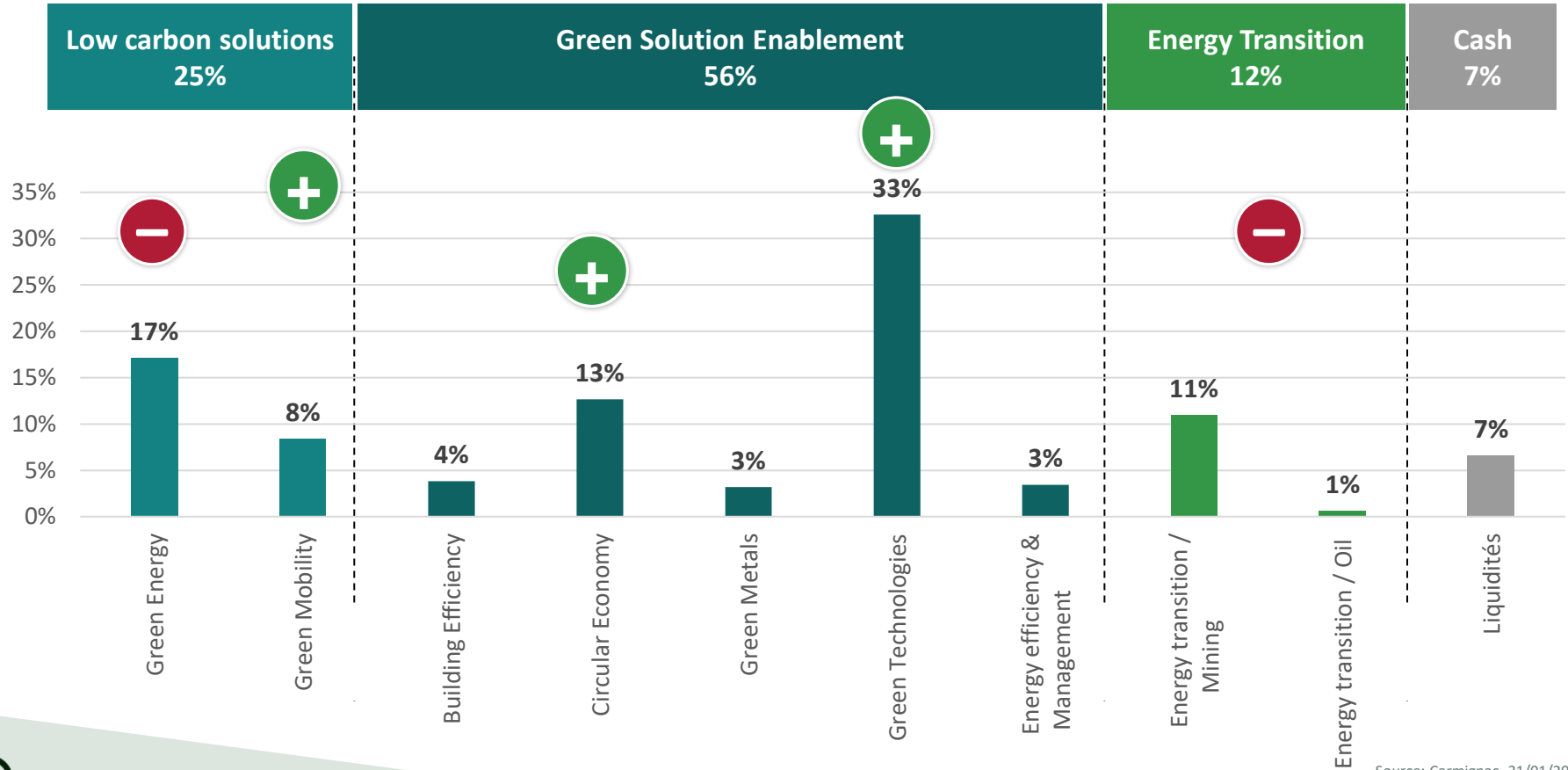
WHEATON  
PRECIOUS METALS

BARRICK

Portfolio composition may vary over time. Reference to certain securities and financial instruments is for illustrative purposes to highlight stocks that are or have been included in the portfolios of funds in the Carmignac range. This is not intended to promote direct investment in those instruments, nor does it constitute investment advice. The Management Company is not subject to prohibition on trading in these instruments prior to issuing any communication

