

# ANNUAL REPORT

OF THE CARMIGNAC EMERGENTS  
FRENCH MUTUAL FUND (FCP)

(For the period ended  
31 December 2019)



## Contents

Statutory Auditor’s Certification .....	3
Main features of the Fund.....	7
Investment policy .....	16
Regulatory information .....	21

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**CARMIGNAC EMERGENTS FRENCH  
MUTUAL FUND (FCP)**

**Statutory Auditor's Report**

**For the financial year ended 31 December 2019**

## Statutory auditor's report on the annual financial statements

Financial year ended **31 December 2019**

Dear Sir/Madam,

### **Opinion**

Following our appointment by the management company, we have audited the annual financial statements of the **CARMIGNAC EMERGENTS** undertaking for collective investment, established as a French mutual fund (FCP), for the financial year ended **31 December 2019**, as they are appended to this report.

In our opinion, the annual financial statements give, in accordance with French accounting rules and principles, a true and fair view of the financial position and assets and liabilities of the fund and of the results of its operations at the end of the financial year.

### **Basis for our opinion**

#### ***Audit framework***

We conducted our audit in accordance with the professional auditing standards applicable in France. We believe that the evidence gathered is pertinent and sufficient to serve as a basis for our opinion.

Our responsibilities in light of these standards are described in this report in the section entitled "Responsibilities of the statutory auditor in relation to auditing the annual financial statements".

#### ***Independence***

We carried out our audit in accordance with the independence rules applicable to us, for the period from 1 January 2019 to the date on which our report was issued. In particular, we refrained from providing the services prohibited by the code of ethics of the statutory audit industry.

### **Justification of the evaluations**

In accordance with the provisions of articles L.823-9 and R.823-7 of the French Commercial Code regarding the justification of our evaluations, we hereby inform you that our most important evaluations, in our professional opinion, were focused on the appropriateness of the accounting principles applied, particularly as regards financial instruments held in the portfolio, and on whether all accounts were presented as per the accounting standards applicable to undertakings for collective investment with variable capital.

The evaluations were made in the context of the audit of the annual financial statements, taken as a whole, and the formation of the opinion expressed herein. We offer no opinion on parts of these annual financial statements taken in isolation.

### **Verification of the management report and other documents sent to unitholders**

We have also carried out the specific verifications required by law in accordance with the professional auditing standards applicable in France.

We have no comment as to the fair presentation and conformity with the annual financial statements of the information given in the management report drawn up by the management company.

### **Responsibilities of the management company regarding the annual financial statements**

The management company is required to prepare annual financial statements that present a true and fair image, in accordance with French accounting rules and principles, and to establish the internal control measures that it deems necessary for producing annual financial statements free of material misstatement, whether due to fraud or error.

When producing the annual financial statements, it is incumbent on the management company to assess the ability of the fund to continue operating, and where appropriate to include the necessary information on business continuity, and apply the going concern accounting policy unless there are plans to liquidate the fund or cease trading.

The annual financial statements were prepared by the management company.

### **Responsibilities of the statutory auditor when auditing the annual financial statements**

We are required to produce a report on the annual financial statements. Our aim is to gain reasonable assurance that the annual financial statements taken as a whole are free of material misstatement. Reasonable assurance means a high level of assurance, albeit without any guarantee, that an audit carried out in accordance with industry standards could systematically detect every material misstatement. Misstatements may arise from fraud or error, and are considered to be material when one could reasonably expect them, either individually or cumulatively, to influence the financial decisions that readers make as a result.

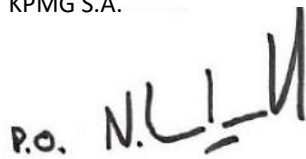
As stipulated in article L.823-10-1 of the French Commercial Code, our role as auditors is not to guarantee the viability or quality of management of your FCP.

A statutory auditor exercises its professional judgement throughout any audit performed in accordance with professional standards applicable in France. Furthermore:

- It identifies and evaluates the risk that the annual financial statements may include material misstatement, whether resulting from fraud or error, defines and implements auditing procedures in response to these risks, and gathers the items it deems sufficient and appropriate as a basis for its opinion. The risk of material misstatement not being detected is considerably higher when it is the result of fraud rather than error, since fraud may involve collusion, falsification, voluntary omissions, false declarations or the circumvention of the internal control system;
- It assesses the internal control system that is relevant for the audit in order to define audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the internal control system;
- It evaluates the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by the management company, as well as the related information in the annual financial statements;
- it evaluates the appropriateness of the management company's application of the going concern accounting principle and, based on the information gathered, the existence or absence of significant uncertainty linked to events or circumstances likely to cast doubt on the fund's ability to continue its operations. This evaluation is based on the information gathered prior to the date of its report; however, it should be noted that subsequent circumstances or events may cast doubt on the continuity of its operations. If it concludes that there is a material uncertainty, it draws readers' attention to the information provided in the annual financial statements regarding this uncertainty, or if such information is not provided or not relevant, it certifies the accounts with reservations, or refuses to certify them;
- It assesses the presentation of all of the annual financial statements and evaluates whether or not the annual financial statements depict the underlying operations and events fairly.

Paris La Défense, 13 March 2020

KPMG S.A.

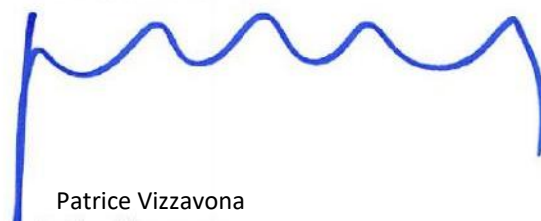


Isabelle Bousquié

*Partner*

Neuilly-sur-Seine, 13 March 2020

Cabinet Vizzavona



Patrice Vizzavona

*Partner*

# CARMIGNAC EMERGENTS 2019 ANNUAL REPORT

## Main features of the Fund

### Classification

International equities.

### Allocation of distributable income

Distributable income	“Acc” units	“DIS” units
Allocation of net income	Accumulation (dividends are recorded on an accruals basis)	Distributed or carried forward as decided by the management company
Allocation of net realised capital gains or losses	Accumulation (dividends are recorded on an accruals basis)	Distributed or carried forward as decided by the management company

### Countries in which the Fund is authorised for distribution

A EUR ACC units: Austria, Belgium, Switzerland, Germany, Spain, France, United Kingdom, Ireland, Italy, Luxembourg, Netherlands, Sweden and Singapore.

A EUR YDIS units: Austria, Switzerland, Germany, Spain, France, United Kingdom, Italy, Luxembourg, Netherlands, Sweden and Singapore.

E EUR ACC units: Austria, Switzerland, Germany, Spain, France, Italy, Luxembourg, Netherlands and Singapore.

### Investment objective

The fund’s objective is to outperform its reference indicator over a recommended investment horizon of five years.

The fund’s active, flexible management approach focuses on emerging equity markets (though not to the exclusion of other international markets) as well as foreign exchange and fixed income markets, and is based on how the portfolio manager expects economic conditions and the markets to evolve.

### Reference indicator

The reference indicator is the MSCI EM NR (USD) emerging market index.

The MSCI EM NR (USD) index represents emerging markets. It is calculated by MSCI in dollars, with net dividends reinvested, and then converted into euro (Bloomberg code NDUEEGF).

It does not strictly define the fund's investment universe and may not always be representative of the fund's risk profile. However, it is an indicator with which investors can compare the fund’s performance and risk profile over its recommended investment horizon.

Under current regulations, MSCI, which administers the reference indicator used to calculate the fund's outperformance, is entered on the register of administrators and reference indicators held by ESMA. For more information on this index, please visit the administrator’s website: <https://www.msci.com>.

The management company may replace the reference indicator if it undergoes substantial modifications or ceases to be published.

## Investment strategy

### STRATEGIES USED

At least 60% of the fund's net assets are exposed to equity markets, with no restriction on regions or types of capitalisation. Up to 40% may be invested in bonds, negotiable 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 seeks to invest sustainably in financial instruments offering long-term growth and manages the fund according to a socially responsible approach.

The fund is free to vary its foreign exchange market exposure within the limit of 100% of the net assets.

The investment strategy is implemented through a portfolio of direct investments in securities in addition to equity, foreign exchange and fixed income derivatives, without restriction in terms of allocation by region, sector, type or size of security.

The asset allocation may differ substantially from that of its reference indicator. Likewise, the portfolio established in each of the asset classes on the basis of detailed financial analysis may vary considerably from the weightings of the reference indicator in terms of geographic regions and sectors.

The allocation of the portfolio between the different asset classes (equities, currencies, interest rates) and investment fund categories (equities, mixed, bonds, money market, etc.) is based on a fundamental analysis of the global macroeconomic environment and its indicators (growth, inflation, deficits, etc.) and may vary according to the portfolio manager's expectations.

#### Equity strategy:

The equity strategy is determined on the basis of a macroeconomic analysis and a detailed financial analysis of the companies on which the Fund may open positions, whether long or short. This determines the fund's overall level of equity exposure. The fund invests on all international markets.

These investments are determined by:

- the selection of securities, which results from an in-depth financial analysis of the company, regular meetings with the management, and close monitoring of business developments. The main criteria used are growth prospects, quality of management, yield and asset value. The fund's selection criteria also include environmental, social and governance (ESG) factors.
- allocating equity exposure to different economic sectors.
- allocating equity exposure to different regions.

#### Foreign exchange strategy:

The portfolio manager's decisions regarding exposure to the foreign exchange market are made on the basis of a global macroeconomic analysis, in particular of the outlook for growth, inflation and monetary and fiscal policy of the different economic regions and countries, along with a detailed analysis of trends in the balance of payments. This determines the fund's overall level of currency exposure. The fund invests on all international markets.

These investments on the foreign exchange market, which depend on expectations of changes in different currencies, are determined by:

- The currency allocation between the various regions through exposure generated by direct investments in securities denominated in foreign currencies, or directly through currency derivatives.

#### Fixed income and credit strategy:

The fund may also invest up to 40% of its net assets in bonds, debt securities or money market instruments denominated in a foreign currency or the euro for diversification purposes if the portfolio manager expects the equity



markets to perform poorly. Investments on fixed income and credit markets are chosen on the basis of expected international macroeconomic scenarios, an analysis of the various central banks' monetary policies, and financial research into issuers' solvency. This determines the fund's overall level of fixed income and credit exposure. The fund invests on all international markets.

For all of these strategies with the exception of the credit strategy, in addition to long positions, through instruments eligible for the portfolio:

- The portfolio manager may open short positions on underlying assets eligible for the portfolio if he or she feels that the market is overvaluing these underlying assets. - The portfolio manager also pursues relative value strategies by combining long and short positions on underlying assets eligible for the portfolio.

