

1 JANUARY 2023



**PROSPECTUS**

**CARMIGNAC  
CREDIT 2027**

French UCITS

Under European Directive 2009/65/EC

# I. GENERAL CHARACTERISTICS

## 1. Structure of the UCITS

French Mutual Fund (FCP)

## 2. Name

CARMIGNAC CREDIT 2027

## 3. Legal form and Member State in which the UCITS was established

French mutual fund (*Fonds Commun de Placement* – FCP) established in France, governed by European Directive 2009/65/EC

## 4. Creation date and intended lifetime

The fund was approved by the AMF on 12 April 2022. It was launched on 2 May 2022 for a period of 99 years (ninety-nine years).

## 5. Fund overview

UNIT CLASSES	ISIN	ALLOCATION OF DISTRIBUTABLE INCOME	BASE CURRENCY	TARGET INVESTORS	MINIMUM INITIAL SUBSCRIPTION	MINIMUM SUBSEQUENT SUBSCRIPTION*
A EUR Acc	FR00140081Y1	Allocation of net income: Accumulation  Allocation of net realised capital gains: Accumulation	EURO	All investors	None	None
A EUR Ydis	FR00140081Z8	Allocation of net income: Distributed and/or carried forward  Allocation of net realised capital gains: Distributed, carried forward, and/or accumulated.	EURO	All investors	None	None
E EUR Acc	FR0014008207	Allocation of net income: Accumulation  Allocation of net realised capital gains: Accumulation	EURO	All investors	None	None
E EUR Ydis	FR0014008215	Allocation of net income: Distributed and/or carried forward  Allocation of net	EURO	All investors	None	None

		realised capital gains: Distributed, carried forward, and/or accumulated.				
F EUR Acc	FR0014008223	Allocation of net income: Accumulation  Allocation of net realised capital gains: Accumulation	EURO	Authorised investors*	None	None
F EUR Ydis	FR0014008231	Allocation of net income: Distributed and/or carried forward  Allocation of net realised capital gains: Distributed, carried forward, and/or accumulated.	EURO	Authorised investors*	None	None

\* Accessible (i) to institutional investors investing on a proprietary basis, (ii) to funds of funds, (iii) to packaged products which buy units directly, or on behalf of an end investor, and apply a commission to said investor at product level, (iv) to financial intermediaries who are not authorised to accept and retain incentives, in accordance with regulatory requirements or individual fee arrangements with their clients, and (v) to the Carmignac Group (entities and employees). In the case of institutional investors incorporated in the European Union, the term “institutional investor” refers to an Eligible Counterparty/Professional Investor within the meaning of MiFID II.

## 6. Address at which the latest annual and semi-annual reports can be obtained

The latest annual reports and the composition of the assets will be sent to unitholders within eight business days upon written request to:

CARMIGNAC GESTION, 24, place Vendôme, 75001 PARIS

The prospectus and KIID (Key Investor Information Document) are available on the website: [www.carmignac.com](http://www.carmignac.com)

Contact: Communications department

Tel: +33 (0)1 42 86 53 35

Fax: +33 (0)1 42 86 52 10

The AMF website ([www.amf-France.org](http://www.amf-France.org)) contains additional information on the list of regulatory documents and all the provisions relating to investor protection.

## II. DIRECTORY

### 1. Management company

Carmignac Gestion, a *société anonyme* (public limited company), 24, place Vendôme, 75001 Paris, approved by the COB on 13 March 1997 under number GP 97-08.

### 2. Custodian

BNP PARIBAS SA, a credit institution approved by the Prudential Supervisory and Resolution Authority (ACPR), whose registered office is at 16, Boulevard des Italiens - 75009 Paris, France (postal address: 9, rue du Débarcadère - 93500 Pantin , France), registered in the Trade and Companies Register (RCS) of Paris under number 662 042 449, and subject to the control of the Financial Markets Authority (AMF).

Description of the custodian's role: BNP PARIBAS S.A. carries out the tasks described in the regulations applicable to the fund:

- Safekeeping of fund assets
- Checking that decisions taken by the management company are lawful
- Monitoring the fund's cash flows.

The management company has also appointed the custodian with managing the fund's liabilities, which includes centralising fund unit subscription and redemption orders, and keeping a register of fund units issued. The custodian is independent of the management company.

Identification and management of conflicts of interest:

Potential conflicts of interest may be identified, especially in cases where the management company has business relations with BNP PARIBAS S.A. going beyond those relating to custody. To manage these situations, the custodian has drawn up, and regularly updates, a conflict of interest management policy aimed at preventing any conflicts of interest that may result from these business relations. The aim of the policy is to identify and analyse potential conflicts of interest, and to manage and monitor these situations.

Delegates:

BNP PARIBAS S.A. is responsible for the safekeeping of the fund's assets. However, the custodian may delegate its safekeeping activities to a sub-custodian in order to offer asset custody services in certain countries. The sub-custodian appointment and supervision process meets the highest quality standards, and includes the management of potential conflicts of interest that may arise through these appointments.

A description of the delegated custody tasks, a list of delegates and sub-delegates of BNP PARIBAS S.A., and information on conflicts of interest that may result from these delegations, are available on the BNP PARIBAS S.A. website: <http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-and-trustee-serv.html>.

Up-to-date information is made available to investors on request.

The list of sub-custodians is also available on [www.carmignac.com](http://www.carmignac.com). A paper copy of this list is available free of charge, on request, from Carmignac Gestion.

### 3. Statutory auditors

PricewaterhouseCoopers Audit, SA – 63 rue de Villiers – 92208 Neuilly sur Seine  
 Authorised signatory: Frédéric Sellam

### 4. Promoter(s)

CARMIGNAC GESTION, *société anonyme* (public limited company), 24, place Vendôme, 75001 PARIS  
 Fund units are admitted for trading by Euroclear. As such, some promoters may not hold mandates from or be known to the management company.

### 5. Accounting delegated to

CACEIS Fund Administration, *société anonyme* (public limited company), 1-3 Place Valhubert, 75013 Paris

CACEIS Fund Administration is the CREDIT AGRICOLE group entity specialising in fund administration and accounting for the group's internal and external clients.

On this basis, the management company has delegated the fund's accounting administration and valuation to CACEIS Fund Administration as account manager. CACEIS Fund Administration is responsible for valuing assets, calculating the fund's net asset value and producing periodic documents.

#### 6. Centralising agent

Carmignac Gestion has appointed BNP PARIBAS S.A. to manage the fund's liabilities and, to this end, centralise and process requests to buy and sell fund units. As issuance account keeper, BNP PARIBAS S.A. manages relations with Euroclear France for all procedures requiring this organisation's involvement.

a) Centralising agent for subscription and redemption requests as delegated by the management company  
BNP PARIBAS S.A.: registered office is located at 16, Boulevard des Italiens - 75009 Paris, France; postal address: 9, rue du Débarcadère - 93500 Pantin, France.

b) Other establishments responsible for receiving subscription and redemption requests  
CACEIS Bank, Luxembourg Branch (Pre-centralising agent)  
5, allée Scheffer, L-2520 Luxembourg

#### 7. Institutions responsible for ensuring compliance with the centralisation cut-off time as delegated by the management company

BNP PARIBAS S.A.: registered office is located at 16, Boulevard des Italiens - 75009 Paris, France; postal address: 9, rue du Débarcadère - 93500 Pantin, France.

#### 8. Registrar

BNP PARIBAS S.A.: registered office is located at 16, Boulevard des Italiens - 75009 Paris, France; postal address: 9, rue du Débarcadère - 93500 Pantin, France

## III. OPERATING AND MANAGEMENT PROCEDURES

### GENERAL CHARACTERISTICS

#### 1° Characteristics of the units

- Rights attached to the units:

Each unitholder has a co-ownership right in and to the assets of the fund proportional to the number of units they hold.

- Custodian:

BNP PARIBAS S.A. assumes the role of custodian.  
Units are admitted for trading by Euroclear France.

- Voting rights:

Specific characteristics of an FCP: no voting rights are attributed to the ownership of units; all decisions are taken by the management company.

- **Fractions of units (if any):**

Unitholders may subscribe and redeem thousandths of units.

- **Form of units:**

Units are issued in bearer or administered registered form. They may not be issued in pure registered form.

- **Year-end**

The accounting year ends on the last net asset value date of the month of June. The fund's first financial year ends on 30 June 2023.

## 2° Tax regime

The fund is governed by the provisions of appendix II, point II. B. of the Agreement between the government of the French Republic and the government of the United States of America intended to improve compliance with tax obligations internationally and implement the law concerning respect for tax obligations applicable to foreign accounts signed on 14 November 2013.

Investors are reminded that the information that follows only constitutes a general overview of the French tax regime applicable to investments in a French fund according to current French legislation. Investors are therefore advised to assess their personal situation with their usual tax adviser.

### At fund level

Due to their co-ownership structure, FCPs are not subject to corporation tax in France; they therefore enjoy a certain level of transparency. Therefore, income received and earned by the fund in the course of its investment activities is not taxable at this level.

Abroad (in the investment countries of the fund), gains realised on the sale of foreign transferable securities and foreign income received by the fund in connection with its investment activities may in some cases be taxable (generally in the form of withholding tax). Foreign taxes may, in limited cases, be reduced or waived if any tax treaties apply.