Source: Carmignac January 2021

# Current positioning of Carmignac P. Green Gold



Source: Carmignac, 31/01/2021

# Portfolio Adjustments

Discipline in position sizing and profit taking

## STRUCTURAL ADDITIONS

### Green Mobility



### Green Tech



### Circular Economy



## REDUCTIONS/ PROFIT TAKING

### Electric Vehicles



### Green Metals



### Green Energy



### Energy transition



The portfolios of Carmignac funds may change without previous notice.  
Source: Carmignac, company data, 31/01/2021

# ***Conclusion***

## ***What to keep in mind?***

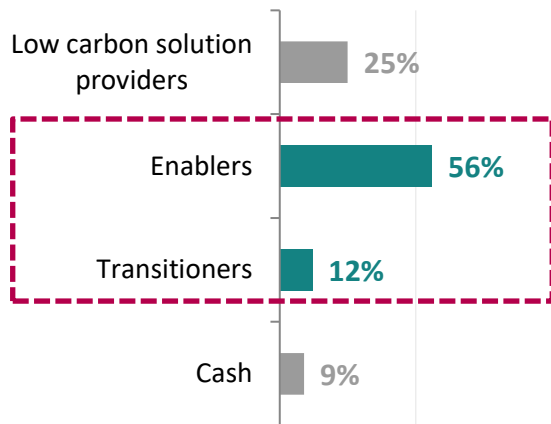


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# Looking Beyond Concept Stocks and Bubbles to Invest Efficiently and Sustainably

## ADOPTING A HOLLISTIC VIEW TO INVEST EFFICIENTLY

Investments in low carbon/renewables solution providers **BUT ALSO**:



## AVOIDING BUBBLES AND CONCEPT STOCKS

Thorough analysis to distinguish concept stocks/thematics from sustainable ones

### Example of Nikola Corp (Stock price since IPO)



## ASSESSING ESG RISKS & OPPORTUNITIES

A special focus given to companies' governance, safety & environmental policies during exchanges with managements