## **Description of asset categories and financial contracts as well as their contribution to the investment objective being achieved**

### **EQUITIES**

At least 51% of Carmignac Emergents' net assets are invested in equities. At least 60% of Carmignac Emergents' net assets are exposed to international equity markets, with a significant allocation to emerging countries, through direct security investments or through derivatives. The fund invests in stocks of any capitalisation, from any sector and any region.

### **CURRENCIES**

The fund may use currencies other than the fund's valuation currency for exposure, hedging or relative value purposes. It may invest in futures and options on regulated, organised or over-the-counter markets in order to generate exposure to currencies other than its valuation currency or to hedge the fund against currency risk. The fund's net currency exposure may differ from that of its reference indicator and/or equity and bond portfolio.

### **DEBT SECURITIES AND MONEY MARKET INSTRUMENTS**

In order to allow the portfolio manager to diversify the portfolio, up to 40% of the fund's net assets may be invested in money market instruments, (short- and medium-term) negotiable debt securities, and fixed or floating rate, covered or uncovered bonds, which may be linked to inflation in the Eurozone or international, including emerging, markets. The fund may invest in securities issued by corporate or government issuers.

The portfolio manager reserves the right to invest up to 10% of the net assets in debt instruments rated below investment grade by at least one of the main rating agencies. The fund may also invest in unrated fixed income products. In this case, the company may carry out its own analysis and assessment of creditworthiness. If the rating is analysed and found to be below investment grade, it is then subject to the limits shown above.

For all of these assets, the management company will carry out its own analysis of the risk/reward profile of the securities (profitability, creditworthiness, liquidity, maturity). As a result, the decision to buy, hold or sell a security (particularly where agency ratings have changed) is not solely based on the rating criteria, but also reflects an internal analysis of the credit risks and market conditions carried out by the management company.

The fund may also invest up to 30% of the net assets in Chinese domestic securities. The fund may invest in China, amongst others, directly on the Chinese interbank market (CIBM).

There are no allocation restrictions between corporate and government issuers, nor on the maturity or duration of assets chosen.

## DERIVATIVES

In order to achieve its investment objective, the fund may invest in futures traded on Eurozone and international – including emerging – regulated, organised or over-the-counter markets for exposure, relative value or hedging purposes.

The derivatives liable to be used by the portfolio manager include options (simple, barrier, binary), futures, forwards, forward exchange contracts, swaps (including performance swaps), swaptions and CFDs (contracts for difference), involving one or more risks/underlying instruments (directly held securities, indices, baskets) in which the fund manager may invest.

These derivatives allow the portfolio manager to expose the fund to the following risks and instruments, while respecting the portfolio's overall constraints:

- Equities (up to 100% of the net assets),
- Currencies,
- Fixed income,
- Dividends,
- Volatility and variance (up to 10% of the net assets),
- Commodities through eligible financial contracts for up to 20% of the net assets,
- And exchange-traded funds (ETFs) (financial instruments).

## STRATEGY FOR USING DERIVATIVES TO ACHIEVE THE INVESTMENT OBJECTIVE

Derivatives of equities, equity indices and baskets of equities or equity indices are used to gain long or short exposure, or hedge exposure, in connection with an issuer, group of issuers, economic sector or geographic region, or simply adjust the fund's overall exposure to equity markets.

They are also used to pursue relative value strategies, where the fund takes simultaneous long and short positions on equity markets, depending on the country, region, economic sector, issuer or group of issuers.

Currency derivatives are used to gain long or short exposure, hedge exposure to a currency, or simply adjust the fund's overall exposure to currency risk. They may also be used to pursue relative value strategies, where the fund takes simultaneous long and short positions on foreign exchange markets. The fund also holds forward exchange contracts traded over-the-counter to hedge against currency risk on hedged units denominated in currencies other than the euro.

Interest rate derivatives are used to gain long or short exposure, hedge against interest rate risk, or simply adjust the portfolio's overall modified duration. Interest rate derivatives are also used to pursue relative value strategies, where the fund takes simultaneous long and short positions on different fixed income markets, depending on the country, region or yield curve segment.

Volatility or variance instruments are used to gain long or short exposure to market volatility, to hedge equity exposure or to adjust the portfolio's overall exposure to market volatility or variance. They are also used to pursue relative value strategies, where the fund takes simultaneous long and short positions on market volatility.

Dividend derivatives are used to gain long or short exposure to the dividend of an issuer or group of issuers, or to hedge the dividend risk on an issuer or group of issuers, dividend risk being the risk that the dividend of a share or equity index is not paid as anticipated by the market. They are also used to pursue relative value strategies, where the fund takes simultaneous long and short positions on equity market dividends.

Commodity derivatives are used to gain long or short exposure to commodities, to hedge commodity exposure, or to adjust the portfolio's commodity exposure. They are also used to pursue relative value strategies, where the fund takes simultaneous long and short positions on commodities.

Overall exposure to derivatives is controlled by combining leverage, calculated as being the sum of nominal amounts without netting or hedging, with the fund's VaR limit (cf. section VI. "Overall risk").

Derivative transactions may be concluded with counterparties selected by the management company in accordance with its “Best Execution/Best Selection” policy and the approval procedure for new counterparties. The latter are major French or international counterparties, such as credit institutions, and collateral is required. It should be noted that these counterparties have no discretionary decision-making powers over the composition or management of the fund's portfolio or over the underlying assets of financial derivative instruments.

#### **SECURITIES WITH EMBEDDED DERIVATIVES**

The fund may invest in securities with embedded derivatives, especially convertible bonds, callable/puttable instruments, credit-linked notes (CLN), EMTN, subscription certificates and warrants following corporate actions resulting in the award of this type of security, traded on regulated, organised or over-the-counter Eurozone and/or international (including emerging) markets.

These securities with embedded derivatives allow the portfolio manager to expose the fund to the following risks and instruments, while respecting the portfolio's overall constraints:

- Equities (up to 100% of the net assets),
- Currencies,
- Fixed income,
- Dividends,
- Volatility and variance (up to 10% of the net assets),
- Commodities through eligible financial contracts for up to 20% of the net assets,
- ETFs (financial instruments).

#### **STRATEGY FOR USING SECURITIES WITH EMBEDDED DERIVATIVES TO ACHIEVE THE INVESTMENT OBJECTIVE**

The portfolio manager uses securities with embedded derivatives, as opposed to the other derivatives mentioned above, to optimise the portfolio's exposure or hedging by reducing the cost of using these financial instruments or gaining exposure to several performance drivers.

The risk associated with this type of investment is limited to the amount invested in its purchase. In all cases, the amounts invested in securities with embedded derivatives, excluding contingent convertible bonds, may not exceed 20% of the net assets.

The portfolio manager may invest up to 10% of the net assets in contingent convertible bonds (“CoCos”). These securities often deliver a higher return (in exchange for higher risk) than conventional bonds due to their specific structure and the place they occupy in the capital structure of the issuer (subordinated debt). They are issued by banks under the oversight of a supervisory authority. They may have bond and equity features, being hybrid convertible instruments. They may have a safeguard mechanism that turns them into ordinary shares if a trigger event threatens the issuing bank.

The fund may also invest up to 40% of its net assets in callable bonds and puttable bonds. These negotiable debt securities have an optional component allowing for early redemption subject to certain conditions (holding period, occurrence of a specific event, etc.) on the initiative of the issuer (in the case of callable bonds) or at the request of the investor (in the case of puttable bonds).

#### **UCIS AND OTHER INVESTMENT FUNDS**

The portfolio manager may invest up to 10% of the net assets in:

- Units or shares of French or foreign UCITS;
- Units or shares of French or European AIFs;
- Foreign investment funds.

Provided that the foreign UCITS, AIF or investment fund meets the criteria of article R214-13 of the French Monetary and Financial Code.

The fund may invest in funds managed by Carmignac Gestion or an affiliated company.

The fund may use trackers, listed index funds and exchange traded funds.

#### DEPOSITS AND CASH

The fund may use deposits in order to optimise its cash management and to manage the various subscription or redemption settlement dates of the underlying funds. These trades are made within the limit of 20% of the net assets. This type of transaction will be made on an exceptional basis.

The fund may hold cash on an ancillary basis, in particular in order to meet its redemption obligations in relation to investors.

Cash lending is prohibited.

#### CASH BORROWING

The fund may borrow cash, in particular to cover investment/disinvestments and subscriptions/redemptions. As the fund is not intended to be a structural borrower of cash, these loans will be temporary and limited to 10% of the fund's net assets.

#### TEMPORARY PURCHASE AND SALE OF SECURITIES

For efficient portfolio management purposes, and without deviating from its investment objectives, the fund may allocate up to 20% of its net assets to temporary purchases/sales (securities financing transactions) of securities eligible for the fund (essentially equities and money market instruments). These trades are made to optimise the fund's income, invest its cash, adjust the portfolio to changes in the assets under management, or implement the strategies described above. The transactions consist of:

- Securities repurchase and reverse repurchase agreements,
- Securities lending/borrowing.

The expected proportion of assets under management that will be involved in such transactions is 10% of the net assets.

The counterparty to these transactions is CACEIS Bank, Luxembourg Branch. CACEIS Bank, Luxembourg Branch, does not have any power over the composition or management of the fund's portfolio. Within the scope of these transactions, the fund may receive/give financial guarantees (collateral); the section entitled "Collateral management" contains information on how these work and on their characteristics.

Additional information on fees linked to such transactions appears under the heading "Fees and expenses".

#### Contracts constituting financial guarantees

Within the scope of OTC derivatives transactions and temporary purchases/sales of securities, the fund may receive or give financial assets constituting guarantees with the objective of reducing its overall counterparty risk.

The financial guarantees shall primarily take the form of cash in the case of OTC derivatives transactions, and cash and government bonds/Treasury bills (etc.) eligible for temporary purchases/sales of securities. All financial guarantees received or given are transferred with full ownership.

The counterparty risk inherent in OTC derivatives transactions, combined with the risk resulting from temporary purchases/sales of securities, may not exceed 10% of the fund's net assets where the counterparty is one of the credit institutions defined in the current regulations, or 5% of its assets in other cases.

In this regard, any financial guarantee (collateral) received and serving to reduce counterparty risk exposure shall comply with the following:

- It shall take the form of cash or bonds or treasury bills (of any maturity) issued or guaranteed by OECD member states, by their regional public authorities or by supranational institutions and bodies with EU, regional or worldwide scope.

- It shall be held by the Custodian of the fund or by one of its agents or a third party under its supervision or by any third-party custodian subject to prudential supervision and which is not linked in any way to the provider of the financial guarantees.

- In accordance with the regulations in force, they shall at all times fulfil liquidity, valuation (at least daily), issuer credit rating (at least AA-), counterparty correlation (low) and diversification criteria, and exposure to any given issuer shall not exceed 20% of the net assets.

Financial guarantees received in the form of cash shall be mainly deposited with eligible entities and/or used in reverse repurchase transactions, and to a lesser extent invested in first-rate government bonds or treasury bills and short-term money market funds.