### At unitholder level:

#### - Unitholders resident in France

Gains or losses realised by the fund, income distributed by the fund as well as gains or losses recorded by the unitholder are subject to the applicable tax regime.

#### - Unitholders resident outside France

Subject to tax treaties, taxes imposed in article 150-0 A of the *Code Général des Impôts* (CGI), the French General Tax Code, do not apply to gains realised at the time of the redemption or sale of units of the fund by persons who are not resident in France for tax purposes within the meaning of article 4 B of the CGI, or whose registered office is located outside France, provided that these persons have not directly or indirectly held more than 25% of the units at any time in the five years prior to the redemption or sale of their units (CGI, article 244 bis C).

Unitholders resident outside France shall be subject to the provisions of the tax legislation in force in their countries of residence.

Investors having access to the fund through a life insurance policy will be taxed at the rates applicable to life insurance policies.

### SPECIFIC PROVISIONS

#### 1° ISIN

UNIT CATEGORIES	ISIN
A EUR Acc	FR00140081Y1
A EUR Ydis	FR00140081Z8
E EUR Acc	FR0014008207
E EUR Ydis	FR0014008215
F EUR Acc	FR0014008223
F EUR Ydis	FR0014008231

#### 2° INVESTMENT OBJECTIVE

The fund's investment objective is to generate performance, net of management fees, from a portfolio comprising debt securities of public or private issuers, with no restrictions on the average rating, duration or maturity; such securities will be held until a liquidation phase of six (6) months (maximum) preceding the fund's maturity date ("carry" strategy), on 30 June 2027 (hereafter the "**Maturity date**"), or, if applicable, until the fund's early maturity date, i.e.

- No later than 4 August 2025 (if applicable, the "**Early Maturity Date**"), if the fund has achieved or exceeded a performance deemed appropriate and corresponding to an internal rate of return ("**IRR**") observed between 30 June 2022 and 30 June 2025 (the "**Target IRR**") of:
  - 2.44% for the A EUR Acc and Ydis units, i.e. a net asset value of EUR 107.50 observed on 30 June 2025 for the A EUR Acc unit, or an equivalent performance over the period, dividends reinvested, for the A EUR Ydis unit;
  - 2.13% for the E EUR Acc and Ydis units, i.e. a net asset value of EUR 106.54 observed on 30 June 2025 for the E EUR Acc unit, or an equivalent performance over the period, dividends reinvested, for the E EUR Ydis unit;
  - 2.85% for the F EUR Acc and Ydis units, i.e. a net asset value of EUR 108.80 observed on 30 June 2025 for the F EUR Acc unit, or an equivalent performance over the period, dividends reinvested, for the F EUR Ydis unit; or, failing that,
- No later than 4 December 2025 (if applicable, the "**Early Maturity Date**"), if the fund has achieved or exceeded a performance deemed appropriate and corresponding to the IRR observed between 30 June 2022 and 31 October 2025 (the "**Target IRR**") of:
  - 2.24% for the A EUR Acc and Ydis units, i.e. a net asset value of EUR 107.67 observed on 31 October 2025 for the A EUR Acc unit, or an equivalent performance over the period, dividends reinvested, for the A EUR Ydis unit;
  - 1.93% for the E EUR Acc and Ydis units, i.e. a net asset value of EUR 106.60 observed on 31 October 2025 for the E EUR Acc unit, or an equivalent performance over the period, dividends reinvested, for the E EUR Ydis unit;
  - 2.65% for the F EUR Acc and Ydis units, i.e. a net asset value of EUR 109.11 observed on 31 October 2025 for the F EUR Acc unit, or an equivalent performance over the period, dividends reinvested, for the F EUR Ydis unit; or, failing that,

- No later than 3 April 2026 (if applicable, the “**Early Maturity Date**”), if the fund has achieved or exceeded a performance deemed appropriate and corresponding to the IRR observed between 30 June 2022 and 27 February 2026 (the “**Target IRR**”) of:
  - 2.08% for the A EUR Acc and Ydis units, i.e. a net asset value of EUR 107.83 observed on 27 February 2026 for the A EUR Acc unit, or an equivalent performance over the period, dividends reinvested, for the A EUR Ydis unit;
  - 1.77% for the E EUR Acc and Ydis units, i.e. a net asset value of EUR 106.65 observed on 27 February 2026 for the E EUR Acc unit, or an equivalent performance over the period, dividends reinvested, for the E EUR Ydis unit;
  - 2.49% for the F EUR Acc and Ydis units, i.e. a net asset value of EUR 109.42 observed on 27 February 2026 for the F EUR Acc unit, or an equivalent performance over the period, dividends reinvested, for the F EUR Ydis unit; or, failing that,
- No later than 4 August 2026 (if applicable, the “**Early Maturity Date**”), if the fund has achieved or exceeded a performance deemed appropriate and corresponding to the IRR observed between 30 June 2022 and 30 June 2026 (the “**Target IRR**”) of:
  - 1.94% for the A EUR Acc and Ydis units, i.e. a net asset value of EUR 108 observed on 30 June 2026 for the A EUR Acc unit, or an equivalent performance over the period, dividends reinvested, for the A EUR Ydis unit;
  - 1.64% for the E EUR Acc and Ydis units, i.e. a net asset value of EUR 106.71 observed on 30 June 2026 for the E EUR Acc unit, or an equivalent performance over the period, dividends reinvested, for the E EUR Ydis unit;
  - 2.35% for the F EUR Acc and Ydis units, i.e. a net asset value of EUR 109.74 observed on 30 June 2026 for the F EUR Acc unit, or an equivalent performance over the period, dividends reinvested, for the F EUR Ydis unit.

The above IRRs are calculated on the assumption that management fees remain unchanged between the unit’s launch date and the observation date.

In particular, the portfolio will comprise bonds (including contingent convertible bonds (“CoCos”), up to 15% of the net assets) as well as securitisation instruments (up to 40% of the net assets) and credit default swaps (up to 20% of the net assets). The fund is not subject to any restrictions in terms of the breakdown between private and public issuers. As such, the fund will be exposed to interest rate and credit markets, including in non-OECD countries (including emerging markets) (up to 40% of the net assets), until the liquidation phase described above (or, if applicable, the Early Maturity Date). In the absence of restrictions on average rating, the fund will seek potentially substantial exposure to “speculative” debt securities (the characteristics of which are set out below in the investment strategy); such securities offer higher prospective returns than “investment grade” debt securities, but in return expose the fund to greater risks (in particular that of issuer default).

The management company reserves the right not to liquidate the fund on the Early Maturity Date, even if the IRR has reached one of the thresholds described above, in particular if the Target IRR has not been reached for all units or if the liquidity of the Carry Portfolio (as defined in the “Investment Strategy” paragraph below) or a market sell-off following the observation date concerned does not allow the fund to be liquidated on the Early Maturity Date at a net asset value corresponding, as a minimum, to the Target IRR for all units of the fund.

Under no circumstances may this investment objective be construed as an undertaking in relation to the yield or performance of the fund; the performance is not guaranteed.

The fund is an actively managed UCITS. The investment manager has discretion over the composition of the portfolio, subject to compliance with the stated investment objectives and policy.

The fund seeks to invest sustainably and applies a socially responsible investment approach. The procedures for applying a socially responsible investment approach are described in the “Extra-financial characteristics” section below and can be found in the “Responsible Investment” section of the website [www.carmignac.com](http://www.carmignac.com).



### 3° REFERENCE INDICATOR

The fund does not have a reference indicator.

### 4° INVESTMENT STRATEGY

#### *Main features of UCITS management:*

#### a) Strategies used

In order to achieve its investment objective, the fund chiefly applies a carry strategy, the aim of which is to build and hold a diversified portfolio of financial instruments comprising various credit market classes (hereafter, the “**Carry Portfolio**”).

The discretionary choice of investments is based on an in-house analysis conducted by the management company and is supported primarily by criteria of profitability, creditworthiness, prospects for debt recovery, liquidity and maturity, as well as by a diversification of the portfolio’s financial risks in view of the fund’s recommended investment horizon.

The portfolio manager builds the Carry Portfolio during the portfolio construction phase. This will begin on the fund inception date, and will end no later than 29 July 2022 (inclusive).

Once this construction phase has been completed, the Carry Portfolio will be made up of at least 40 positions. The fund will invest a maximum of 5% of its net assets in each position.

**During the carry phase**, the Carry Portfolio will comply with the following characteristics:

- Investment in bonds from corporate or government issuers, with a rating superior to BBB- or the equivalent (investment grade) according to the scale of at least one of the main rating agencies registered with the European Securities and Markets Authority, or of a credit quality deemed to be equivalent by the portfolio manager, with no restrictions on maturity or duration: 0% to 100%
- Investment in speculative (“high yield”) bonds from corporate or government issuers, with a rating equal or inferior to BBB- or the equivalent according to the scale of at least one of the main rating agencies registered with the European Securities and Markets Authority, or of a credit quality deemed to be equivalent by the portfolio manager, with no restrictions on maturity or duration: 0% to 100%
- Investment in securitisation instruments, including collateralised loan obligations (CLOs), with no restrictions on duration or maturity: 0% to 40%
- Investment in bonds from government or corporate issuers in non-OECD countries, including emerging markets: 0% to 40%
- Investment in contingent convertible bonds (CoCos): 0% to 15%
- Investment in transferable debt securities and money market instruments (directly or through funds): 0% to 5%; Selling protection via credit default swaps (CDS): 0% to 20%.