### Example of Exxon (10Y stock performance)



Source: Carmignac, Bloomberg, Company data 21/12/2020

## Not Forgetting Bottom-Up Fundamentals & Valuations:

### Long-Term Winners need Sound Balance Sheets and Self-Financed Growth

Carmignac Portfolio Green Gold Current Top 10 Holdings financial ratios\*

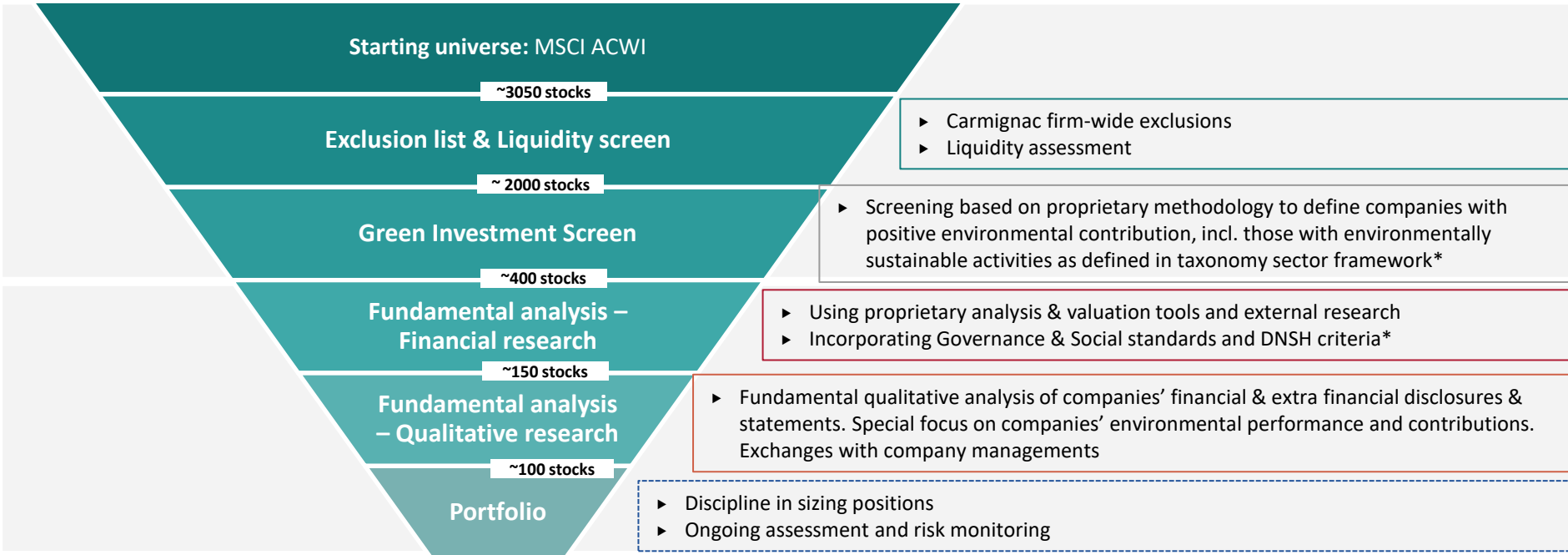
#### VALUATION METRICS

	Country	Bucket	% Assets	ROE*	EV/EBITDA*
<b>NEWMONT MINING</b>	USA	Energy Transition	5.6%	11.7%	8,8x
<b>ORSTED A/S</b>	Denmark	Green Energy	4.7%	21.4%	29,0x
<b>BARRICK GOLD</b>	Canada	Energy Transition	4.1%	23.4%	7,6x
<b>SAMSUNG ELECTRONICS</b>	South Korea	Green Technologies	4.0%	9.1%	5,2x
<b>NIO INC</b>	China	Green mobility	3.9%	-	
<b>AGNICO EAGLE MINES</b>	Canada	Energy Transition	3.9%	12.4%	12,1x
<b>MICROSOFT CORP</b>	USA	Green Technologies	3.3%	41.4%	24,4x
<b>KINGSPAN GROUP</b>	Ireland	Building efficiency	3.2%	17.1%	19,5x
<b>DANAHER CORP</b>	USA	Circular Economy	3.1%	10.6%	28,3x
<b>SCHNEIDER ELECTRIC SA</b>	France	Energy efficiency & management	2.8%	10.8%	16,6x
<b>Total</b>			<b>38.6%</b>		

\*Current Return on Equity and Enterprise Value over EBITDA multiple (2020 estimates). Reference to certain securities and financial instruments is for illustrative purposes to highlight stocks that are or have been included in the portfolios of funds in the Carmignac range. This is not intended to promote direct investment in those instruments, nor does it constitute investment advice. The Management Company is not subject to prohibition on trading in these instruments prior to issuing any communication. The portfolios of Carmignac funds may change without previous notice. Portfolio composition may vary over time.  
Source: Carmignac, Bloomberg at 30/10/2020

# Appendix

# The Investment Process: A Combination of Proprietary, Fundamental and Environmental Contribution Analysis



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\* For more information on Taxonomy Framework & and Do No Significant Harm criteria please refer to related slide.  
[https://ec.europa.eu/knowledge4policy/publication/sustainable-finance-teg-final-report-eu-taxonomy\\_en](https://ec.europa.eu/knowledge4policy/publication/sustainable-finance-teg-final-report-eu-taxonomy_en)

[https://ec.europa.eu/info/sites/info/files/business\\_economy\\_euro/banking\\_and\\_finance/documents/sustainable-finance-taxonomy-feedback-and-workshops\\_en.pdf](https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/sustainable-finance-taxonomy-feedback-and-workshops_en.pdf)

\*DNSH criteria

Source: Carmignac, 2020

# Carmignac Portfolio Green Gold's Environmental Objective

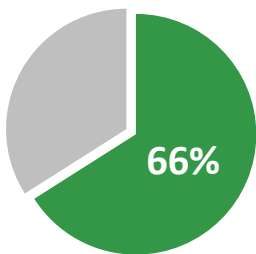
## Our Environmental Objective Explained

### Carmignac P. Green Gold Strategy seeks

- ▶ to invest sustainably for long-term growth and pursues a thematic approach for a positive environmental contribution
- ▶ to invest at least 60% of assets in companies whose activity contribute to climate change mitigation according to EU Taxonomy<sup>1</sup> standards

*Carmignac Portfolio Green Gold SICAV Subfund Prospectus Nov 2020*

**Carmignac P. Green Gold exposure to environmentally sustainable activities as defined in Taxonomy sector framework<sup>2</sup> as of 31/12/2020**



## Taxonomy sector framework & Methodology explanation\*

### Step 1

- ▶ **Verify company business activities** are identified within the Taxonomy standards NACE<sup>3</sup> classification

### Step 2

- ▶ **Confirm the reported % revenues** per company stated through proprietary analysis

### Step 3

- ▶ **Identify companies risk mitigation** of potential environmental controversies that may harm other climate goals of the Taxonomy activities referred to as Do No Significant Harm (DNSH)<sup>4</sup> through controversy screens and proprietary analysis

### Step 4

- ▶ **Safeguard companies' adequate social policies and practices** in place through Norms based screening which includes International Labour Organization's work principles