Government bonds and treasury bills received as collateral are subject to a discount of between 1% and 10%. The management company agrees this contractually with each counterparty.

## Risk profile

The fund invests in financial instruments and, where applicable, funds selected by the management company. The performance of these financial instruments and funds depends on the evolution and fluctuations of the market.

The risk factors described below are not exhaustive. It is up to each investor to analyse the risk associated with such an investment and to form his/her own opinion independent of CARMIGNAC GESTION, where necessary seeking the opinion of any advisers specialised in such matters in order to ensure that this investment is appropriate in relation to his/her financial situation.

**a) Risk associated with discretionary management:** Discretionary management is based on the expected evolution of the financial markets. The fund's performance will depend on the companies selected and asset allocation chosen by the management company. There is a risk that the management company may not invest in the best performing companies.

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

**c) Emerging markets risk:** The operating and supervision conditions of emerging markets may deviate from the standards prevailing on the major international markets, and price variations may be high. These variations may be even greater if the markets are very small, hard to access, or at the start of their development as in the case of frontier markets.

**d) Equity risk:** As the fund is exposed to the risks of the equity markets, the net asset value of the fund may decrease in the event of a downward movement on the equity markets.

**e) Currency risk:** Currency risk is linked to exposure – through investments and the use of forward financial instruments – to a currency other than the fund's valuation currency.

**f) Interest rate risk:** Interest rate risk is the risk that the net asset value may fall in the event of a change in interest rates. When the modified duration of the portfolio is positive, a rise in interest rates may lead to a reduction in the value of the portfolio. When the modified duration of the portfolio is negative, a fall in interest rates may lead to a reduction in the value of the portfolio.

**g) Credit risk:** The portfolio manager reserves the right to invest in debt instruments rated below investment grade, i.e. in bonds that present a high credit risk. Credit risk is the risk that the issuer may default.

**h) Liquidity risk:** The markets in which the fund participates may be subject to temporary illiquidity. These market distortions could have an impact on the pricing conditions under which the fund may have to liquidate, initiate or modify its positions.

**i) Risk attached to investments in China:** Investments in China are exposed to political and social risk (restrictive regulations that could be changed unilaterally, social unrest, etc.), economic risk due to the legal and regulatory environment being less developed than in Europe, and stock market risk (volatile and unstable market, risk of sudden suspension of trading, etc.). The fund is exposed to the risk associated with the RQFII licence and status, which was allocated to Carmignac Gestion in 2014 on behalf of funds managed by the group's management companies. Its status is subject to ongoing review by the Chinese authorities and may be revised, reduced or withdrawn at any time, which may affect the fund's NAV. The fund is also exposed to the risk associated with investments made via the Hong Kong Shanghai Connect (Stock Connect) platform, which makes it possible to invest through the Hong Kong market in more than 500 stocks listed in Shanghai. This system inherently involves higher counterparty and securities delivery risks.

**j) Risk associated with high yield bonds:** A bond is considered a high yield bond when its credit rating is below investment grade. The value of high yield bonds may fall more substantially and more rapidly than other bonds and negatively affect the net asset value of the fund, which may decrease as a result.

**k) Risks associated with investment in contingent convertible bonds (CoCos):** Risk related to the trigger threshold: these securities have characteristics specific to them. The occurrence of the contingent event may result in a conversion into shares or even a temporary or definitive writing off of all or part of the debt. The level of conversion risk may vary, for example depending on the distance between the issuer's capital ratio and a threshold defined in the issuance prospectus. Risk of loss of coupon: with certain types of CoCo, payment of coupons is discretionary and may be cancelled by the issuer. Risk linked to the complexity of the instrument: as these securities are recent, their performance in periods of stress has not been established beyond doubt. Risk linked to late or non repayment: contingent convertible bonds are perpetual instruments repayable only at predetermined levels with the approval of the relevant authority. Capital structure risk: unlike with the standard capital hierarchy, investors in this type of instrument may suffer a capital loss, which holders of shares in the same issuer would not incur. Liquidity risk: as with the high yield bond market, the liquidity of contingent convertible bonds may be significantly affected in the event of market turmoil.

**l) Risk associated with commodity indices:** Changes in commodity prices and the volatility of this sector may cause the net asset value to fall.

**m) Capitalisation risk:** The fund may invest in small and mid caps, the markets for which may fluctuate more sharply and suddenly than for large caps.

**n) Counterparty risk:** Counterparty risk measures the potential loss in the event of a counterparty defaulting on over-the-counter financial contracts or failing to meet its contractual obligations on temporary purchases or sales of securities. The fund is exposed to it through over-the-counter financial contracts agreed with various counterparties. In order to reduce the fund's exposure to counterparty risk, the management company may establish financial guarantees in favour of the fund.

**o) Risk associated with the use of forward financial instruments:** The fund may invest in financial futures, up to the limit of 100% of its assets. As up to 200% of the fund's assets may thus be exposed to equities, this may lead to the risk of a more substantial and rapid decrease in the net asset value of the fund than those that occur on the markets.

**p) Volatility risk:** The increase or decrease in volatility may lead to a fall in net asset value. The fund is exposed to this risk, particularly through derivative products with volatility or variance as the underlying instrument.

**q) Risks associated with temporary purchases and sales of securities:** The use of these transactions and management of their collateral may carry certain specific risks, such as operational risks and custody risk. Use of these transactions may therefore have a negative effect on the fund's net asset value.

**r) Legal risk:** This is the risk that contracts agreed with counterparties to temporary purchases/sales of securities, or over-the-counter forward financial instruments, may be drafted inappropriately.

**s) Risk associated with the reinvestment of collateral:** The fund does not intend to reinvest collateral received, but if it does, there would be a risk of the resultant value being lower than the value initially received.

### Target subscribers and investor profile

Units of this fund have not been registered in accordance with the US Securities Act of 1933. They may therefore not be offered or sold, either directly or indirectly on behalf of or for the benefit of a US person, as defined in Regulation S. Furthermore, units of this fund may not be offered or sold, either directly or indirectly, to US persons and/or to any entities held by one or more US persons as defined by the US Foreign Account Tax Compliance Act (FATCA).

Aside from this exception, the fund is open to all investors.

As the fund is mainly invested in emerging market stocks (all caps), it is aimed at all types of investors, natural persons and legal entities wishing to diversify their investments through foreign stocks.

Given the fund's exposure to the equity market, the recommended investment period is more than five years.

The appropriate investment amount depends on the personal situation of the investor. To determine this amount, investors' personal wealth, their cash requirements now and five years from now as well as their degree of risk aversion must all be taken into account. It is recommended that investors seek the advice of a professional in order to diversify their investments and to decide on the proportion of their financial portfolio or wealth that should be invested in this fund. It is also recommended that investments be sufficiently diversified so as to avoid exposure exclusively to the risks of this fund.

## Investment policy

The Fund posted a return of +24.73% (A EUR Acc units - ISIN FR0010149302) in 2019, compared with +20.61% for its reference indicator (MSCI EM (EUR) net dividends reinvested).

Emerging markets rose in 2019 despite trade tensions between the United States and China, as well as the global economic slowdown. They were helped in particular by the drop in bond yields around the world, and by the Federal Reserve's and ECB's rate cuts, which allowed emerging central banks in turn to pursue accommodative monetary policies, leading to a plentiful supply of liquidity around the world, benefiting all emerging market assets. The Fund's positioning, with its focus on quality and growth over cyclical stocks, was particularly well suited to these market conditions, adding to performance. The downward revision to economic data and forecasts for the years ahead, and twists and turns in trade negotiations between China and the United States, were a source of volatility for emerging markets, having a particularly damaging effect on cyclical stocks, which we are trying to avoid. Conversely, the sharp drop in interest rates around the world has increased P/E ratios, especially on growth stocks, which account for the bulk of our Fund.

Our stock selection, with its emphasis on companies with low capital intensity and attractive, sustainable cash flows, also paid off with our strongest convictions across the different regions contributing positively to performance. For example, there were some spectacular performances from our selection of Asian stocks, especially in China (Vipshop, [JD.com](#), China East Education), Taiwan (Taiwan Semiconductor) and South Korea (Samsung Electronics). Our Indian holdings also proved resilient in a difficult period notable for an economic slowdown partly caused by the mini financial crisis sweeping across the country as a result of doubtful loans on the balance sheets of non-banking financial companies. Our strongest Indian convictions - HDFC Bank, its parent company specialising in mortgages Housing Development Finance, and consumer company Dabur India - bolstered performance over the year.

Our Latin American stocks also raised performance considerably in 2019 as the continent's political situation quietened down. Firstly in Brazil, where the Bolsonaro government managed to get the lower house to pass the pension reform essential to the country's fiscal viability. Our - mostly domestic - Brazilian stocks (Transmissora Alliana, Isa Cteep) benefitted greatly from the lower cost of capital. In Argentina, despite victory for opposition candidate Alberto Fernandez and the country's difficulties in restructuring its debt, two of our stocks, MercadoLibre and cement maker Loma Negra, rallied strongly, especially over the second half of the year.

Our other convictions in the Internet sector, e-commerce and communication services also increased performance significantly with pan-Asian firm Sea Ltd, Russian search engine Yandex and Korean instant messaging company Line Corp among the main sources of annual performance.

We believe that our portfolio, composed chiefly of non-cyclical growth stocks, is well-positioned in the current market climate of sluggish global growth, especially in China, and lower interest rates in the United States. The main risk weighing on emerging markets and the Fund is geopolitical.