The Carry Portfolio is not subject to any restrictions on average rating.

The Carry Portfolio consists of securities with different maturities, including some with a maturity exceeding that of the fund.

During the Carry Portfolio’s construction phase, the management company may depart from the investment limits for the carry phase detailed above, up to a limit of 100% of the net assets for each of the instruments listed above. The Carry Portfolio’s direct and indirect exposure to credit risk, including exposure arising from the use of forward financial instruments, may not exceed 120% of the fund’s net assets.

During the carry phase, the debt securities held in the Carry Portfolio are not automatically sold should the credit rating be downgraded. Nevertheless, the portfolio manager reserves the option to carry out arbitrage, especially if they expect the risk profile of an instrument on the Carry Portfolio to be downgraded, or identify an investment opportunity compatible with the fund’s investment objective and strategy.

Following the construction phase, the initial duration of the Carry Portfolio shall be no more than 7. This duration will decrease to no more than 2 by the end of the carry period.

Investments may be made in currencies other than the fund’s base currency. However, the portfolio’s exposure to foreign exchange risk will only be incidental, as a result of imperfect hedging.

Assuming the conditions for early maturity have not been met, the fund will enter **into a liquidation phase**, which will begin six (6) months before the Maturity Date. The fund will adopt a prudent style of investment management. The securities comprising the Carry Portfolio will be held until maturity or sold, particularly those whose maturity exceeds that of the fund. During this liquidation phase, any fresh investment will be solely in money market instruments and money market UCITS, and in debt securities with a maturity earlier than the Maturity Date. The objective of the liquidation phase will be to ensure that the portfolio is at least 80% invested in money market instruments and money market UCITS, and in debt securities with a maturity earlier than the Maturity Date, one (1) month at the latest before the Maturity Date of the fund. In the case of exceptional market situations likely to hinder the fulfilment of the fund's investment objective, the management company may, in the interest of unitholders, postpone the Maturity Date by nine (9) months from the Maturity Date initially planned. Prior to the Maturity Date, and depending on prevailing market conditions, the management company will opt either to continue a similar investment strategy with a new target maturity date, or to merge the fund with another UCITS, or to wind up the fund, subject to AMF approval.

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

#### ***Equities***

The fund is not intended to be invested in equities. However, the fund may, on a temporary basis, invest up to 15% of its net assets in equities, particularly as a result of the restructuring of bonds, including convertible bonds (whether or not CoCos).

#### ***Debt securities and money market instruments***

The fund can be 110% invested in (short- and medium-term) transferable debt securities, money market instruments, fixed or floating-rate bonds (covered and uncovered) and/or Eurozone or international inflation-linked bonds. Investment in emerging markets may not exceed 40% of net assets. The fund may invest in debt securities and money market instruments from corporate or public issuers.

The fund may also invest up to 40% of net assets in securitisation instruments, in particular Collateralised Loan Obligations (CLO), but also Asset-Backed Securities (ABS), Enhanced Equipment Trust Certificates (EETC), Residential Mortgage-Backed Securities (RMBS), and Commercial Mortgage-Backed Securities (CMBS).

Collateralised Loans Bonds (CLOs) are structured products designed to transform a portfolio of commercial loans into debt securities. The commercial loan portfolio is grouped together in a vehicle issuing debt securities (or "tranches") whose rating differs according to their exposure to the risk of default on the portfolio's debt ("senior", "mezzanine", or "equity" tranches).

Asset Backed Securities (ABS), of which RMBS and CMBS are a sub-category, are structured products. The objective is to convert a portfolio of receivables into a debt instrument by grouping these debts together in a special vehicle issuing said debt securities. These receivables can be of different types: mortgage (RMBS and CMBS), personal loans, etc.

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 the rating has changed) is not solely based on the rating criteria, but also reflects an internal analysis of credit risks and market conditions carried out by the management company.

It should be noted that during the construction phase, the management company may depart from the investment limits detailed above, up to a limit of 100% of the net assets for each of the instruments listed above.

There are no restrictions on direct investments in securities, nor in terms of duration or allocation between

government and corporate issuers.

### **Currencies**

Net exposure to currencies other than the fund's valuation currency, including emerging market currencies, generated through actual securities or derivatives, is limited to 10% of the net assets.

### **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 or hedging purposes.

The derivative instruments liable to be used by the portfolio manager are options, futures, forwards, swaps, and CDS (credit default swaps) involving one or more underlying instruments (directly held securities, indices, baskets) in which the portfolio manager may invest. The portfolio manager implements the hedging referred to in this paragraph on a discretionary basis.

The fund may not use total return swaps (TRS).

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

- fixed income
- credit
- currencies

### **Strategy for using derivatives to achieve the investment objective**

Credit derivatives on a single issuer or on credit indices are used to gain long or short exposure to the creditworthiness of an issuer, group of issuers, economic sector, country or region, or to hedge against the risk of default by an issuer, group of issuers, economic sector, country or region, or to adjust the fund's total exposure to credit risk.

Interest rate derivatives are used to gain long or short exposure, hedge against interest rate risk, or simply adjust the portfolio's modified duration.

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.

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 mainly investment banks and international 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.

Investments in derivative markets are limited to 100% of the fund's net assets (cf. section VI. Overall Risk).

### **Securities with embedded derivatives**

The fund may invest in securities with embedded derivatives (particularly warrants, puttable/callable bonds, credit-linked notes (CLN), EMTN, equity warrants, etc.) traded on Eurozone and international regulated or over-the-counter markets in order to achieve the investment objective.

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

- fixed income
- credit
- currencies

The portfolio manager may invest up to 15% 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.

#### *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.

#### *UCIs, investment funds, trackers or Exchange Traded Funds (ETF)*

The fund may invest up to 10% of its net assets in:

- units or shares of French or foreign UCITS,
- units or shares of French or foreign 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. With effect from the end of the initial subscription period, i.e. 30 June 2022, these trades are made within the limit of 10% 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. However, the limit on cash holdings may be raised to 20% of the fund's net assets to protect investors’ interests if market conditions so justify.

Cash lending is prohibited.

#### *Cash borrowings*

The fund may borrow cash, but there is no intention for it to be a structural borrower of cash. The fund may find itself with temporary debts resulting from operations linked to outflows (pending investments and divestments, subscriptions/redemptions, etc.) within the limit of 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 60% 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 may be involved in such transactions is 5% of the net assets.

Any securities financing transaction will be entered into with a credit institution or an investment firm whose head office is located in a Member State of the European Union, and whose minimum rating is AA- (according to the scale of at least one of the main rating agencies registered with the European Securities and Markets Authority). The counterparties to securities lending/borrowing do 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 trades appears under the heading "Fees and expenses".

## 5° CONTRACTS AS COLLATERAL

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.) in the case of temporary purchases/sales of securities.

All financial guarantees received or given are transferred with full ownership.

The counterparty risk involved in OTC derivatives transactions and the risk involved in temporary purchases/sales of securities may not, in aggregate, exceed 10% of the fund's net assets where the counterparty is one of the credit institutions defined in the regulations in force, or 5% of its net assets in all 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 or treasury bills received as collateral are subject to a discount of between 1% and 10%. The management company agrees this contractually with each counterparty.

## 6° 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 associated with collateralised loan obligations (CLO) or asset-backed securities (ABS):** the fund may invest in CLOs and ABS (including CMBS and MBS), in which case unitholders may be exposed to a higher level of credit risk. As these CLOs and ABS are backed by debts, the impairment of the value of the surety underlying the security, such as the non-payment of loans, may be reflected in a reduction in the value of the security itself and generate a loss for the fund.

c) **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.

d) **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 impact the net asset value of the fund which may decrease as a result.

e) **Credit risk:** Credit risk is the risk that the issuer may default. Should the quality of issuers decline, for example in the event of a downgrade in their rating by the financial rating agencies, the value of the bonds may drop and lead to a fall in the fund's net asset value.

Furthermore, a more specific credit risk linked to the use of credit derivatives, such as credit default swaps, exists. CDS may also involve indices.

Object of the manager's use of CDS	Loss of value on the CDS position
Sell protection	In the event that the issuer of the underlying security is downgraded
Purchase protection	In the event of the upgrading of the issuer of the underlying security

This credit risk is controlled by a qualitative analysis carried out by the team of credit analysts on the evaluation of companies' solvency.

f) **Risk of capital loss:** the portfolio is managed on a discretionary basis and 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.

g) **Emerging market 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.

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

- i) **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. For units denominated in a currency other than the euro, the currency risk linked to fluctuations in the euro versus the valuation currency is residual thanks to systematic hedging. This hedging may generate a performance differential between units in different currencies.
- j) **Equity risk:** as the fund is exposed to equity market risk, the net asset value of the fund may decrease in the event of an equity market upturn or downturn.
- k) **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.
- l) **Risk 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 affected significantly in the event of market turmoil.
- m) **Risk 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.
- n) **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.
- o) **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.
- p) **Sustainability risk:** refers to an event or an environmental, social or governance factor that, if it were to occur, could have a significant real or potential impact on the value of investments and, ultimately, on the net asset value of the fund.