### Limitations to our methodology

1. Given the Taxonomy Delegated Act for financial participants is not voted into law yet and the regulation for nonfinancial companies' disclosures is not applicable before 2022, the portfolio Taxonomy alignment is calculated principally by % revenue involvement, and may only include technical standards threshold assessment when available
2. The recommended calculations of DNSH as stated in the Taxonomy technical report may be limited to qualitative judgments in the short term in the absence of company disclosure

Source: 1. For more information regarding the EU Taxonomy standards

[https://ec.europa.eu/info/sites/info/files/business\\_economy\\_euro/banking\\_and\\_finance/documents/190618-sustainable-finance-teg-report-taxonomy\\_en.pdf](https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/190618-sustainable-finance-teg-report-taxonomy_en.pdf)

[https://ec.europa.eu/info/sites/info/files/business\\_economy\\_euro/banking\\_and\\_finance/documents/190618-sustainable-finance-teg-report-taxonomy\\_en.pdf](https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/190618-sustainable-finance-teg-report-taxonomy_en.pdf)

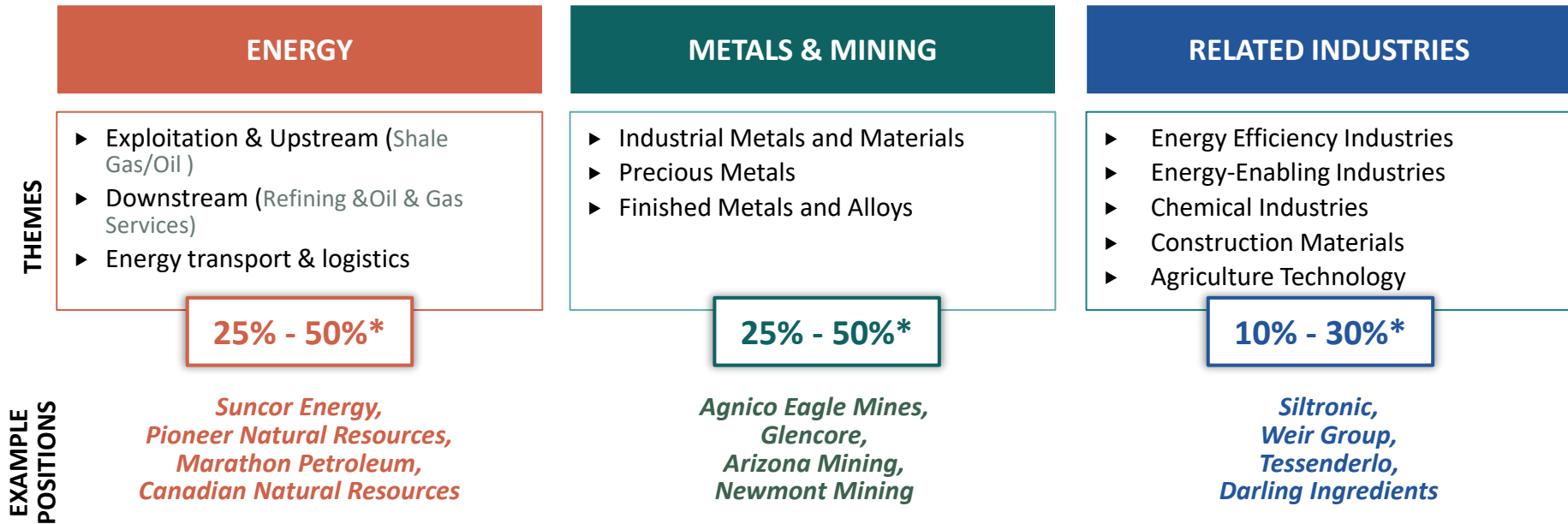
2. In number of issuers. European Commission, Carmignac, Bloomberg Portfolio and Watchlist Analytics NACE, 31/12/2020

3. For more information on NACE methodology : [https://ec.europa.eu/eurostat/statistics-explained/index.php/NACE\\_background](https://ec.europa.eu/eurostat/statistics-explained/index.php/NACE_background)

4. For more information regarding Do No Significant Harm

[https://ec.europa.eu/info/sites/info/files/business\\_economy\\_euro/banking\\_and\\_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy-annexes\\_en.pdf](https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy-annexes_en.pdf) Page 29-35