**Table summarising the annual performance of each unit of the Carmignac Emergents portfolio over 2019 as a whole**

Units	ISIN	Currency	Annual performance 2019	Reference indicator performance
A EUR Ydis	FR0011269349	EUR	+24.74%	+20.61%
E EUR Acc	FR0011147446	EUR	+23.94%	+20.61%
A EUR Acc	FR0010149302	EUR	+24.73%	+20.61%

*Past performance is not an indication of future results. Performance is shown net of fees (excluding any entry charges applied by the distributor).*

**Main changes to the portfolio during the year**

Holding	Movement ("Accounting currency")	
	Acquisitions	Disposals
JDCOM INC	45,006,141.62	41,121,680.73
TENCENT HLDG 2014 -19.6.14 LOT 500	20,704,080.04	44,188,034.85
TAIWAN SEMICONDUCTOR SP ADR	0.00	51,556,401.83
AIA GROUP	0.00	46,890,739.30
VIPSHOP HOLDINGS	5,234,098.00	41,271,503.15
CHINA EAST EDUCATION HOLDING	28,705,824.57	13,029,599.67
MERCADOLIBRE	9,590,115.81	31,599,374.45
<a href="#">58.COM</a> INC	22,011,451.20	14,313,091.51
SAMSUNG ELECTRONICS CO LTD PREF	21,771,410.64	7,672,250.97
SEA LTD-ADR	19,298,745.95	9,565,676.00

# CARMIGNAC EMERGENTS 2019 ANNUAL REPORT

## Efficient portfolio and financial derivative management techniques

### a) Exposure obtained through efficient portfolio and financial derivative management techniques at 31/12/2019

- Exposure obtained through efficient management techniques: **0.00**
  - Securities lending: **0.00**
  - Securities borrowing: **0.00**
  - Reverse repurchase agreements: **0.00**
  - Repurchase agreements: **0.00**
- Exposure to underlying instruments achieved through financial derivatives: **155,445,756.41**
  - Forward exchange contracts: **155,445,756.41**
  - Futures: **0.00**
  - Options: **0.00**
  - Swap: **0.00**

### b) Identity of counterparty/counterparties to efficient portfolio and financial derivative management techniques at 31/12/2019

Efficient management techniques	Financial derivatives (*)
	BOFA SECURITIES EUROPE S.A. - BOFAFRP3 STANDARD CHARTERED PLC BARCLAYS BANK IRELAND PLC STATE STREET BANK MUNICH MORGAN STANLEY EUROPE SE - FRANKFURT J.P.MORGAN AG FRANKFURT HSBC FRANCE EX CCF BNP PARIBAS FRANCE UBS EUROPE SE

(\*) Except listed derivatives

c) **Financial guarantees received by the fund in order to reduce counterparty risk at 31/12/2019**

<b>Types of instrument</b>	<b>Amount in portfolio currency</b>
<b>Efficient management techniques</b>	
. Term deposits	0.00
. Equities	0.00
. Bonds	0.00
. UCITS	0.00
. Cash	0.00
<b>Total</b>	<b>0.00</b>
<b>Financial derivatives</b>	
. Term deposits	0.00
. Equities	0.00
. Bonds	0.00
. UCITS	0.00
. Cash	0.00
<b>Total</b>	<b>0.00</b>

d) **Income and operating expenses arising from efficient management techniques from 01/01/2019 to 31/12/2019**

<b>Income and operating expenses</b>	<b>Amount in portfolio currency</b>
. Income (**)	0.00
. Other income	0.00
<b>Total income</b>	<b>0.00</b>
. Direct operating expenses	0.00
. Indirect operating expenses	0.00
. Other expenses	0.00
<b>Total expenses</b>	<b>0.00</b>

(\*\*) Income from lending and repurchase agreements

## **CARMIGNAC EMERGENTS 2019 ANNUAL REPORT**

### **Transparency of securities financing transactions and the reuse of financial instruments – SFTR – in the fund's accounting currency (EUR)**

**The fund took no part in any trades covered by the SFTR during the year.**

## Regulatory information

### Policy for the selection of intermediaries

“In its capacity as management company, Carmignac Gestion selects service providers whose execution policy guarantees the best possible result when executing orders transmitted on behalf of its UCITS or its clients. It also selects service providers to aid in making investment decisions and to execute orders. In both cases, Carmignac Gestion has defined a policy for selecting and evaluating intermediaries according to certain criteria. You can find the updated version of this policy at [www.carmignac.com](http://www.carmignac.com)”. You will also find a report on intermediary fees on this website.

### Communication on environmental, social and governance criteria (ESG)

Carmignac Emergents invests with a view to generating sustainable long-term growth through a socially responsible investment approach. Details of how we apply our socially responsible investment policy are available on the following website: [https://www.carmignac.co.uk/en\\_GB/about-us/socially-responsible-investment-sri-3452](https://www.carmignac.co.uk/en_GB/about-us/socially-responsible-investment-sri-3452).

As part of our commitment to Principles for Responsible Investment (PRI), our portfolios are analysed by MSCI using three major factors of socially responsible investment based on environmental (carbon emissions, pollution, waste and water consumption), social (employment abuses, staff turnover, diversity, health and safety at work, distribution of income, and product safety) and governance (fraud and corruption, government involvement and impact on company management, independence of the board of directors, directors' pay, and anti-trust practices) criteria.

Carmignac applies an exclusion policy aimed at ruling out sectors that have a negative impact on the environment or on communities. Companies whose business has links to the controversial arms industry, and in particular to anti-personal mines and cluster bombs, are systematically excluded. Other restriction lists are taken into account for stock selection, such as the USA Patriot Act and list of companies that do not respect human rights. All tobacco producers around the world are eliminated from the investment universe. Companies that generate more than 25% of their revenue from coal production are also excluded.

Carmignac complies with an exclusion list, updated every quarter. Companies whose business is linked to the controversial arms industry, anti-personnel mines and cluster bombs in particular, are systematically ruled out. Other restriction lists are taken into account in stock selection such as the USA Patriot Act, the Oslo/Ottawa treaty, sanctioned Russian companies, and the list of companies that do not respect human rights and the universal principles of the UN Global Compact on human rights, labour, the environment and anti-corruption. All global tobacco producers are excluded from the investment universe.

Carmignac Emergents' portfolio managers apply additional exclusion criteria including:

ENERGY EXCLUSION POLICY	ETHICAL EXCLUSION POLICY
<ul style="list-style-type: none"> <li>⊗ <b>Coal</b> producers that generate more than 5% of their sales directly from the extraction of coal</li> <li>⊗ Companies for which more than 1% of total production is derived from <b>non-conventional energies</b><sup>(1)</sup></li> <li>⊗ Conventional energy production companies <sup>(2)</sup> must generate at least 40% of their revenue from gas and/or renewable energies (3)</li> <li>⊗ Conventional energy (oil) production companies are limited to 3% of the portfolio</li> <li>⊗ Energy production companies' carbon intensity must not exceed 429 gCO<sub>2</sub>/kWh or, if data is not available:               <ul style="list-style-type: none"> <li>• <b>Gas energy</b> - 30% production or revenue</li> <li>• <b>Coal energy</b> - 10% production or revenue</li> <li>• <b>Nuclear energy</b> - 30% production or revenue</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>⊗ All <b>controversial arms</b> companies</li> <li>⊗ <b>Conventional arms</b> companies (maximum 10% of revenue)</li> <li>⊗ <b>All tobacco producers</b></li> <li>⊗ <b>Exclusions based on the universal principles of the UN Global Compact</b> on human rights, labour, the environment and anti-corruption</li> <li>⊗ <b>Adult entertainment</b> (maximum 2% of revenue)</li> <li>⊗ Companies specialised in <b>meat processing</b>, whose income comes in whole or in part from the processing of cows, sheep, pigs and poultry</li> <li>⊗ Companies appearing on the PETA (People for Ethical Treatment of Animals) <b>exclusion list</b></li> </ul>

\*Our Energy and Ethics restrictions reflect the quality standards of Belgian SRI certification

(1) Sources of non-conventional energy extraction: tar sands, shale, shale gas and drilling in the Arctic. (2) Sources of conventional energy extraction: oil and gas.

(3) Renewable energies: biofuel, wind, solar, wave, geothermal, hydroelectric, tidal.

Exclusion lists are updated every quarter.

Source: Carmignac, January 2020

With regard to ESG criteria, we have been measuring our ESG performance against MSCI ESG benchmarks for several years. In terms of these ESG criteria, our fund has a higher score than its reference indicator. In addition, more than 76% of our holdings are rated BB or above, and ratings of between A and AAA account for more than 34% of the portfolio, compared with just 25% for its reference indicator. Environmental and governance criteria allow our fund to stand out. For example, for carbon dioxide emissions, financing of environmental impact and consideration given to climate change risks, the fund scores much higher than its reference indicator. Carmignac Emergents also rates better than its reference indicator in the financial, consumer staples, IT, industrial, materials and utilities sectors.

## Our commitments

Our fiduciary responsibility involves fully representing the rights of our shareholders on behalf of our investors. Reflecting its advocacy of exemplary corporate governance, including an active voting policy, Carmignac is also committed to guiding the companies in which it invests through any environmental, social or governance controversies. We enter into transparent dialogue with the companies' management teams. Where the results are unsatisfactory and the portfolio managers take the decision to divest, they have three months to close the position, taking liquidity constraints into account.

In 2019, we held companies such as Samsung Electronics, Tencent and Hyundai Motor, which had been hit by scandals in the past. In such circumstances, though, we enter into transparent dialogue with the companies' management teams. Where there is controversy, the portfolio managers and analysts open discussions and monitor the situation with the companies concerned. The Sustainability Manager can also ask portfolio managers and analysts to contact a company about a specific issue or controversy. Discussions are documented and available to the whole investment team in our front office database (Mackey RMS). Results are generally expected within three months. If the answers they give and measures they take seem unsatisfactory, we may decide to divest.

Reflecting its advocacy of exemplary corporate governance, including an active voting policy, Carmignac is also committed to guiding the companies in which it invests through any environmental, social or governance controversies. We entered into discussions with several companies during the year, most notably Shree Cement, one of the biggest cement companies in India. Although cement production generates high emissions, it is important to note that the industry fills an essential role, meeting India's housing needs and helping to improve its living standards, especially for those currently living in temporary accommodation. We opened a position in Shree Cement in 2019 after discussions with the company, especially regarding environmental issues. The company was receptive to our suggestions and revealed initiatives taken to reduce the adverse effects of its business on the environment, notably including a reduction in emissions per tonne of cement produced (42.6% decrease since 1990) and the use of sustainable energy sources in its two new production plants (more than 90% of energy used is produced by the recovery of waste heat from industry, as well as from wind and solar energy). The company also indicated that it was seeking to reduce the carbon footprint of its logistics activities.

### **Investment strategy and transparency with regard to carbon emissions**

Carmignac has formalised its commitment to factor climate change issues into its investment process, combining its efforts under the COP21 initiatives with adherence to the principles of article 173 of the energy transition act (L533-22-1 of the French Monetary and Financial Code).

Carmignac Emergents has established a specific policy targeting carbon risk as part of its investment process. Investment in companies producing fossil fuels is limited by a rigorous selection procedure. The fund also restricts its exposure to the coal sector by excluding companies that generate more than 5% of their revenue from coal mining and production. The fund has also adopted a policy of caution towards producers of energy based on coal, gas and nuclear energy, as the exclusion policy shows.

### **MSCI - Carbon Portfolio Analytics report**

The Carmignac Emergents portfolio's carbon dioxide emissions (in terms of CO<sub>2</sub> emissions per USD invested) are 66% lower than those of the reference indicator, and 32% lower than those of the MSCI EM index for weighted average carbon intensity. Compared with its reference indicator, the fund has 5.7% fewer assets invested in companies with fossil fuel reserves. Due to its exclusion policy, the allocation to high-impact fuels (thermal coal, shale oil and gas) is very low. 31.2% of the fund's assets are invested in companies that offer clean technology solutions, compared with 39.8% of those of the reference indicator. Our holdings in this segment include Samsung SDI, a manufacturer of batteries for electric vehicles, Hyundai Motor Company, a manufacturer of engines and motor vehicles, and Chinese internet giant Tencent.