✓ Incorporation of sustainability risk into investment decisions

The fund's investments are exposed to sustainability risks, representing a real or potential threat to maximising long-term risk-adjusted rewards. The management company has therefore incorporated the identification and assessment of sustainability risks into its investment decisions and risk management processes, through a three-step procedure:

1) Exclusion: Investments in companies that the management company believes do not meet the fund's sustainability standards are excluded. The management company has established an exclusion policy that, amongst other things, provides for company exclusions and tolerance thresholds for business in fields such as controversial weapons, tobacco, adult entertainment, thermal coal production and electricity generation. For more information, please consult the exclusion policy in the "Responsible Investment" section

of the management company's website: <https://www.carmignac.com>.

2) Analysis: the management company incorporates an ESG analysis alongside a traditional financial analysis to identify sustainability risks from issuers in the investment universe, covering more than 90% of corporate bonds and equities. Carmignac's proprietary research system, START, is used by the management company to assess sustainability risks. For more information, please refer to the ESG integration policy

and the information on the START system available in the "Responsible Investment" section of the management company's website: <https://www.carmignac.com>.

3) Engagement: The management company works with issuers on ESG-related matters to raise awareness and gain a better understanding of sustainability risks to portfolios. This engagement may concern a specific environmental, social or governance matter, a long-term impact, controversial behaviour or proxy voting decisions. For more information, please refer to the engagement policy at the address available in the "Responsible Investment" section of the management company's website: <https://www.carmignac.com>.

✓ Potential impact of sustainability risk on the fund's returns

Sustainability risks can have adverse effects on sustainability in terms of a significant real or potential negative impact on the value of investments and net asset value of the fund, and ultimately on investors' return on investment.

There are several ways in which the management company may monitor and assess the financial significance of sustainability risks on a company's financial returns:

Environment: the management company believes that if a company does not take into account the environmental impact of its business and the production of its goods and services, then it may lose natural capital, incur environmental fines, or suffer lower demand for its goods and services. Where relevant, a company's carbon footprint, water and waste management, and supply chain, are therefore all monitored.

Social: The management company believes that social indicators are important in monitoring a company's long-term growth potential and financial stability. These policies on human capital, product safety checks and client data protection are just some of the important practices that are monitored.

Governance: The management company believes that poor corporate governance may present a financial risk. The independence of the board of directors, composition and skills of the executive committee, treatment of minority shareholders, and remuneration, are the key factors studied. Companies' approach to accounting, tax and anti-corruption practices is also checked.

## 7° GUARANTEE OR PROTECTION

None

## 8° 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 via the A and E units. F units are only accessible to the investors referred to in the “Fund Overview” paragraph above.

The fund is intended for investors seeking exposure to credit markets over a period of five years, who are willing to accept the risks arising from such exposure. The minimum recommended investment period is 5 years, until the Maturity Date, i.e., 30 June 2027.

The appropriate amount to invest in this fund depends on the personal situation of the investor. To determine this amount, the investor's assets, current and future financial requirements and degree of risk aversion must all be taken into account. It is also recommended that investments be sufficiently diversified so as to avoid exposure exclusively to the risks of this fund.

## 9° ALLOCATION OF DISTRIBUTABLE INCOME

DISTRIBUTABLE INCOME	ACC UNITS	DIS UNITS
Allocation of net income	Accumulation (dividends are recorded on an accruals basis)	Distribution target (subject to sufficient net income): - A EUR Ydis units: distribution of 1.5% of the NAV observed on 30 June 2022; - E EUR Ydis units: distribution of 1.2% of the NAV observed on 30 June 2022; - F EUR Ydis units: distribution of 1.9% of the NAV observed on 30 June 2022.  Remaining amount carried over, if applicable.
Allocation of net realised capital gains or losses	Accumulation (dividends are recorded on an accruals basis)	Total or partial distribution or carry-forward, and/or accumulation, at the discretion of the management company.

## 10° FREQUENCY OF DISTRIBUTIONS

No dividends are distributed for accumulation units.

With regard to distribution units, the portion on which distributable income is payable shall be decided by the management company and is paid annually on Ydis units.

Payment of distributable income is made annually within five months of the financial year-end. The fund may distribute interim dividends at the discretion of the management company.

## 11° CHARACTERISTICS OF THE UNITS

EUR units are denominated in euro. Thousandths of units may be issued.

Net asset value of a unit on the launch date of 2 May 2022: EUR 100

The Management Company has introduced a conflict of interest management policy concerned mainly with treating investors fairly and equally. This policy can be obtained from the Management Company on request.

## 12° SUBSCRIPTION AND REDEMPTION PROCEDURES

Subscription and redemption requests are accepted in numbers of units or as an amount.

### *Initial subscription period*

The fund has an initial subscription period **from 2 May 2022 to 30 June 2022 (inclusive)** before 1pm (the “**Initial Subscription Period**”). Subscription requests sent during the Initial Subscription Period will be centralised on 30 June 2022 before 1pm. Requests centralised in this way will be executed based on the net asset value on 30 June 2022 and settled two business days later (D+2).

Subscription requests sent during the Initial Subscription Period may be cancelled at any time prior to centralisation<sup>1</sup>.

The Initial Subscription Period does not apply to entities belonging to the Carmignac Group.

### *Subscriptions and redemptions (outside the initial subscription period)*

Business day D	Business day D	Business day D, NAV date	Business day D+1	Maximum business day D+3	Maximum business day D+3
Centralisation of subscription requests before 1pm <sup>2</sup>	Centralisation of redemption requests before 1pm <sup>2</sup>	Order execution by D at the latest	NAV publication	Settlement of subscriptions	Settlement of redemptions

### *Procedures for transferring from one unit class to another*

As the fund is made up of several unit classes, a redemption of one class of units followed by a subscription to another class of units constitutes, for tax purposes, a sale in return for payment of a consideration likely to generate a taxable gain.

### *Date and frequency of the net asset value*

The net asset value is calculated daily according to the Euronext Paris calendar, with the exception of public holidays in France. The list of these holidays can be obtained from the centralising agent on request.

### *Adjustment of the net asset value*

The management company has instituted a mechanism for adjusting the net asset value (commonly called “swing pricing”) in order to limit the cost of reorganising the portfolio following significant movements in liabilities, in order to protect the interests of unitholders. The net asset value of the fund may be impacted by portfolio reorganisation costs if the subscriptions, conversions or redemptions are made at a price that does not reflect the actual sale or

<sup>1</sup> Subject to the specific contractual procedures and stipulations agreed with your financial institution.

<sup>2</sup> Unless another deadline is agreed with your financial institution.

purchase price of the fund's assets. This price difference may be due to transaction fees, taxes and other costs (such as liquidity costs), as well as the difference between the purchase and sales prices of assets. The net asset value may be adjusted by a swing factor when, on a given net asset value date, the total of net subscriptions, conversions and redemptions exceeds a certain threshold defined by the management company. Accordingly, the net asset value is thus adjusted upwards (or downwards, respectively) if the variation in liabilities is positive (or negative, respectively) so as to reduce the cost for the fund's unitholders of portfolio reorganisation related to movements of liabilities. The swing factor will reflect all the transaction costs. Information on the application of the swing pricing mechanism is made available to unitholders on the site [https://www.carmignac.fr/en\\_GB/article-page/regulatory-information-3863](https://www.carmignac.fr/en_GB/article-page/regulatory-information-3863), as well as on request.

Where applicable, the net asset value adjusted by the swing factor is the fund's only net asset value. As an exception to the above, performance fees are calculated using the net asset value calculated before the application of the swing factor.

#### ***Terms and conditions of subscriptions and redemptions***

Subscriptions and redemptions resulting from a request transmitted after the cut-off time mentioned in the prospectus (late trading) are prohibited. Subscription/redemption requests received by the centralising agent after 1pm shall be considered to have been received on the subsequent net asset value calculation day.

The period between the date the subscription or redemption request is centralised and the settlement date by the custodian to the bearer is three business days for all units. If one or more holidays (Euronext holidays and French public holidays) occur during this settlement period, then the period will be extended accordingly.

The management company respects the principles set out in AMF position 2004-07 regarding market timing and late trading practices. Its compliance with these practices is notably reflected in a confidentiality agreement signed with each professional investor as per Directive 2009/138/EC (Solvency II), such that sensitive information on the portfolio's composition will be used only to meet prudential obligations.

#### ***Redemption capping mechanism:***

Pursuant to articles L.214-8-7 of the French Monetary and Financial Code and 411-20-1 of the AMF General Regulation, the management company may decide to cap redemptions ("gates") in exceptional circumstances and if deemed necessary to protect the interests of unitholders. The management company has provided for a cap on redemptions from a threshold of 5% corresponding to the ratio between net redemptions of subscriptions and the fund's net assets.