# BEFORE - Investing across the commodity and natural resources value chain

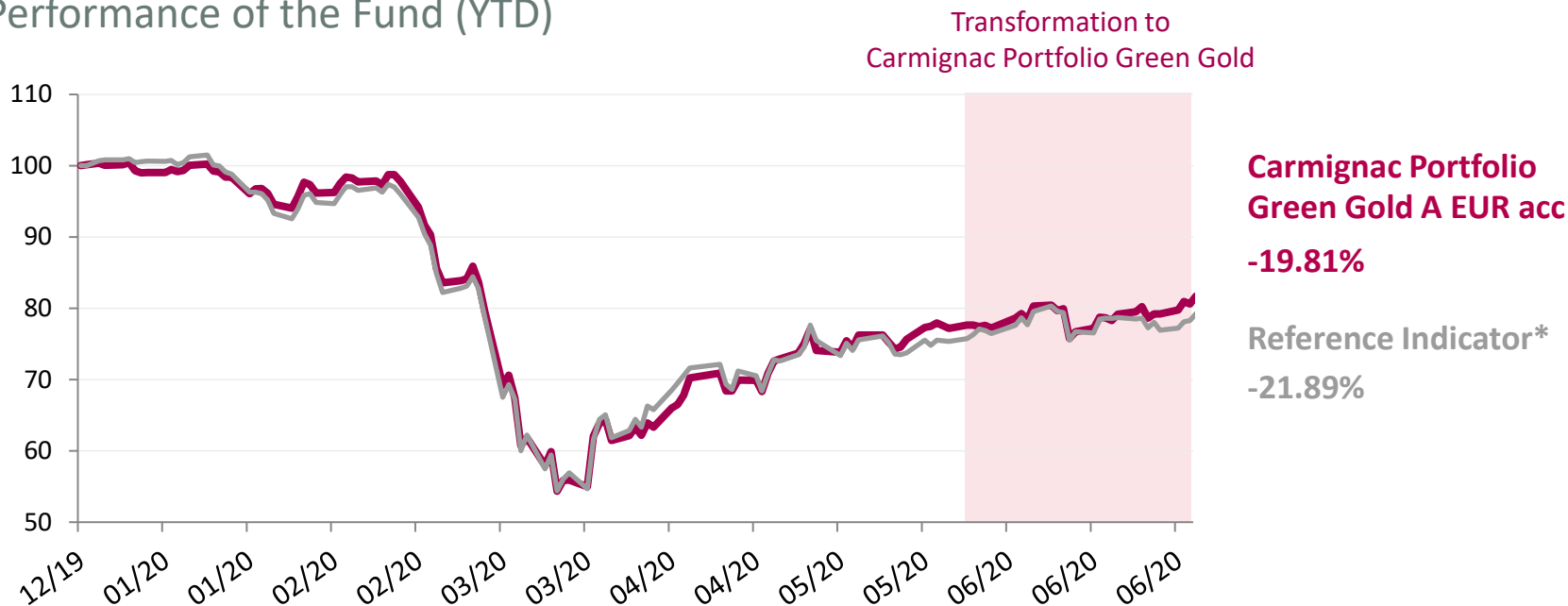


\*Percentages show Carmignac Portfolio Commodities range of exposure to different buckets based on 5 year historic average for illustrative purposes only. Portfolio composition may vary over time. Reference to certain securities and financial instruments is for illustrative purposes to highlight stocks that are or have been included in the portfolios of funds in the Carmignac range. This is not intended to promote direct investment in those instruments, nor does it constitute investment advice. The Management Company is not subject to prohibition on trading in these instruments prior to issuing any communication

Source: Carmignac, 2019

# Carmignac Portfolio Green Gold

## Performance of the Fund (YTD)



On 15/05/2020 the reference indicator changed to MSCI AC WORLD NR (USD) index net dividends reinvested. Performances are presented using the chaining method.  
The Fund's name was changed from Carmignac Portfolio Commodities to Carmignac Portfolio Green Gold.

Reference indicator : MSCI ACWI (USD) (Reinvested net dividends)  
Past performance is not necessarily indicative of future performance. Performances are net of fees (excluding possible entrance fees charged by the distributor), where applicable. The return may increase or decrease as a result of currency fluctuations, for the shares which are not currency-hedged.