	Carbon emissions <sup>1</sup>	Carbon emissions <sup>2</sup>	Carbon intensity <sup>3</sup>	Weighted average carbon intensity <sup>3</sup>	Availability of carbon emissions data <sup>4</sup>
<b>Carmignac Emergents</b>	<b>102.7</b>	<b>102,745</b>	<b>211.3</b>	<b>215.0</b>	<b>87.30%</b>
Reference indicator*	298.4	298	427.7	316.9	99.50%
MSCI EM Low Carbon Target index	66.3	439	98.6	119.1	99.50%

1. tonnes of CO<sub>2</sub> equivalent per million dollars invested
2. tonnes of CO<sub>2</sub> equivalent based on an investment of 1 million dollars
3. tonnes of CO<sub>2</sub> equivalent per million dollars of revenue
4. As percentage of market value

\*MSCI EM (EUR) net dividends reinvested

Source: MSCI Carbon Portfolio Analytics, Carmignac, 31/12/2019

## Overall risk calculation method

The method used to determine the fund's overall risk is the relative Value-at-Risk (VaR) method, using a benchmark portfolio as a comparison (the fund's reference indicator is its benchmark portfolio) over a two-year historical horizon, with a 99% confidence threshold over 20 days. The envisaged leverage, calculated as the sum of nominal amounts without netting or hedging, is 200% but may be higher under certain conditions.

Maximum, minimum and average VaR levels over the year are shown in the table below:

	VaR 99%, 20 days		
	Min	Average	Max
Carmignac Emergents	7.95	8.91	10.05

## Remuneration policy

Carmignac Gestion SA's remuneration policy is designed to comply with European and national remuneration and governance rules as set out in the UCITS Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 and 2014/91/EU of 23 July 2014, the ESMA guideline of 14 October 2016 (ESMA/2016/575), and the AIFM Directive 2011/61/EU of the European Parliament and of the Council.

It promotes sound and effective risk management without excessive risk taking. In particular, it ties employees to the risks they take to ensure that Identified Staff are fully committed to the Company's long-term performance.

The remuneration policy was approved by the Board of Directors of the management company. The principles of this policy are re-evaluated at least once a year by the remuneration and nominations committee and Board of Directors, and are adjusted to fit the changing regulatory framework. Details of the remuneration policy, including a description of how remuneration and benefits are calculated, as well as information on the remuneration and nominations committee, can be found at [www.carmignac.com](http://www.carmignac.com). A printout of the remuneration policy is available free of charge upon request.



**Variable part: determination and appraisal**

Variable remuneration depends on both the individual success of the employee and the performance of the Company as a whole.

The variable remuneration budget is determined on the basis of Carmignac Gestion SA's results over the previous financial year, while ensuring that capital remains at a sufficient level. It is then distributed between the various departments according to the assessment of their performance, and within each department according to employees' individual performance appraisals.

The amount of the variable portion allocated to each employee reflects their performance and the achievement of targets set by the Company.

These targets may be quantitative and/or qualitative and are linked to the employee's position. They take into account individual behaviour to avoid short-term risk taking. They give particular consideration to the sustainability of action taken by the employee and its long-term benefits for the company, the employee's personal involvement and the completion of assigned tasks.

**2018 financial year**

The implementation of the remuneration policy for 2018 has been assessed internally and independently to check compliance with the remuneration policies and procedures adopted by Carmignac Gestion's Board of Directors.

**2019 financial year**

The annual report produced by Carmignac Gestion's Board of Directors is available on the Carmignac website ([www.carmignac.com](http://www.carmignac.com)).

2019	
Number of employees	171
Fixed salaries paid in 2019	EUR 11,369,549.05
Total variable remuneration paid in 2019	EUR 21,104,346.27
Total remuneration paid in 2019	EUR 32,473,895.32
⇒ of which risk takers	EUR 20,091,489.07
⇒ of which non risk takers	EUR 12,382,406.25

**Substantial changes during the year**

None.

# CARMIGNAC EMERGENTS BALANCE SHEET

## ASSETS IN EUR

	31/12/2019	31/12/2018
<b>Net fixed assets</b>	<b>0.00</b>	<b>0.00</b>
<b>Deposits</b>	<b>0.00</b>	<b>0.00</b>
<b>Financial instruments</b>	<b>599,612,736.80</b>	<b>717,585,823.02</b>
<b>Equities and similar securities</b>	<b>599,612,736.80</b>	<b>717,585,823.02</b>
Traded on a regulated or similar market	599,612,736.80	717,585,823.02
Not traded on a regulated or similar market	0.00	0.00
<b>Bonds and similar securities</b>	<b>0.00</b>	<b>0.00</b>
Traded on a regulated or similar market	0.00	0.00
Not traded on a regulated or similar market	0.00	0.00
<b>Debt securities</b>	<b>0.00</b>	<b>0.00</b>
Traded on a regulated or similar market	0.00	0.00
<i>Transferable debt securities</i>	<i>0.00</i>	<i>0.00</i>
<i>Other debt securities</i>	<i>0.00</i>	<i>0.00</i>
Not traded on a regulated or similar market	0.00	0.00
<b>Undertakings for Collective Investment</b>	<b>0.00</b>	<b>0.00</b>
Retail UCITS and AIFs aimed at non-professional investors and equivalent funds of other countries	0.00	0.00
Other funds aimed at non-professional investors and equivalent funds of other EU member states	0.00	0.00
Professional investment funds and equivalent funds of other EU member states and listed securitisation funds	0.00	0.00
Other professional investment funds and equivalent funds of other EU member states and unlisted securitisation funds	0.00	0.00
Other non-European funds	0.00	0.00
<b>Temporary transactions on securities</b>	<b>0.00</b>	<b>0.00</b>
Receivables on securities received under a repurchase agreement ( <i>pension</i> )	0.00	0.00
Receivables on securities lent	0.00	0.00
Securities borrowed	0.00	0.00
Securities transferred under a repurchase agreement ( <i>pension</i> )	0.00	0.00
Other temporary transactions	0.00	0.00
<b>Forward financial instruments</b>	<b>0.00</b>	<b>0.00</b>
Transactions on a regulated or similar market	0.00	0.00
Other transactions	0.00	0.00
<b>Other financial instruments</b>	<b>0.00</b>	<b>0.00</b>
<b>Receivables</b>	<b>158,956,651.74</b>	<b>103,143,162.21</b>
Currency forward exchange contracts	155,445,756.41	100,591,934.24
Other	3,510,895.33	2,551,227.97
<b>Financial accounts</b>	<b>45,508,118.32</b>	<b>53,038,638.68</b>
Cash	45,508,118.32	53,038,638.68
<b>Total assets</b>	<b>804,077,506.86</b>	<b>873,767,623.91</b>

# CARMIGNAC EMERGENTS BALANCE SHEET

## LIABILITIES AND OWNER'S EQUITY IN EUR

	31/12/2019	31/12/2018
<b>Equity</b>		
<b>Share capital</b>	590,071,832.99	720,869,731.28
<b>Non-distributed prior net capital gains and losses (a)</b>	<b>564,751.46</b>	<b>15,559,971.82</b>
<b>Retained earnings (a)</b>	104.52	8,389.65
<b>Net capital gains and losses for the financial year (a, b)</b>	<b>49,026,316.93</b>	<b>25,036,928.61</b>
<b>Profit/(loss) for the financial year (a, b)</b>	-3,008,258.78	5,802,784.26
<b>Total share capital (= Amount corresponding to the net assets)</b>	<b>636,654,747.12</b>	<b>767,277,805.62</b>
<b>Financial instruments</b>	<b>0.00</b>	<b>0.00</b>
<b>Sales of financial instruments</b>	<b>0.00</b>	<b>0.00</b>
<b>Temporary transactions on securities</b>	<b>0.00</b>	<b>0.00</b>
Payables on securities transferred under a repurchase agreement ( <i>pension</i> )	0.00	0.00
Payables on securities borrowed	0.00	0.00
Other temporary transactions	0.00	0.00
<b>Forward financial instruments</b>	<b>0.00</b>	<b>0.00</b>
Transactions on a regulated or similar market	0.00	0.00
Other transactions	0.00	0.00
<b>Payables</b>	<b>167,422,545.04</b>	<b>106,487,548.60</b>
Currency forward exchange contracts	157,241,422.34	99,197,336.17
Other	10,181,122.70	7,290,212.43
<b>Financial accounts</b>	<b>214.70</b>	<b>2,269.69</b>
Short-term bank loans	214.70	2,269.69
Borrowings	0.00	0.00
<b>Total liabilities</b>	<b>804,077,506.86</b>	<b>873,767,623.91</b>

(a) Including accruals and deferrals

(b) Less interim dividends paid for the financial year

## CARMIGNAC EMERGENTS OFF-BALANCE SHEET

	31/12/2019	31/12/2018
<b>Hedging transactions</b>		
Commitment on regulated or similar markets		
Commitment on OTC markets		
Other commitments		
<b>Other transactions</b>		
Commitment on regulated or similar markets		
Commitment on OTC markets		
Other commitments		

## CARMIGNAC EMERGENTS INCOME STATEMENT

	31/12/2019	31/12/2018
<b>Income from financial transactions</b>		
Income from deposits and financial accounts	53,533.81	36,447.46
Income from equities and similar securities	13,953,321.72	22,161,881.75
Income from bonds and similar securities	0.00	0.00
Income from debt securities	0.00	0.00
Income from temporary purchases and sales of securities	0.00	1,454.96
Income from financial futures	0.00	0.00
Other financial income	0.00	0.00
<b>Total(1)</b>	<b>14,006,855.53</b>	<b>22,199,784.17</b>
<b>Payables on financial transactions</b>		
Payables on temporary purchases and sales of securities	0.00	1,620.99
Payables on financial futures	0.00	0.00
Payables on financial debts	328,938.58	297,349.06
Other payables	0.00	0.00
<b>Total (2)</b>	<b>328,938.58</b>	<b>298,970.05</b>
<b>Profit/(loss) on financial transactions (1 - 2)</b>	<b>13,677,916.95</b>	<b>21,900,814.12</b>
Other income (3)	0.00	0.00
Management fee and depreciation allowance (4)	17,652,544.69	15,037,433.44
<b>Net profit/(loss) for the financial year (L. 214-17-1) (1 - 2 + 3 - 4)</b>	<b>-3,974,627.74</b>	<b>6,863,380.68</b>
Income equalisation for the financial year (5)	966,368.96	-1,060,596.42
Interim dividends on income paid for the financial year (6)	0.00	0.00
<b>Profit/(loss) (1 - 2 + 3 - 4 + 5 - 6)</b>	<b>-3,008,258.78</b>	<b>5,802,784.26</b>

# NOTES TO THE FINANCIAL STATEMENTS OF CARMIGNAC EMERGENTS

## Accounting methods and rules

The annual financial statements are drawn up in the form required by ANC Regulation 2014-01, as amended.