The threshold for the redemption cap mechanism is specified in Article 3 of the management regulations and corresponds to the ratio between:

- The difference recorded, on the same date of centralisation, between the number of fund units for which redemption is requested or the total amount of these redemptions, and the number of fund units for which subscription is requested or the amount of these subscriptions; and
- The total number of units in the fund, or its net assets.

The threshold for the redemption cap mechanism is identical for all of the unit classes in the fund.

The implementation of this mechanism is not systematic and the management company reserves the right to meet redemption requests fully or partially above this threshold. The redemption cap mechanism may be applied for a maximum duration of twenty (20) net asset values over three (3) months. Notwithstanding the mechanism being activated, the management company may also decide on a given net asset value date to meet in full or in part redemption requests that exceed this threshold.

The application of this mechanism is identical for all the unitholders in the fund who have made a redemption

request for the same net asset value date. Consequently, these redemption orders are executed in the same proportion for all fund unitholders. Orders not executed are automatically carried forward to the next net asset value date. Orders carried forward in this manner do not have priority over new redemption orders placed for execution on the next net asset value date. If a redemption gate is again activated on this net asset value date, these orders are split according to the same conditions as new orders. Unitholders should note that they cannot cancel or rescind any portion of an order not executed on a net asset value date, which will be automatically carried forward to the next net asset value date. The redemption cap does not apply to redemption and subscription requests for the same number of units, for the same net asset value, and for the same unitholder ("Bed & Breakfast").

All unitholders are informed of the activation of the redemption cap by means of a notice published on the management company's website ([www.carmignac.com](http://www.carmignac.com)). Investors are directly informed as soon as possible when a fraction of their redemption order has not been executed on a given net asset value date.

This redemption cap mechanism is a temporary measure. Its duration is justified in view of the frequency of the net asset value calculation, the fund's investment strategy and the liquidity of the assets it holds. Article 3 of the management regulations specifies the maximum number of NAVs and the maximum period for which the mechanism can be activated.

***Institutions responsible for ensuring compliance with the centralisation cut-off time as delegated by the management company:***

BNP PARIBAS S.A. : siège social est sis 16, Boulevard des Italiens - 75009 Paris, France ; adresse postale : 9, rue du Débarcadère - 93500 Pantin, France "

Investors are reminded that requests transmitted to intermediaries other than BNP Paribas S.A. must take into consideration the fact that the cut-off time for the centralisation of requests applies to said intermediaries vis-à-vis BNP Paribas S.A.. Accordingly, these intermediaries may impose their own cut-off time, earlier in the day than that mentioned above, to allow time for their orders to be sent to BNP Paribas S.A.

***Place and means of publication of the net asset value***

CARMIGNAC GESTION, address: 24, place Vendôme, 75001 Paris.

The net asset value announced at 3pm each day shall be used for the calculation of the subscriptions and redemptions received before 6pm on the previous day. The net asset value is shown at CARMIGNAC GESTION. The net asset value will be published on the CARMIGNAC GESTION website: [www.carmignac.com](http://www.carmignac.com)

**13° FEES AND EXPENSES**

***a) Subscription and redemption fees***

Subscription fees increase the subscription price paid by the investor, while redemption fees decrease the redemption price. The fees charged by the fund serve to offset the costs incurred by the fund to invest and disinvest investors' monies. Fees not paid to the FCP are attributed to the management company, the fund promoter, etc.

FEES AND EXPENSES PAYABLE BY THE INVESTOR FOR SUBSCRIPTIONS AND REDEMPTIONS	BASIS	RATE
Subscription fee not payable to the fund	net asset value X number of units	A units: 1% maximum E units: None F units: 1% maximum

Subscription fee payable to the fund	net asset value X number of units	None								
Redemption fee payable to third parties	net asset value X number of units	<p>A units: None</p> <p>E units:</p> <table border="1"> <tr> <td>For all redemptions prior to T+1 year</td> <td>1,80% maximum</td> </tr> <tr> <td>For all redemptions between T+1 year and T+2 years</td> <td>1.20% maximum</td> </tr> <tr> <td>For any redemption between T+2 years and T+3 years</td> <td>0,60% maximum</td> </tr> <tr> <td>For any redemption between T+3 years and fund maturity date</td> <td>N/A</td> </tr> </table> <p>where T is the creation date of E units</p> <p>F units: None</p>	For all redemptions prior to T+1 year	1,80% maximum	For all redemptions between T+1 year and T+2 years	1.20% maximum	For any redemption between T+2 years and T+3 years	0,60% maximum	For any redemption between T+3 years and fund maturity date	N/A
For all redemptions prior to T+1 year	1,80% maximum									
For all redemptions between T+1 year and T+2 years	1.20% maximum									
For any redemption between T+2 years and T+3 years	0,60% maximum									
For any redemption between T+3 years and fund maturity date	N/A									
Redemption fee payable to the fund	net asset value X number of units	None								

**b) management and administration fees**

	Fees charged to the fund	Basis	Rate
1	Financial management fees	Net assets	<p>A EUR Acc units: maximum 0.9% inclusive of tax</p> <p>A EUR Ydis units: maximum 0.9% inclusive of tax</p> <p>E EUR Acc units: maximum 1.20% inclusive of tax</p> <p>E EUR Ydis units: maximum 1.20% inclusive of tax</p>

			F EUR Acc unit class: maximum 0.5% inclusive of tax F EUR Ydis units: maximum 0.5% inclusive of tax
2	Administration fees external to the management company (maximum rate)	Net assets	0.14% inclusive of tax
4	Transaction fees charged by the management company	Maximum payable per transaction	None
5.	Performance fee	Net assets	None

Financial management fees include any retrocessions paid to external companies or entities of the group to which they belong, mainly the delegates of financial management or the distribution intermediaries of the UCITS. These retrocessions are generally calculated as a percentage of the management company's external financial management and administrative costs.

The management company has implemented a system to ensure compliance with the principle of fair treatment of holders.

In principle, no preferential treatment is granted except in the case of preferential financial treatment granted in the form of a negotiated rebate of part of the management fees to certain investors, granted for objective reasons such as a significant subscription commitment, or a long-term investment commitment from institutional investors. It may happen that these discounts are made to investors having a legal or economic link with the management company.

It is recalled that the retrocessions paid to intermediaries for the marketing of the fund are not considered as preferential treatment.

*Other fees charged to the fund:*

- Contributions payable to the AMF for fund administration in accordance with article L.621-5-3 of the French Monetary and Financial Code.
- Research costs (See "Research and Inducements" below)
- Extraordinary, one-off costs for recovering a debt or exercising a right (e.g. class action), only where the outcome is in the Fund's favour, and when the Fund has actually received the money.

Information on these charges is also provided ex-post in the fund's annual report.

**Calculation and distribution of the proceeds of temporary purchases and sales of securities**

The management company does not receive any remuneration in respect of efficient portfolio management techniques (temporary purchases and sales of securities).

All income resulting from these techniques is returned to the fund, minus operating costs linked to the involvement of Caceis Bank Luxembourg Branch as lending agent in securities lending/borrowing transactions. The lending agent's charges may not exceed 15% of income generated on these lending/borrowing transactions.

With respect to repurchase agreements, the Fund is the direct counterparty in such transactions and receives the full amount of the remuneration.

For further information, please refer to the Fund's annual report.

**Payments in kind**

Carmignac Gestion does not receive payments in kind for its own account or on behalf of third parties as defined in

the General Regulation of the *Autorité des marchés financiers*. For further information, please refer to the fund's annual report.

### **Research and inducements**

“Research” refers to material or services used to develop an opinion on a financial instrument, asset, issuer, sector or specific market. Carmignac will not procure any research service unless it is needed to reach an informed decision in the fund's best interests. Before procuring the research service, fund managers and/or analysts will check that it is appropriate, justify their request with evidence, and assess how reasonable the service is. The request is reviewed by a local compliance officer. The budget is allocated in such a way as to distribute the research cost fairly between the different funds. Generally speaking, investment decisions relating to funds with similar investment objectives and mandates are taken on the basis of the same research service. In their best interests, funds sharing a similar strategy and benefitting from the same research service will share costs. The management team allocates the budget. Carmignac collects the money from the funds only when fees payable to the research service are due. Carmignac collects funds' research costs in the separate research payment account (RPA), as available monies. The fund bears the cost of financial research. Investors and potential investors may obtain the total budget and the estimated research budget for each fund using the “Research payment account disclosure form” available at [www.carmignac.com](http://www.carmignac.com).

### **Choice of intermediaries**

Carmignac Gestion uses a multi-criteria approach in order to select intermediaries that guarantee the best execution of stock market orders.

The criteria applied are both quantitative and qualitative and depend on the markets for which the intermediaries provide services, in terms of both geographical area and instruments.

The analysis criteria include the availability and proactivity of the intermediary's representatives, the financial situation of the intermediaries, the speed, quality of processing and execution of orders, and intermediary costs.

## **IV. COMMERCIAL INFORMATION**

Publication of information about the fund:

The latest annual reports and the composition of the assets will be sent to unitholders within eight business days upon written request to: CARMIGNAC GESTION, 24, place Vendôme, 75001 PARIS

The prospectus and information regarding the facilities carrying out the tasks identified in Article 92 of Directive 2009/65/EC are available on the website: [www.carmignac.com](http://www.carmignac.com)

Information on the management company's consideration of environmental, social and governance (ESG) criteria in its fund range is available on the [www.carmignac.com](http://www.carmignac.com) website and appears in the annual reports of funds that take these criteria into account.