From 01/01/2013 the equity index reference indicators are calculated net dividends reinvested.  
Source : Carmignac, 30/06/2020



# Carmignac' Commodities Strategy Transformation

## What has changed?

**BEFORE**

**AFTER**

Name	Carmignac P. Commodities	Carmignac P. Green Gold
Investment universe	<b>Thematic International Equities Fund</b> with no geographic & sector or market cap constraints	
Investment Focus	Commodity equities Fund	Environmental Innovation Equity Fund
Strategy description	Commodity producing companies & those in the value chain of commodity producers	Companies providing innovative products or services or contributing to climate change mitigation
ESG Integration & sustainability objective	No	Yes At least 60% of assets invested in companies contributing to climate change mitigation according to EU taxonomy standards
Ref Indicator	<b>Composite reference indicator:</b> 45% MSCI ACWI Oil & Gas NR (Eur), 5% MSCI ACWI Energy Equipment NR (Eur), 40% MSCI ACWI Metal and Mining NR (Eur), 5% MSCI ACWI Paper & Forest NR (Eur), 5% MSCI ACWI Chemicals NR (Eur).	<b>MSCI All Country World (EUR)</b> reinvested net dividends, rebalanced quarterly
Morningstar category	Sector Equity Natural Resources	Sector Equity Ecology
Investment limits/ Fee structure	No change in investment limits/SRRI/ risk profile/ leverage/ fee structure	

# What we Look for When Investing in Transitioning Mining & Gold Companies?

We target best in class companies with the highest emission reduction potential & making comprehensive efforts to reduce their negative externalities



**Reduce energy use & GHG emissions**



**Improve local community relationship**



**Reduce toxic mining waste**



**Implement water management strategy**

# Newmont Mining:

Best in class Miner with intensive focus on responsible business practices



## Newmont: environment & social targets

### Climate

**16.5%**

Reduction in GHG emissions  
intensity by 2020\*

### Community

**100%**

Achievement of regional local  
employee targets

### Water

**5%**

Reduction in freshwater  
consumption by 2019 year  
end\*\*

### Reclamation

**90%**

Of planned reclamation  
activities met

## Improvement of Community dialogue & support

- ✓ **Historic Peñasquito mine agreement** securing sustainable water availability for the local community's domestic & agricultural uses
- ✓ **Establishment of \$20M Global Community Support Fund**
- ✓ **Partnerships with local governments', medical institutions, charities and NGOs** to address needs of local communities

\* 7 year target from 2013 baseline

\*\*3 year target from 2016 baseline

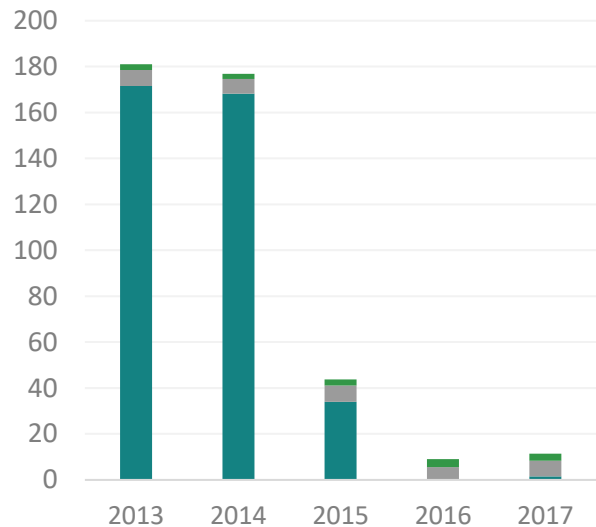
Source: Company date: Newmont 2018 Sustainability report

[https://s3-us-west-2.amazonaws.com/ungc-production/attachments/cop\\_2018/462859/original/Newmont-Beyond-The-Mine-Sustainability-Report-2017.pdf?1524494306](https://s3-us-west-2.amazonaws.com/ungc-production/attachments/cop_2018/462859/original/Newmont-Beyond-The-Mine-Sustainability-Report-2017.pdf?1524494306)

# Newmont Mining: Environnement Results So Far

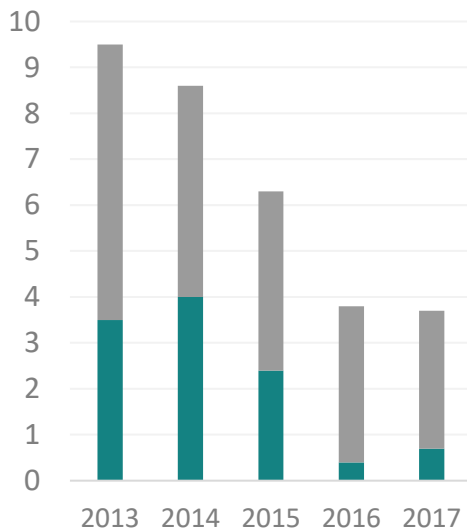
**Newmont Air Emissions - GAS**

(Thousand Tonnes)