The general principles of accounting apply:

- a true and fair view, comparability, going concern,
- lawfulness and fairness,
- prudence,
- consistency of methods from one financial year to the next.

Income from fixed income securities is recorded on the basis of accrued interest.

Purchases and sales of securities are recorded exclusive of costs.

The accounting currency of the portfolio is the EURO.

There are 12 months in the financial year.

## Asset valuation rules

Financial instruments are recorded in the financial statements using the historical cost method and they are entered on the balance sheet at their current value as determined by the last known market value or, where a market does not exist, by any external means or by using financial models.

Differences between the current values used to calculate the net asset value and the historical costs of transferable securities when first included in the portfolio are recorded in "valuation differentials" accounts.

Securities that are not denominated in the currency of the portfolio are valued in accordance with the principle described below; the valuation is then converted into the currency of the portfolio on the basis of the exchange rate prevailing on the valuation day.

### DEPOSITS:

Deposits with a residual maturity of less than or equal to three months are valued using the straight-line method.

### EQUITIES, BONDS AND OTHER SECURITIES TRADED ON A REGULATED OR SIMILAR MARKET:

For the calculation of the net asset value, equities and other securities traded on a regulated or similar market are valued on the basis of the last market price of the day.

Bonds and other similar securities are valued at the closing price supplied by various financial service providers. Interest accrued on bonds and other similar securities is calculated up to the date of the net asset value.

### EQUITIES, BONDS AND OTHER SECURITIES NOT TRADED ON A REGULATED OR SIMILAR MARKET:

Securities not traded on a regulated market are valued by the management company using methods based on the market value and the yield, while taking account of recent prices observed for significant transactions.

### TRANSFERABLE DEBT SECURITIES:

Transferable debt securities and similar securities that are not traded in large volumes are valued on the basis of an actuarial method, the reference rate (as defined below) being increased, where applicable, by a differential representative of the intrinsic characteristics of the issuer:

Transferable debt securities with a maturity of less than or equal to 1 year: Interbank rate in euro (Euribor);  
Transferable debt securities with a maturity exceeding 1 year: Valued using rates for French treasury bills (BTAN and OAT) with similar maturity dates for the longer durations.  
Transferable debt securities with a residual maturity of less than three months may be valued using the straight-line method.

French treasury bills are valued on the basis of market prices, as published daily by the Bank of France.

#### **FUNDS HELD:**

Units or shares of UCIs shall be valued at their last known net asset value.

#### **TEMPORARY TRANSACTIONS ON SECURITIES:**

Securities received under repurchase agreements are recorded as an asset under the heading "Receivables on securities received under a repurchase agreement (*pension*)" at the contract amount, plus any accrued interest receivable.

Securities transferred under a repurchase agreement are recorded as securities purchased at their current value. The payables on securities transferred under a repurchase agreement are recorded as securities sold at the value determined in the contract, plus any accrued interest payable.

Securities lent are valued at their current value and are recorded as an asset under the heading "Receivables on securities lent" at their current value, plus any accrued interest receivable.

Securities borrowed are recorded as an asset under the heading "Securities borrowed" at the contract amount and as a liability under the heading "Payables on securities borrowed" at the contract amount, plus any accrued interest payable.

#### **FORWARD FINANCIAL INSTRUMENTS:**

##### *Forward financial instruments traded on a regulated or similar market:*

Futures: these transactions are valued according to the markets on the basis of the settlement price. The commitment is calculated as follows: price of futures contract x nominal value of contract x quantities.

Options: these contracts are valued according to the markets on the basis of the opening price or the settlement price. The commitment is equal to the conversion of the option into the underlying equivalent. It is calculated as follows: delta x quantities x ratio or nominal value of the contract x price of the underlying equivalent.

##### *Forward financial instruments not traded on a regulated or similar market:*

###### *Swaps:*

Interest rate and/or currency swaps are valued at their market value by discounting future interest payments at the interest rate and/or currency exchange rate prevailing on the market. This price is adjusted to the issuer's risk.

Index swaps are valued using an actuarial method on the basis of a reference rate provided by the counterparty.

Other swaps are valued at their market value or at a value estimated according to the terms and conditions determined by the management company.

###### **Off-balance sheet commitments:**

Futures contracts are recorded at their market value as off-balance sheet commitments on the basis of the price used in the portfolio.

Options are converted into the underlying equivalent.

Swap commitments are recorded at their nominal value or, where there is no nominal value, at an equivalent amount.

## Management fees

Management fees are calculated on each valuation day on the basis of the net assets.

These fees are recorded in the UCI's income statement.

The management fees are paid in full to the Management Company responsible for all of the operating costs of the UCIs.

Management fees do not include transaction fees.

The rate applied to the net asset value is:

A EUR Acc UNITS: 1.50% (inclusive of tax) of net assets of the day,

E EUR Acc UNITS: 2.25% (inclusive of tax) of net assets of the day,

A EUR Y Dis UNITS: 1.50% (inclusive of tax) of net assets of the day.

A provision is calculated, in EUR, for the AMF contribution of 0.0008% of the fund's daily assets under management.

Performance fees: The performance fees are based on a comparison between the performance of the fund and its reference indicator over the calendar year. If the performance since the beginning of the financial year is positive and exceeds the performance of the MSCI EM NR (USD) index, a daily provision of a maximum of 20% of this outperformance is established. In the event of underperformance in relation to this index, a daily amount corresponding to a maximum of 20% of this underperformance is deducted from the provision established since the beginning of the year. If the fund is eligible for the booking of a performance fee, then:

- In the event of subscriptions, a system for neutralising the volume effect of these units on the performance fee is applied. This involves systematically deducting the share of the performance fee actually booked as a result of these newly subscribed units from the daily provision;
- In the event of redemptions, the portion of the performance fee provision corresponding to redeemed shares is transferred to the management company under the crystallisation principle.

The performance fee is paid to the management company in full at the end of the financial year.

## Allocation of distributable income

### DEFINITION OF DISTRIBUTABLE INCOME:

Distributable income is made up of:

### NET INCOME:

The net income for the financial year is equal to the amount of interest, arrears, premiums and prizes, dividends, director's fees and any other income relating to the securities constituting the portfolio, plus income generated by temporary cash holdings and minus the amount of management fees and interest charges on loans. This is increased by retained earnings, plus or minus the balance of the income equalisation accounts.

### CAPITAL GAINS AND LOSSES:

Realised capital gains, net of fees, minus realised capital losses, net of fees, recognised during the financial year, plus net capital gains of a similar nature recognised during previous financial years and which have not been distributed or accumulated, plus or minus the balance of the capital gains equalisation account.



**ALLOCATION OF DISTRIBUTABLE INCOME:**

<b>Distributable income</b>	<b>A EUR Acc and E EUR Acc</b>	<b>A EUR Ydis</b>
Allocation of net income	Accumulation	Distributed in full, or with a portion carried forward as decided by the Management Company
Allocation of net realised capital gains or losses	Accumulation	Distributed in full, or with a portion carried forward as decided by the Management Company

## CARMIGNAC EMERGENTS NET ASSET CHANGES

	31/12/2019	31/12/2018
<b>Net assets at the beginning of the financial year</b>	<b>767,277,805.62</b>	<b>1,266,601,567.14</b>
Subscriptions (including subscription fees paid to the UCI)	251,265,400.13	312,761,926.06
Redemptions (after deduction of redemption fees paid to the UCI)	-536,560,674.42	-602,493,289.24
Realised gains on deposits and financial instruments	120,474,128.47	137,753,505.16
Realised losses on deposits and financial instruments	-41,976,907.73	-58,926,287.11
Realised gains on forward financial instruments	16,016,809.20	50,684,096.78
Realised losses on forward financial instruments	-20,633,896.60	-61,319,057.31
Transaction fees	-5,561,316.54	-5,989,430.35
Foreign exchange differences	3,898,759.67	-11,147,504.85
Changes in the valuation differential of deposits and financial instruments	87,291,095.02	-267,447,205.23
<i>Valuation differential for the financial year N</i>	<i>70,603,636.59</i>	<i>-16,687,458.43</i>
<i>Valuation differential for the financial year N-1</i>	<i>16,687,458.43</i>	<i>-250,759,746.80</i>
Changes in the valuation differential of forward financial instruments	0.00	649,026.71
<i>Valuation differential for the financial year N</i>	<i>0.00</i>	<i>0.00</i>
<i>Valuation differential for the financial year N-1</i>	<i>0.00</i>	<i>649,026.71</i>
Dividends paid in the previous financial year on net capital gains and losses	0.00	-95,765.75
Dividends paid in the previous financial year on income	-861,827.96	-617,157.07
Net profit/(loss) for the financial year prior to the income equalisation account	-3,974,627.74	6,863,380.68
Interim dividend(s) paid during the financial year on net capital gains and losses	0.00	0.00
Interim dividend(s) paid during the financial year on income	0.00	0.00
Other items	0.00	0.00
<b>Net assets at the end of the financial year</b>	<b>636,654,747.12</b>	<b>767,277,805.62</b>

## BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC STRUCTURE OF CARMIGNAC EMERGENTS

Amount	%		
<b>ASSETS</b>			
Bonds and similar securities			
TOTAL bonds and similar securities	0.00		0.00
Debt securities			
TOTAL debt securities	0.00		0.00
<b>LIABILITIES</b>			
Sales of financial instruments			
TOTAL sales of financial instruments	0.00		0.00
<b>OFF-BALANCE SHEET</b>			
Hedging transactions			
TOTAL hedging transactions	0.00		0.00
Other transactions			
TOTAL other transactions	0.00		0.00

## BREAKDOWN BY INTEREST RATES OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS OF CARMIGNAC EMERGENTS

	Fixed rate	%	Variable rate	%	Adjustable rate	%	Other	%
<b>Assets</b>								
Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bonds and similar securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary transactions on securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	0.00	0.00	0.00	0.00	0.00	0.00	45,508,118.32	7.15
<b>Liabilities</b>								
Temporary transactions on securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	0.00	0.00	0.00	0.00	0.00	0.00	214.70	0.00
<b>Off-balance sheet</b>								
Hedging transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## BREAKDOWN BY RESIDUAL MATURITY OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS OF CARMIGNAC EMERGENTS

	< 3 months	%	[3 months - 1 year]	%	[1 - 3 years]	%
<b>Assets</b>						
Deposits	0.00	0.00	0.00	0.00	0.00	0.00
Bonds and similar securities	0.00	0.00	0.00	0.00	0.00	0.00
Debt securities	0.00	0.00	0.00	0.00	0.00	0.00
Temporary transactions on securities	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	45,508,118.32	7.15	0.00	0.00	0.00	0.00
<b>Liabilities</b>						
Temporary transactions on securities	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	214.70	0.00	0.00	0.00	0.00	0.00
<b>Off-balance sheet</b>						
Hedging transactions	0.00	0.00	0.00	0.00	0.00	0.00
Other transactions	0.00	0.00	0.00	0.00	0.00	0.00

	[3 - 5 years]	%	>5 years	%
<b>Assets</b>				
Deposits	0.00	0.00	0.00	0.00
Bonds and similar securities	0.00	0.00	0.00	0.00
Debt securities	0.00	0.00	0.00	0.00
Temporary transactions on securities	0.00	0.00	0.00	0.00
Financial accounts	0.00	0.00	0.00	0.00
<b>Liabilities</b>				
Temporary transactions on securities	0.00	0.00	0.00	0.00
Financial accounts	0.00	0.00	0.00	0.00
<b>Off-balance sheet</b>				
Hedging transactions	0.00	0.00	0.00	0.00
Other transactions	0.00	0.00	0.00	0.00

Positions in interest rate futures are shown according to the maturity of the underlying instrument.