Contact: Communications department

Tel: +33 (0)1 42 86 53 35

Fax: +33 (0)1 42 86 52 10

## V. INVESTMENT RULES

The fund shall respect the regulatory limits applicable to standard French UCITS under European directive 2009/65/EC.

## VI. OVERALL RISK

Overall risk is calculated using the commitment method.

Investments in derivative markets are limited to 100% of the fund's net assets.

## VII. ASSET VALUATION RULES

### 1. Valuation rules:

#### a) *Methods used for the valuation of balance sheet items and futures and options*

##### *Investments in securities*

Securities purchased are recorded at their acquisition price excluding fees, and securities sold are recorded at their sale price excluding fees.

Securities, futures and options held in the portfolio denominated in other currencies are converted into the accounting currency on the basis of exchange rates observed in Paris on the valuation day.

The portfolio is valued according to the following methods:

##### *French securities*

- on the spot market, deferred settlement system: on the basis of the latest price.

French government bonds are valued on the basis of the mid price of a contributor (a primary dealer selected by the French Treasury), supplied by an information server. This price is subject to a reliability check by means of a comparison with the prices of several other primary dealers.

##### *Foreign securities*

Listed foreign securities: on the basis of the latest price available.

French and foreign securities whose prices have not been determined on the valuation day are valued at the last officially published price or at their probable sale price under the responsibility of the Management Company. Justification is sent to the statutory auditor at the time of the audit.

##### *Funds*

They are valued at the latest redemption price or the latest net asset value available.

#### *Money market instruments and synthetic assets composed of a transferable debt security backed by one or more interest rate and/or currency swaps ("asset swaps")*

For those traded in large volumes and which have a residual maturity greater than three months: at the market price on the basis of information feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.).



For those not traded in large volumes and which have a residual maturity greater than three months: at the market price on the basis of information feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.) for equivalent money market instruments whose price shall be incremented or decreased, where applicable, by a differential representing the issuer's specific characteristics and by applying an actuarial method.

For those with a residual maturity of three months or less: on a straight-line basis.

In the case of a debt security valued at the market price whose residual maturity falls below or is equal to three months, the last rate used shall be frozen until the final repayment date, unless the security's modified duration requires valuation at the market price (see the previous paragraph).

***Temporary purchases and sales of securities in accordance with the terms and conditions provided for in the agreement***

These transactions are valued according to the conditions provided for in the agreement.

Certain fixed income transactions whose maturity is greater than three months may be valued at the market price.

***Futures and options transactions***

Forward purchases and sales of currencies are valued in consideration of the amortisation of any positive or negative balance carried forward.

***b) Off-balance sheet transactions***

***Transactions on regulated markets***

Futures transactions: 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 transactions: 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 quantity x ratio or nominal value of the contract x price of the underlying equivalent.

***Transactions on over-the-counter markets***

Interest rate transactions: valuation at the market price on the basis of information feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.) and, if necessary, by applying an actuarial method.

Interest rate swap transactions: for those with a residual maturity greater than three months: valuation at the market price on the basis of information feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.) and by applying an actuarial method.

Backed or non-backed transactions:

- Fixed rate/Variable rate: nominal value of the contract
- Variable rate/Fixed rate: nominal value of the contract
- For those with a residual maturity of three months or less: valued on a straight-line basis.
- In the case of an interest rate swap transaction valued at the market price whose residual maturity is less than or equal to 3 months, the last rate used shall be frozen until the final repayment date, except in the case of modified duration requiring valuation at the market price (see the previous paragraph).

The commitment is calculated as follows:

- Backed transactions: nominal value of the contract
- Non-backed transactions: nominal value of the contract
- Other transactions on over-the-counter markets
- Interest rate, foreign exchange or credit transactions: valuation at the market price on the basis of information feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.) and, if necessary, by applying an actuarial method.

The commitment is shown as follows: nominal value of the contract.

### **2. Accounting method**

Income is recorded on an accruals basis.

Transaction fees are recorded net of expenses.

### **3. Accounting currency**

The fund's financial statements are recorded in euro.

## **VIII. REMUNERATION**

The management company's remuneration policy promotes risk management without excessive risk taking. These practices comply with the objectives and interests of the fund managers, funds managed, and fund investors in order to avoid conflicts of interest.

The remuneration policy has been designed and implemented to promote the continuing success and stability of the management company, while allowing it to attract, develop and retain motivated, high-performing staff. The remuneration policy establishes a structured remuneration system with a sufficiently high fixed component and a bonus system that rewards risk takers for creating long-term value. A significant percentage of risk-takers' variable remuneration is deferred for three years. The deferred portion is linked to the performance of funds representative of the investment strategies implemented by the company, ensuring that the long-term interests of investors in the funds managed are taken into account. Bonuses are only ultimately paid out if this is congruent with the management company's financial position.

The remuneration policy was approved by the Board of Directors of the management company. The provisions of the remuneration policy are re-evaluated on a regular basis by the Remuneration and Appointments Committee and are adjusted to fit the changing regulatory framework. Details of the remuneration policy, including a description of how the 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 policy is available free of charge upon request.

## APPENDIX

Pre-contractual disclosure for the financial products referred to in Article 8(1), (2) and (2a), of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: CARMIGNAC CREDIT 2027 Legal entity identifier: 969500CBCN3SVAJGGA78

### Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** \_\_\_%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The fund applies a “best-in-universe” approach (identifying companies whose activities are sustainable) and a “best-efforts” approach (consisting in favouring issuers that exhibit an improvement or strong prospects in terms of ESG practices and performance over time) in order to invest sustainably via a strategy based on three pillars: 1) ESG integration, 2) negative screening and 3) active stewardship to promote environmental and social characteristics.

The “negative screening” pillar consists of separate screening for the bonds of public and corporate issuers on the one hand and securitisation instruments on the other. Details of these screening processes are provided below.



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

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

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

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

This fund uses sustainability indicators derived from its three-pillar approach to measure the attainment of each of the environmental or social characteristics it promotes:

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

**2) Negative screening:** separate negative screening is applied to the public and corporate bond universe on the one hand and to securitisation instruments on the other.

As concerns the fund’s bond component, negative screening consists in excluding unsustainable activities and practices, reflected in low ESG scores from START, MSCI and ISS (“Institutional Shareholder Services”) ESG, based on the following indicators: (a) practices that are harmful to society and to the environment, (b) controversies concerning the OECD Guidelines and the UN Global Compact principles, (c) controversial weapons, (d) thermal coal production, (e) energy producers that have not set a target for alignment with the Paris Agreement, (f) companies involved in tobacco production and (g) companies involved in adult entertainment.

For securitisation instruments including CLOs (“collateralised loan obligations”), ad-hoc analysis of the environmental and/or social characteristics of eligible securitisation vehicles is carried out by the portfolio manager. This analysis results in systematic rating of eligible securitisation instruments in Carmignac’s ESG platform, START. The fund cannot invest in the worst-scoring instruments.

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

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

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A.



**How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

N/A.

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

N/A.

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

N/A.

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

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

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

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

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

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



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

No

### What investment strategy does this financial product follow?

Non-financial analysis is carried out as part of the investment strategy through separate negative screening for public and corporate bonds on the one hand and securitisation vehicles on the other.

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

#### Negative screening of corporate bonds:

The management company actively reduces the fund's investment universe for corporate bonds and debt. The initial investment universe prior to the reduction includes around 2,500 issuers and is made up of the ICE BofA Global Corporate, ICE BofA Global Non-Financial High Yield, and ICE BofA Emerging Market Corporate Plus indices. The investment universe and the fund are periodically reviewed to maintain their alignment for the purposes of reducing the universe. The investment universe is assessed in light of the ESG risks and opportunities recorded in Carmignac's proprietary ESG platform, START. The fund applies standards-based, restrictive negative screening at company level to exclude certain sectors and activities.

negative screening and exclusions of unsustainable activities and practices are carried out based on the following indicators: (a) practices that are harmful to society and to the environment, (b) controversies concerning the OECD guidelines and the UN Global Compact principles, (c) controversial weapons, (d) thermal coal production, (e) energy producers that have not set a target for alignment with the Paris Agreement, (f) companies involved in tobacco production and (g) companies involved in adult entertainment.

Companies with high ESG risk, reflected by their respective ESG ratings, are also excluded. Companies with an MSCI rating for the environmental or social pillars of below 2.5, or with an overall MSCI rating of "B" or "CCC", are excluded from the fund's investment universe. Companies with a START score of "C" or above (on a rating scale of "A" to "E") may re-enter the fund once the management company has carried out ad-hoc analysis and engaged with the company in question.

The aim of engaging with companies on environmental and social matters is to improve their sustainability policies (in terms of active engagement and voting policies, number of engagements, voting percentage and proportion of objectives fully achieved during shareholder/bondholder meetings).

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

#### Screening of sovereign bonds:

- 1) Government issuers are first examined from a macroeconomic angle.
- 2) Applicable exclusions of countries based on regulatory standards and sanctions are applied.
- 3) Environmental, social and governance indicators are calculated using a proprietary ESG rating system based on publicly available data.