**Newmont Air Emissions - METAL**

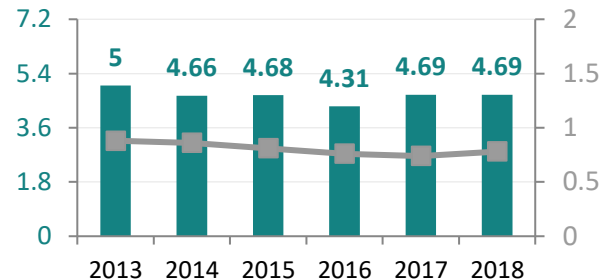
(Tonnes)



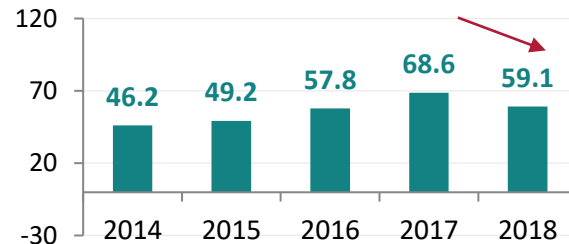
■ Carbon Monoxide (CO) ■ NOx (NO<sub>2</sub>) ■ SOx (SO<sub>2</sub>)

■ Mercury (Hg) ■ Arsenic (As)

**Newmont: Total Scope 1 & 2 GHG emissions & intensity**



**Newmont: Cyanide use (thousand tonnes)**



Source: Newmont, 2018



# Michel WISKIRSKI

## Fund Manager – Equities

- 2018** | Carmignac, Paris – Fund Manager
- 2015 – 2018** | Carmignac, Paris – Analyst, Emerging Markets & Commodities
- 2014 – 2015** | Carmignac, Paris – Product Specialist, Emerging Markets & Commodities
- 2010 – 2014** | UBS Investment Bank, London, UK – Associate – EMEA Cross Asset Solutions
- 2010** | Master's degree in Law, Université Paris II-Assas, Paris, France
- 2009** | Master's degree in Law, University of Oxford, United Kingdom
- 2008** | Master's degree in Finance, ESSEC Business School, Cergy-Pontoise, France
- 2007 – 2008** | BNP Paribas - Fortis Banque, Paris, France – Credit Analyst
- 2006** | Crédit Agricole CIB, Paris, France – Financial Analyst

# Performance by Calendar Year

## Carmignac Portfolio Green Gold

Recommended  
minimum investment  
horizon: **5 years**



	2015	2016	2017	2018	2019	2020
<b>Carmignac Portfolio Green Gold– A EUR Acc</b>	-16.16%	+21.68%	+5.51%	-17.70%	+14.79%	+4.50%
<b>Reference Indicator*</b>	-19.66%	+41.68%	+5.15%	-9.58%	+18.78%	-11.10%

<i>Annualized</i>	3 years	5 years	10 years
<b>Carmignac Portfolio Green Gold – A EUR Acc</b>	-4.53%	-4.30%	-1.96%
<b>Reference Indicator*</b>	-1.22%	-0.53%	+0.46%

On 15/05/2020 the reference indicator changed to MSCI AC WORLD NR (USD) index net dividends reinvested. Performances are presented using the chaining method.

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Reference indicator : MSCI ACWI (USD) (Reinvested net dividends)

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From 01/01/2013 the equity index reference indicators are calculated net dividends reinvested.