## BREAKDOWN BY LISTING CURRENCY OR VALUATION CURRENCY OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS OF CARMIGNAC EMERGENTS

	USD		HKD		KRW		Other currencies	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Assets</b>								
Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equities and similar securities	160,452,324.95	25.20	115,910,034.64	18.21	114,884,792.17	18.05	208,365,585.0	32.73
Bonds and similar securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UCIs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary transactions on securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Receivables	24,651,842.24	3.87	0.00	0.00	0.00	0.00	54,078,734.17	8.49
Financial accounts	652,297.48	0.10	357,697.92	0.06	0.00	0.00	3,933,881.00	0.62
<b>Liabilities</b>								
Sales of financial instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary transactions on securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Payables	25,155,676.10	3.95	0.00	0.00	0.00	0.00	53,977,969.65	8.48
Financial accounts	0.00	0.00	0.00	0.00	0.00	0.00	214.70	0.00
<b>Off-balance sheet</b>								
Hedging transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE OF CARMIGNAC EMERGENTS

	Nature of the debit/credit	31/12/2019
Receivables	Forward currency purchases	78,480,243.90
	Funds receivable on forward currency sales	76,965,512.51
	Sales with deferred settlement	908,496.64
	Subscriptions receivable	772,066.18
	Guarantee deposits in cash	1,580,000.00
	Cash dividends and coupons	250,332.51
<b>Total receivables</b>		<b>158,956,651.74</b>
Payables	Forward currency sales	- 78,480,244.34
	Funds payable on forward currency purchases	- 78,761,178.00
	Purchases with deferred settlement	- 653,401.41
	Redemption price payable	- 2,301,241.40
	Management fees	- 187,873.51
	Performance fees	- 6,783,668.95
	Other payables	- 254,937.43
<b>Total payables</b>		<b>- 167,422,545.04</b>

## NUMBER OF CARMIGNAC EMERGENTS SECURITIES ISSUED OR REDEEMED

	In units	In euro
<b>A EUR Acc units</b>		
Units subscribed during the financial year	252,545.420	220,616,883.11
Units redeemed during the financial year	-441,183.731	-382,107,789.57
Net balance of subscriptions/redemptions	-188,638.311	-161,490,906.46
<b>E EUR Acc units</b>		
Units subscribed during the financial year	239,022.332	30,337,407.42
Units redeemed during the financial year	-255,308.610	-32,490,522.95
Net balance of subscriptions/redemptions	-16,286.278	-2,153,115.53
<b>A EUR Ydis units</b>		
Units subscribed during the financial year	2,610.948	311,109.60
Units redeemed during the financial year	-1,022,615.331	-121,962,361.90
Net balance of subscriptions/redemptions	-1,020,004.383	-121,651,252.30



# CARMIGNAC EMERGENTS SUBSCRIPTION AND/OR REDEMPTION FEES

	In euro
<b>A EUR Acc units</b>	
Redemption fees paid to the Fund	0.00
Subscription fees paid to the Fund	0.00
Total fees paid to the Fund	0.00
<b>E EUR Acc units</b>	
Redemption fees paid to the Fund	0.00
Subscription fees paid to the Fund	0.00
Total fees paid to the Fund	0.00
<b>A EUR Ydis units</b>	
Redemption fees paid to the Fund	0.00
Subscription fees paid to the Fund	0.00
Total fees paid to the Fund	0.00

## MANAGEMENT FEES OF CARMIGNAC EMERGENTS

	31/12/2019
<b>A EUR Acc units</b>	
Guarantee fees	0.00
Fixed management fees	9,445,457.55
Percentage of fixed management fees	1.50
Performance fees	5,564,635.83
Trailer fees	0.00
<b>E EUR Acc units</b>	
Guarantee fees	0.00
Fixed management fees	156,935.06
Percentage of fixed management fees	2.25
Performance fees	66,943.44
Trailer fees	0.00
<b>A EUR Ydis units</b>	
Guarantee fees	0.00
Fixed management fees	1,266,483.13
Percentage of fixed management fees	1.50
Performance fees	1,152,089.68
Trailer fees	0.00

## **COMMITMENTS RECEIVED AND GIVEN BY CARMIGNAC EMERGENTS**

**Guarantees received by the Fund**

**None.**

**Other commitments received and/or given:**

**None.**

## MARKET VALUE OF SECURITIES SUBJECT TO A TEMPORARY PURCHASE TRANSACTION BY CARMIGNAC EMERGENTS

	31/12/2019
Securities held under repurchase agreements (pension)	0.00
Securities borrowed	0.00

## MARKET VALUE OF SECURITIES REPRESENTING GUARANTEE DEPOSITS OF CARMIGNAC EMERGENTS

	31/12/2019
Financial instruments given as a guarantee and kept as their original entry	0.00
Financial instruments received as a guarantee and not entered on the balance sheet	0.00

## FINANCIAL INSTRUMENTS OF THE GROUP HELD IN THE CARMIGNAC EMERGENTS PORTFOLIO

	ISIN code	Description	31/12/2019
Equities			0.00
Bonds			0.00
Transferable debt securities			0.00
Funds			0.00
Forward financial instruments			0.00

## ALLOCATION TABLE SHOWING THE PORTION OF DISTRIBUTABLE INCOME RELATING TO THE INCOME OF CARMIGNAC EMERGENTS

	31/12/2019	31/12/2018
<b>Amounts to be allocated</b>		
Retained earnings	104.52	8,389.65
Income	-3,008,258.78	5,802,784.26
<b>Total</b>	<b>-3,008,154.26</b>	<b>5,811,173.91</b>
	31/12/2019	31/12/2018
<b>A EUR Acc units</b>		
<b>Allocation</b>		
Distribution	0.00	0.00
Retained earnings for the financial year	0.00	0.00
Accumulation	-2,927,136.31	4,950,357.76
<b>Total</b>	<b>-2,927,136.31</b>	<b>4,950,357.76</b>
	31/12/2019	31/12/2018
<b>E EUR Acc units</b>		
<b>Allocation</b>		
Distribution	0.00	0.00
Retained earnings for the financial year	0.00	0.00
Accumulation	-62,191.05	-4,436.67
<b>Total</b>	<b>-62,191.05</b>	<b>-4,436.67</b>
	31/12/2019	31/12/2018
<b>A EUR Ydis units</b>		
<b>Allocation</b>		
Distribution	0.00	861,691.26
Retained earnings for the financial year	0.00	3,561.56
Accumulation	-18,826.90	0.00
<b>Total</b>	<b>-18,826.90</b>	<b>865,252.82</b>
<b>Information concerning units eligible to receive dividends</b>		
Number of units	30,838.615	1,050,842.998
Dividend per unit	0.00	0.82
<b>Tax credits</b>		
Tax credit related to income distribution	7,256.52	133,238.24

## ALLOCATION TABLE SHOWING THE PORTION OF DISTRIBUTABLE INCOME RELATING TO NET CAPITAL GAINS AND LOSSES OF CARMIGNAC EMERGENTS

	31/12/2019	31/12/2018
<b>Amounts to be allocated</b>		
Non-distributed prior net capital gains and losses	564,751.46	15,559,971.82
Net capital gains and losses for the financial year	49,026,316.93	25,036,928.61
Interim dividends paid on net capital gains and losses in the financial year	0.00	0.00
<b>Total</b>	<b>49,591,068.39</b>	<b>40,596,900.43</b>
	31/12/2019	31/12/2018
<b>A EUR Acc units</b>		
Allocation		
Distribution	0.00	0.00
Non-distributed net capital gains and losses	0.00	0.00
Accumulation	48,243,988.41	21,131,479.38
<b>Total</b>	<b>48,243,988.41</b>	<b>21,131,479.38</b>
	31/12/2019	31/12/2018
<b>E EUR Acc units</b>		
Allocation		
Distribution	0.00	0.00
Non-distributed net capital gains and losses	0.00	0.00
Accumulation	467,764.81	221,198.44
<b>Total</b>	<b>467,764.81</b>	<b>221,198.44</b>
	31/12/2019	31/12/2018
<b>A EUR Ydis units</b>		
Allocation		
Distribution	1,541.93	0.00
Non-distributed net capital gains and losses	877,773.24	19,244,222.61
Accumulation	0.00	0.00
<b>Total</b>	<b>879,315.17</b>	<b>19,244,222.61</b>
<b>Information concerning units eligible to receive dividends</b>		
Number of units	30,838.615	1,050,842.998
Dividend per unit	0.05	0.00



## OVERVIEW OF RESULTS AND OTHER SIGNIFICANT ITEMS FOR THE LAST FIVE FINANCIAL YEARS FOR CARMIGNAC EMERGENTS

	31/12/2015	30/12/2016	29/12/2017	31/12/2018	31/12/2019
<b>Total net assets in EUR</b>	1,066,578,177.00	1,130,111,414.87	1,266,601,567.14	767,277,805.62	636,654,747.12
<b>CARMIGNAC EMERGENTS A EUR Acc</b>					
Net assets in EUR	999,807,951.18	1,020,570,605.21	1,119,564,762.72	648,226,211.26	626,507,938.35
Number of units	1,267,790.831	1,276,321.636	1,178,188.225	838,003.524	649,365.213
Net asset value per unit in EUR	788.62	799.61	950.24	773.53	964.80
Accumulation per unit on net capital gains and losses in EUR	99.04	41.69	75.22	25.21	74.29
Accumulation per unit in EUR on income	-21.16	3.61	4.02	5.90	-4.50
<b>CARMIGNAC EMERGENTS A CHF ACC HDG</b>					
Net assets in CHF	2,667,115.89	0.00	0.00	0.00	0.00
Number of units	24,139.441	0.000	0.000	0.000	0.000
Net asset value per unit in CHF	110.48	0.00	0.00	0.00	0.00
Accumulation per unit on net capital gains and losses in EUR	21.65	0.00	0.00	0.00	0.00
Accumulation per unit in EUR on income	-2.23	0.00	0.00	0.00	0.00
<b>CARMIGNAC EMERGENTS F GBP ACC HDG</b>					
Net assets in GBP	945,530.19	0.00	0.00	0.00	0.00
Number of units	9,344.988	0.000	0.000	0.000	0.000
Net asset value per unit in GBP	101.18	0.00	0.00	0.00	0.00
Accumulation per unit on net capital gains and losses in EUR	21.42	0.00	0.00	0.00	0.00
Accumulation per unit in EUR on income	-2.90	0.00	0.00	0.00	0.00
<b>CARMIGNAC EMERGENTS A USD ACC HDG</b>					
Net assets in USD	5,010,195.20	0.00	0.00	0.00	0.00
Number of units	45,577.076	0.000	0.000	0.000	0.000
Net asset value per unit in USD	109.92	0.00	0.00	0.00	0.00
Accumulation per unit on net capital gains and losses in EUR	24.11	0.00	0.00	0.00	0.00
Accumulation per unit in EUR on income	-2.70	0.00	0.00	0.00	0.00