#### Negative screening of securitisation instruments:

Securitisation vehicles, including CLOs, are subject to ad-hoc non-financial analysis by the management company. The portfolio manager carries out systematic analysis of the non-financial characteristics of eligible securitisation

vehicles. The resulting ESG scores are fed into Carmignac’s proprietary ESG research system, “START”. The portfolio manager uses the vehicle’s contractual sustainability commitments as the basis for the analysis. This analysis covers factors including, among others, the negative and/or positive screening applied by the securitisation vehicle when selecting the underlying debt securities, such as the exclusion of controversial sectors (tobacco, weapons, thermal coal production, etc.), the carbon intensity of the issuers of these securities, and human capital policies (this is not an exhaustive list). Where there are no such contractual stipulations, the portfolio manager may need to analyse environmental and social characteristics on a look-through basis (i.e. by assessing the securitisation vehicle’s underlying assets). The portfolio manager may also, where applicable, carry out ESG analysis on the manager of the securitisation vehicles. This analysis results in a rating for these instruments in START on a scale of A to E. The fund only invests in securitisation instruments with an ESG score in START greater than or equal to C.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

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

- 1) The investment universe for corporate bonds is actively reduced by at least 20%.
- 2) Securitisation instruments rated D and E in the START proprietary ESG tools are excluded from the fund’s investment universe.
- 3) ESG analysis is applied to at least 90% of securities.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The committed minimum rate to reduce the investment universe (applicable to corporate bonds) is 20%.

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

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

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

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

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

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

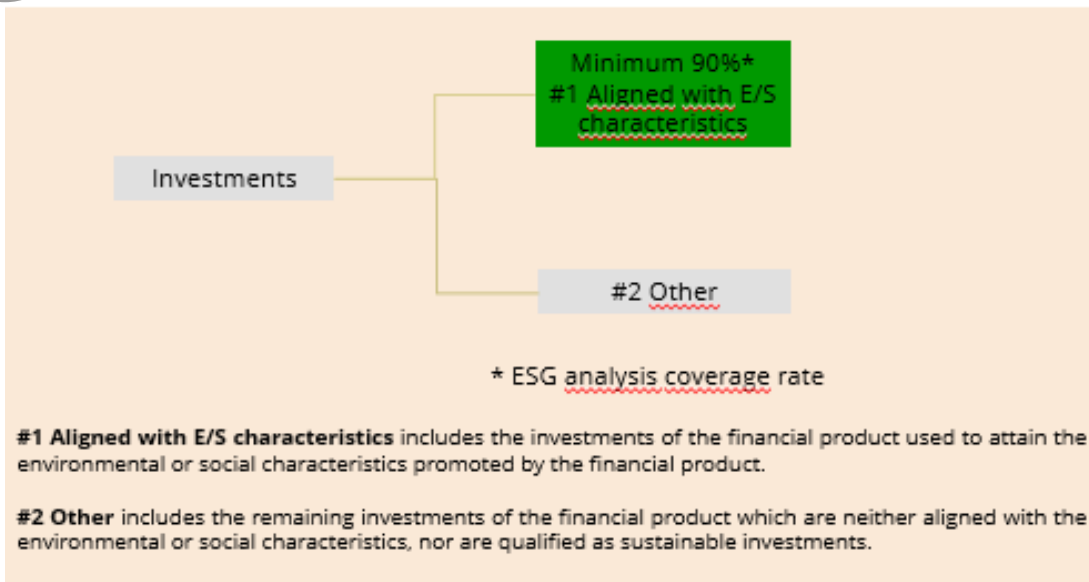
As regards sovereign issuers, the following governance criteria are assessed: ease of doing business, tax positioning, debt ratio expressed per year of tax receipts, current account balance and economic freedom.

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



## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies;
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy;
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

At least 90% of the fund’s investments are intended to attain the environmental or social characteristics it promotes, in accordance with the binding elements of the investment strategy.

The “#2 Other” category is for investments that fall outside the minimum limit of 90% incorporating environmental and social characteristics. Full ESG analysis may not have been carried out.

### *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

The use of derivatives does not contribute to the attainment of the fund’s environmental and/or social characteristics.

To the extent that the fund uses derivatives linked to a single underlying, exclusions defined at management company level apply. Moreover, the fund applies a netting calculation (netting a long position against short positions in an equivalent issuer in the form of derivatives) with a view to illustrating the portfolio’s ESG rating and measuring adverse impacts.





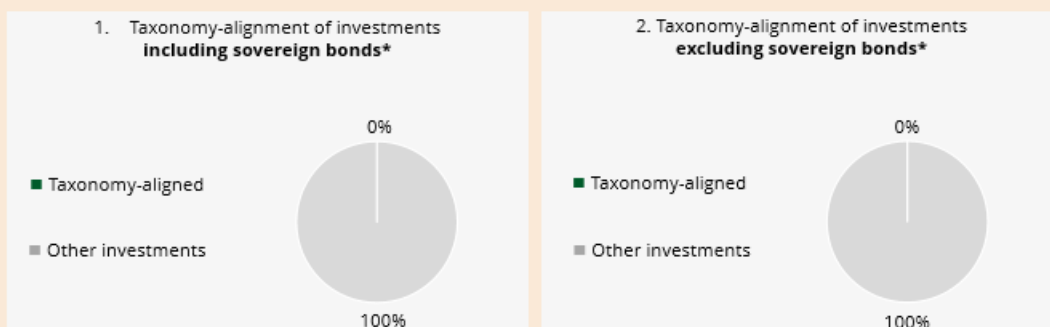
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The minimum level of alignment with the Taxonomy, i.e. the minimum share of the fund’s investments deemed to contribute on an ongoing basis to the above environmental objectives, is 0% of assets. The actual level of alignment with the Taxonomy is calculated and published annually.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

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

The minimum share of these investments is 0% of assets.



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

N/A.



**What is the minimum share of socially sustainable investments?**

N/A.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The remainder of the portfolio (i.e. beyond the minimum share of 90%) may also promote environmental and social characteristics but is not systematically covered by ESG analysis. These assets may include securities for which ESG analysis may be carried out after the financial instrument in question is acquired by the fund. Cash (and equivalent instruments) and derivatives (used for hedging or exposure purposes) are also included under “#2 Other”.

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



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

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

N/A.

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

N/A.

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

N/A.

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

N/A.

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

N/A.



Where can I find more product specific information online?

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

# MANAGEMENT REGULATIONS OF THE FCP

## CARMIGNAC CREDIT 2027

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### TITLE 1: ASSETS AND UNITS

#### ARTICLE 1 - CO-OWNERSHIP UNITS

The co-owners' rights are represented by units, with each unit corresponding to the same fraction of the fund's assets. Each unitholder has a co-ownership right in and to the assets of the fund proportional to the number of units they hold.

The duration of the fund is 99 years from its creation, except in the cases of early dissolution or extension provided for in these regulations (see article 11).

The characteristics of the various classes of units and their eligibility requirements are described in the FCP's prospectus.

The different classes of units may:

- benefit from different dividend policies (distribution or accumulation);
- be denominated in different currencies;
- be charged different management fees;
- be charged different subscription and redemption fees;
- have a different nominal value.
- be systematically hedged against risk, either partially or completely, as described in the prospectus. This hedging is taken out via financial instruments that minimise the impact of hedging transactions on the FCP's other unit classes.

The units may be merged or divided.

The Board of Directors of the management company may decide that the units shall be sub-divided into tenths, hundredths, thousandths or ten thousandths, with such subdivisions being referred to as fractions of units.

The provisions of the regulations governing the issue and redemption of units shall apply to fractions of units, whose value shall always be proportionate to that of the units they represent. Unless otherwise provided, all other provisions of the regulations relating to units shall apply to fractions of units without any need to make a specific provision to that end.

Lastly, the Board of Directors of the management company may decide, at its own discretion, to sub-divide the units by issuing new units, which shall be allocated to unitholders in exchange for their existing units.

#### ARTICLE 2 - MINIMUM AMOUNT OF ASSETS

Units may not be redeemed if the FCP's assets fall below EUR 300,000; if the assets remain below this amount for a period of 30 days, the management company shall make the necessary provisions to liquidate the fund in question, or to carry out one of the operations mentioned in article 411-16 of the AMF General Regulation (transfer of the fund).

#### ARTICLE 3 - ISSUE AND REDEMPTION OF UNITS

Units are issued at any time following receipt of subscription requests from unitholders, on the basis of their net asset value plus a subscription fee, where applicable.

Subscriptions and redemptions are executed under the conditions and according to the procedures defined in the prospectus.

Units of the fund may be admitted to an official stock exchange listing in accordance with the regulations in force.

Subscriptions must be fully paid up on the day the net asset value is calculated. They may be made in cash and/or by a contribution in kind in the form of financial instruments. The management company is entitled to refuse any securities offered and, for that purpose, must announce its decision within seven days of the date on which the securities were tendered. If they are accepted, the securities tendered are valued according to the rules laid down in article 4, and the subscription is based on the first net asset value following acceptance of the securities concerned.