Source : Carmignac, 31/07/2020

## GLOSSARY

Taxonomy	<p>The Taxonomy Regulation (TR), (Dec 2019) creates a legal basis for the EU Taxonomy. The TR sets out the framework and environmental objectives for the Taxonomy, as well as new legal obligations for financial market participants, large companies, the EU and Member States. The EU Taxonomy is a tool to help investors, companies, issuers and project promoters navigate the transition to a low-carbon, resilient and resource-efficient economy. The Taxonomy sets performance thresholds (referred to as 'technical screening criteria') for economic activities which:</p> <ul style="list-style-type: none"> <li>• make a substantive contribution to one of six environmental objectives</li> <li>• do no significant harm (DNSH) to the other five, where relevant;</li> <li>• meet minimum safeguards (e.g., OECD Guidelines on Multinational Enterprises and the UN Guiding Principles on Business and Human Rights).</li> </ul> <p>The performance thresholds will help companies, project promoters and issuers access green financing to improve their environmental performance, as well as helping to identify which activities are already environmentally friendly.</p> <p><a href="https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy-annexes_en.pdf">https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy-annexes_en.pdf</a></p>
NACE	<p>NACE is the acronym used to designate the various statistical classifications of economic activities developed since 1970 in the European Union (EU). NACE provides the framework for collecting and presenting a large range of statistical data according to economic activity in the fields of economic statistics (e.g. production, employment, national accounts) and in other statistical domains.</p> <p>Statistics produced on the basis of NACE are comparable at European and, in general, at world level. The use of NACE is mandatory within the European statistical system.</p> <p><b>For more information on NACE methodology:</b> <a href="https://ec.europa.eu/eurostat/statistics-explained/index.php/NACE_background">https://ec.europa.eu/eurostat/statistics-explained/index.php/NACE_background</a>  <a href="https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/sustainable-finance-taxonomy-feedback-and-workshops_en.pdf">https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/sustainable-finance-taxonomy-feedback-and-workshops_en.pdf</a></p>
Do No Significant Harm (DNSH)	<p>An activity contributing to climate change mitigation must avoid significant harm to climate change adaptation and the other four environmental objectives: 3. Sustainable use and protection of water and marine resources 4. Transition to a circular economy, waste prevention and recycling 5. Pollution prevention and control 6. Protection of healthy ecosystems</p> <p><a href="https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy-annexes_en.pdf">https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy-annexes_en.pdf</a> Page 29-35</p>
Climate change mitigation	<p>Climate change mitigation' means the process of holding the increase in the global average temperature to well below 2 °C and pursuing efforts to limit it to 1,5 °C above pre-industrial levels, as laid down in the Paris Agreement;</p> <p><a href="https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0852&amp;from=EN">https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0852&amp;from=EN</a> Article 2</p>
Decarbonisation	<p>Decarbonisation is the term used for the process of lowering the amount of greenhouse gas emissions produced by the burning of fossil fuels. Generally, this involves decreasing CO2 output per unit of electricity generated. Reducing the amount of carbon dioxide occurring as a result of transport and power generation is essential to meet global temperature standards set by the Paris Agreement</p>
UN SDGs	<p>The Sustainable Development Goals are a collection of 17 interlinked goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs were set in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.</p> <p><a href="https://sdgs.un.org/goals">https://sdgs.un.org/goals</a></p>

# Main risks of the fund

## Carmignac Portfolio Green Gold\*

Recommended  
minimum investment  
horizon:

5 years



### 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.

### Commodities

Changes in commodity prices and the volatility of the sector may cause the net asset value to fall.

### Discretionary management

Anticipations of financial market changes made by the Management Company have a direct effect on the Fund's performance, which depends on the stocks selected.

### 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.**

Share class A EUR Acc

Source: Carmignac at 22/04/2020

\*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 prospectus and name changes of Carmignac Portfolio Commodities will be applied as of May 15, 2020. Please refer to the Prospectus for a full description of the Fund, including extra-financial analysis and a list of categories of assets and financial contracts.



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*MSCI ESG Research has developed a proprietary methodology in order to issue Carbon Portfolio Analytics, which is based on are based on a variety of aggregation methodologies of the underlying covered holdings from the portfolio in-scope. MSCI ESG Research collects carbon emissions (in other words, greenhouse gas emissions) data for the companies in our coverage universe. Data is collected once per year from most recent corporate sources, including Annual Reports, Corporate Social Responsibility Reports or websites. In addition, MSCI ESG Research uses the carbon emissions data reported through CDP (formerly the Carbon Disclosure Project) or government databases when reported data is not available through direct corporate disclosure. When companies do not disclose data, MSCI ESG Research refers proprietary methodologies to estimate Scope 1, Scope 2, Upstream Scope 3, and Downstream Scope 3 carbon emissions. By incorporating estimation in the methodologies used, Carmignac acknowledges that metrics determined could be assessed as relative rather than objective. Nevertheless, Carmignac confirms that the use of MSCI ESG Research permits to identify and follow the carbon emission of portfolios in comparison to relevant reference indicator or low carbon benchmark defined.*

Carmignac P. Green Gold is a sub-funds of Carmignac Portfolio SICAV, an investment company under Luxembourg law, conforming to the UCITS Directive. Access to Funds may be subject to restrictions with regard to certain persons or countries. The Funds are not registered in North America, in South America, in Asia nor is it registered in Japan. The Funds are registered in Singapore as restricted foreign scheme (for professional clients only). The Fund has not been registered under the US Securities Act of 1933. The Fund may not be offered or sold, directly or indirectly, for the benefit or on behalf of a "U.S. person", according to the definition of the US Regulation S and/or FATCA. The Funds present a risk of loss of capital. The risks, fees and ongoing charges are described in the KIID (Key Investor Information Document). The Fund's prospectus, KIIDs and annual reports are available at [www.carmignac.com](http://www.carmignac.com), or upon request to the Management Company. The KIID must be made available to the subscriber prior to subscription.

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