## OVERVIEW OF RESULTS AND OTHER SIGNIFICANT ITEMS FOR THE LAST FIVE FINANCIAL YEARS FOR CARMIGNAC EMERGENTS

	31/12/2015	30/12/2016	29/12/2017	31/12/2018	31/12/2019
<b>Total net assets in EUR</b>	1,066,578,177.00	1,130,111,414.87	1,266,601,567.14	767,277,805.62	636,654,747.12
<b>CARMIGNAC EMERGENTS E EUR Acc</b>					
Net assets in EUR	5,995,157.55	6,186,225.13	7,799,575.22	6,738,928.23	6,063,085.07
Number of units	50,588.946	51,873.093	55,562.373	59,419.619	43,133.341
Net asset value per unit in EUR	118.50	119.25	140.37	113.41	140.56
Accumulation per unit on net capital gains and losses in EUR	14.95	6.23	11.16	3.72	10.84
Accumulation per unit in EUR on income	-3.79	-0.35	-0.69	-0.07	-1.44
<b>CARMIGNAC EMERGENTS A EUR Ydis</b>					
Net assets in EUR	52,427,299.44	103,354,584.53	139,237,229.20	112,312,666.13	4,083,723.70
Number of units	471,041.829	915,836.164	1,054,701.789	1,050,842.998	30,838.615
Net asset value per unit in EUR	111.30	112.85	132.01	106.87	132.42
Distributed net capital gains and losses per unit in EUR	0.00	1.46	0.09	0.00	0.05
Non-distributed net capital gains and losses per unit in EUR	0.00	4.42	14.80	18.31	28.46
Accumulation per unit on net capital gains and losses in EUR	13.95	0.00	0.00	0.00	0.00
Accumulation per unit in EUR on income	-2.68	0.00	0.00	0.00	-0.61
Dividend per unit in EUR on income	0.00	0.50	0.58	0.82	0.00
Retained earnings per unit in EUR on income	0.00	0.00	0.00	0.00	0.00
Tax credit per unit in EUR	0.00	0.131	0.155	0.00	0.00

# LIST OF SECURITIES OF CARMIGNAC EMERGENTS AT 31 DECEMBER 2019

Name of securities	Currency	Quantity or nominal amount	Current value	% of net assets
<b>Equities and similar securities</b>				
<b>Equities and similar securities traded on a regulated or similar market</b>				
<b>ARGENTINA</b>				
LOMA NEGRA CIA INDUSTRIAL AR	USD	904,569	6,301,763.55	0.99
<b>TOTAL ARGENTINA</b>			<b>6,301,763.55</b>	<b>0.99</b>
<b>BRAZIL</b>				
CIELO	BRL	6,637,581	12,303,521.86	1.93
TRANSMISSAO ENERGIA ELECTRICA PREF	BRL	3,270,409	16,353,855.66	2.57
TRANSMISSORA ALIANCA ENERGIA UNIT	BRL	3,252,568	22,459,322.39	3.53
<b>TOTAL BRAZIL</b>			<b>51,116,699.91</b>	<b>8.03</b>
<b>CHINA</b>				
CHINA EAST EDUCATION HOLDING	HKD	14,483,669	27,025,539.72	4.25
CHONGQING ZHIFEI BIOLOGICA-A	CNY	1,625,682	10,325,024.70	1.62
PING AN INS.GRP CO.CHINA H	HKD	1,143,541	12,041,677.75	1.89
QINGDAO HAIER-A	CNY	4,333,512	10,807,454.15	1.70
ZHENGZHOU YUT-A	CNY	323,397	589,385.76	0.09
<b>TOTAL CHINA</b>			<b>60,789,082.08</b>	<b>9.55</b>
<b>UNITED ARAB EMIRATES</b>				
EMAAR PROPERTIES	AED	13,461,665	13,124,890.75	2.06
<b>TOTAL UNITED ARAB EMIRATES</b>			<b>13,124,890.75</b>	<b>2.06</b>
<b>UNITED STATES OF AMERICA</b>				
MERCADOLIBRE	USD	28,992	14,772,101.99	2.32
<b>TOTAL UNITED STATES OF AMERICA</b>			<b>14,772,101.99</b>	<b>2.32</b>
<b>CAYMAN ISLANDS</b>				
DALI FOODS GROUP CO LTD	HKD	10,270,831	6,775,744.59	1.06
ENN ENERGY HOLDINGS	HKD	2,078,111	20,231,543.81	3.18
JDCOM INC	USD	1,105,839	34,707,089.51	5.45
SEA LTD-ADR	USD	613,852	21,994,768.32	3.45
TENCENT HLDG 2014 -19.6.14 LOT 500	HKD	1,019,478	43,780,334.18	6.88
WUXI BIOLOGICS CAYMAN INC	HKD	536,853	6,055,194.59	0.95
<a href="#">58.COM</a> INC	USD	728,520	42,010,779.15	6.60
<b>TOTAL CAYMAN ISLANDS</b>			<b>175,555,454.15</b>	<b>27.57</b>
<b>INDIA</b>				
AXIS BANK	INR	731,169	6,881,687.21	1.08
DABUR INDIA DEMATERIALISED	INR	1,838,908	10,520,898.47	1.65
HDFC BANK LTD	INR	1,395,206	22,151,738.01	3.48
HOUSING DEVELOPMENT FINANCE	INR	766,012	23,065,353.47	3.63
SHREE CEMENT	INR	20,153	5,122,122.32	0.80

Name of securities	Currency	Quantity or nominal amount	Current value	% of net assets
UNITED SPIRITS LTD DEMAT 2	INR	1,074,912	8,043,527.24	1.26
<b>TOTAL INDIA</b>			<b>75,785,326.72</b>	<b>11.90</b>
<b>INDONESIA</b>				
ASTRA INTERNATIONAL TBK	IDR	24,847,975	11,042,228.77	1.73
<b>TOTAL INDONESIA</b>			<b>11,042,228.77</b>	<b>1.73</b>
<b>JAPAN</b>				
LINE ADR	USD	142,745	6,232,456.53	0.98
<b>TOTAL JAPAN</b>			<b>6,232,456.53</b>	<b>0.98</b>
<b>MEXICO</b>				
GRUPO FINANCIERO BANORTE SAB DE CV	MXN	4,741,058	23,630,027.30	3.71
<b>TOTAL MEXICO</b>			<b>23,630,027.30</b>	<b>3.71</b>
<b>NETHERLANDS</b>				
YANDEX	USD	404,738	15,681,118.59	2.46
<b>TOTAL NETHERLANDS</b>			<b>15,681,118.59</b>	<b>2.46</b>
<b>REPUBLIC OF KOREA</b>				
HYUNDAI MOTOR CO LTD	KRW	206,659	19,183,513.50	3.01
KAKAO CORP	KRW	70,937	8,388,184.59	1.32
KANGWON LAND INC	KRW	1,266,090	28,869,753.20	4.53
NAVER	KRW	27,872	4,004,365.87	0.63
SAMSUNG ELECTRONICS CO LTD PREF	KRW	1,173,533	41,042,890.69	6.46
SAMSUNG SDI CO LTD	KRW	73,685	13,396,084.32	2.10
<b>TOTAL REPUBLIC OF KOREA</b>			<b>114,884,792.17</b>	<b>18.05</b>
<b>RUSSIA</b>				
MOSCOW EXCHANGE MICEX-RT-BRD	RUB	7,728,748	11,944,546.64	1.88
<b>TOTAL RUSSIA</b>			<b>11,944,546.64</b>	<b>1.88</b>
<b>TAIWAN</b>				
TAIWAN SEMICONDUCTOR SP ADR	USD	362,296	18,752,247.31	2.95
<b>TOTAL TAIWAN</b>			<b>18,752,247.31</b>	<b>2.95</b>
<b>TURKEY</b>				
ENKA INSAAT VE SANAYI	TRY	0.359	0.34	0.00
<b>TOTAL TURKEY</b>			<b>0.34</b>	<b>0.00</b>
<b>TOTAL equities and <a href="#">similar securities traded</a> on a regulated or similar market</b>			<b>599,612,736.80</b>	<b>94.18</b>
<b>TOTAL equities and similar securities</b>			<b>599,612,736.80</b>	<b>94.18</b>
<b>Margin calls</b>				
BNP Paribas margin calls in HKD	HKD	-0.01	0.00	0.00
<b>TOTAL margin calls</b>			<b>0.00</b>	<b>0.00</b>
<b>Receivables</b>			<b>158,956,651.74</b>	<b>24.97</b>
<b>Payables</b>			<b>-167,422,545.04</b>	<b>-26.30</b>
<b>Financial accounts</b>			<b>45,507,903.62</b>	<b>7.15</b>
<b>Net assets</b>			<b>636,654,747.12</b>	<b>100.00</b>

CARMIGNAC EMERGENTS A EUR Acc	EUR	649,365.213	964.80
CARMIGNAC EMERGENTS E EUR Acc	EUR	43,133.341	140.56
CARMIGNAC EMERGENTS A EUR Ydis	EUR	30,838.615	132.42

# FURTHER INFORMATION REGARDING THE COUPON'S TAX REGIME

## BREAKDOWN OF COUPON

	Net global	Currency	Net per unit	Currency
Income subject to non-definitive, compulsory withholding tax				
Shares eligible for rebate and subject to non-definitive, compulsory withholding tax				
Other income not eligible for rebate and subject to non-definitive, compulsory withholding tax				
Non-declarable and non-taxable income				
Total amount distributed on capital gains and losses	1,541.93	EUR	0.05	EUR
TOTAL	1,541.93	EUR	0.05	EUR



## **CARMIGNAC GESTION**

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Portfolio management company (AMF authorisation no. GP 97-08 of 13/03/1997).

SA with capital of EUR 15 million - RCS Paris B 349 501 676

[www.carmignac.com](http://www.carmignac.com)