Redemptions may be in cash and/or in kind. If a redemption in kind corresponds to a share of the portfolio's assets, then the management company need only obtain the signed written agreement of the outgoing unitholder. Where a redemption in kind does not correspond to a share of the portfolio's assets, all unitholders must give their written agreement authorising the outgoing unitholder to redeem their units against certain particular assets, as specifically listed in the agreement.

By derogation from the above, if the fund is an ETF, redemptions on the primary market may, with the portfolio management company's agreement and in unitholders' best interests, be in kind under the terms set out in the fund's regulations or prospectus. The assets are then delivered by the registrar under the terms set out in the fund prospectus.

In general, redeemed assets are valued according to the rules laid down in article 4 and the redemption in kind is based on the first net asset value following acceptance of the relevant securities.

Redemptions are settled by the registrar within a maximum of five days from the valuation day of the units.

However, if in exceptional circumstances the redemption requires the prior sale of assets held in the fund, this deadline may be extended to a maximum of 30 days.

With the exception of a succession or an inter vivos gift, the sale or transfer of units between unitholders, or unitholders and third parties, is treated as a redemption followed by a subscription; if this involves a third party, the sale or transfer amount must, where applicable, be supplemented by the beneficiary in order to at least reach the minimum subscription amount stipulated by the prospectus.

Pursuant to article L.214-8-7 of the French monetary and financial code, the management company may temporarily suspend the redemption of units or the issue of new units by the Fund when exceptional circumstances and the interests of the unitholders so require.

If the net assets of the FCP have fallen below the minimum threshold set by the regulations, no redemptions may be carried out.

A minimum subscription may be applied according to the procedures set out in the prospectus.

Pursuant to articles L.214-8-7 of the French Monetary and Financial Code and 411-20-1 of the AMF General Regulation, the management company may decide to cap redemptions ("gates") in exceptional circumstances and if deemed necessary to protect the interests of unitholders.

The management company has provided for a cap on redemptions from a threshold of 5% corresponding to the ratio between net redemptions of subscriptions and the fund's net assets. The implementation of this mechanism is not systematic and the management company reserves the right to meet redemption requests fully or partially above this threshold. The redemption cap mechanism may be applied for a maximum duration of twenty (20) net asset values over three (3) months. Unitholders cannot cancel or rescind any portion of an order not executed on a net asset value date, which will be automatically carried forward to the next net asset value date. The redemption cap does not apply to redemption and subscription requests for the same number of units, for the same net asset value, and for the same unitholder ("Bed & Breakfast").

In application of the third paragraph of article L.214-8-7 of the French monetary and financial code, the fund may stop issuing some or all units temporarily or permanently in objective situations leading to the closure of subscriptions, such as a maximum number of units issued, a maximum amount of assets reached or the expiry of a fixed subscription period. Existing unitholders will be informed of this decision by any means, as well as of the trigger point and the objective situation that led to the partial or complete closure. In the case of partial closure, this notification will specifically mention the means by which existing unitholders may continue to subscribe during the period of partial closure. The management company also informs unitholders by any means of a decision to end the partial or total closure of subscriptions (when they fall below the trigger point again), or not to end it (if the trigger point is changed or there is a development in the objective situation that led to the closure decision). A change in the objective situation cited or the trigger point must always be made in unitholders' best interests. Information stating the exact reasons for these changes may be given by any means.

The fund manager can restrict or prevent (i) the holding of units by any individual or legal entity not entitled to hold units under the terms of the "Target investors" section of the prospectus (hereinafter, the "Non-Eligible Person") and/or (ii) the registration in the fund's register of unitholders or the transfer agent's register (the "Registers") of any intermediary who does not come under one of the categories indicated below ("Non-Eligible Intermediary"): active Non-Financial Foreign Entities (active NFFEs), US Persons who are not Specified US Persons and Financial Institutions that are not Non-Participating Financial Institutions\*.

The portfolio manager may also restrict or prevent the holding of units by any investor (i) who is, or is suspected – on the basis of objective criteria – of being directly or indirectly in breach of the laws and regulations of any country or any government authority, or (ii) who, in the FCP management company's opinion, may inflict such damage on the FCP or management company that would not otherwise have been inflicted or borne.

The terms followed by an asterisk (\*) are defined in the Agreement between the government of the French Republic and the government of the United States of America intended to improve compliance with tax obligations internationally and implement the law concerning respect for tax obligations applicable to foreign accounts signed on 14 November 2013. At the time of writing these Management Regulations, the text of this Agreement is available here: [http://www.economie.gouv.fr/files/usa\\_accord\\_fatca\\_14nov13.pdf](http://www.economie.gouv.fr/files/usa_accord_fatca_14nov13.pdf)

To this end, the management company can:

- (i) refuse to issue any units if it seems that said issue would or could result in said units being held by a Non-Eligible Person or a Non-Eligible Intermediary being entered in the Registers;
- (ii) request that all information which it deems necessary in order to determine whether or not the beneficial owner of the units in question is a Non-Eligible Person be provided at any time from any intermediary whose name appears in the Registers of unitholders, accompanied by a solemn declaration; and
- (iii) if it considers that the beneficial owner of the units is a Non-Eligible Person or that a Non-Eligible Intermediary is entered in the Registers of unitholders of the fund, proceed with the compulsory redemption of all the units held by the Non-Eligible Person or all the units held via the Non-Eligible Intermediary, after a period of 10 working days. The compulsory redemption shall be carried out using the last known net asset value, increased if applicable by the applicable charges, fees and commissions, which shall be borne by the unitholders concerned by the redemption.

**ARTICLE 4 - CALCULATION OF THE NET ASSET VALUE**

The net asset value is calculated in accordance with the valuation rules specified in the prospectus.

Contributions in kind may comprise only stocks, securities or contracts admissible as assets of UCITS; contributions and redemptions in kind are valued according to valuation rules governing the calculation of the net asset value.

**TITLE 2: MANAGEMENT OF THE FUND****ARTICLE 5 - THE MANAGEMENT COMPANY**

The fund is managed by the management company in accordance with the fund's investment objectives.

The management company shall act in all circumstances on behalf of the unitholders and has the exclusive right to exercise the voting rights attached to the securities held in the fund.

**ARTICLE 5A - OPERATING RULES**

The instruments and deposits in which the fund's assets may be invested, as well as the investment rules, are described in the prospectus.

**Article 5b – Admission to trading on a regulated market and/or a multilateral trading facility**

Units may be admitted to trading on a regulated market and/or a multilateral trading facility in accordance with the regulations in force. If the fund whose units are admitted to trading on a regulated market has an index-based investment objective, the fund must have set up a mechanism to ensure that the price of its units does not deviate significantly from its net asset value.

**ARTICLE 6 - THE CUSTODIAN**

The custodian carries out the duties incumbent upon it under the legal and regulatory provisions in force as well as those to which it has contractually agreed with the management company. In particular, it must ensure that decisions taken by the portfolio management company are lawful. Where applicable, it must take all protective measures that it deems necessary. In the event of a dispute with the management company, it shall inform the *Autorité des marchés financier*

**ARTICLE 7 - THE STATUTORY AUDITOR**

A statutory auditor is appointed by the Board of Directors of the management company for a term of six financial years, subject to the approval of the *Autorité des marchés financiers*. The statutory auditor certifies the accuracy and consistency of the financial statements. The statutory auditor may be re-appointed.

The statutory auditor is obliged to notify the *Autorité des marchés financiers* promptly if, in the course of its duties, it becomes aware of any fact or decision concerning the fund which is liable to:

1. constitute a breach of the legal and regulatory provisions governing this undertaking and is likely to have significant consequences for its financial position, income or assets;
2. impair its continued operation or the conditions thereof;
3. lead to the expression of reservations or a refusal to certify the financial statements.

Assets will be valued and exchange ratios will be determined for the purpose of any conversion, merger or split under the statutory auditor's supervision.

The statutory auditor assesses any contribution or redemption in kind under its responsibility, except when an ETF is redeemed in kind on the primary market. The statutory auditor shall check the composition of the assets and other information before any publication. The statutory auditor's fees are determined by mutual agreement between the statutory auditor and the Board of Directors of the management company on the basis of an agenda indicating all duties deemed necessary. The statutory auditor certifies positions serving as the basis for the payment of interim dividends. The statutory auditor's fees are included in the management fees.

**ARTICLE 8 - THE FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT**

At the end of each financial year, the management company prepares the financial statements and a report on the management of the fund during the last financial year.

The management company establishes a list of the FCP's assets at least biannually and under the supervision of the custodian.

The management company shall make these documents available to unitholders within four months of the financial year-end and shall notify them of the amount of income attributable to them: these documents shall be sent by post if expressly requested by the unitholders, or made available to them at the offices of the management company.

**TITLE 3: ALLOCATION OF DISTRIBUTABLE INCOME**

**ARTICLE 9 - Allocation of distributable income**

Distributable income is made up of:

1. Net income plus retained earnings, plus or minus the balance of the income equalisation account for the last financial year.
2. Realised capital gains, net of expenses, minus realised capital losses, net of expenses, 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.

The sums mentioned in points 1 and 2 may be distributed in full or in part independently of each other.

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

Payment of distributable income is made annually within five months of the financial year-end.

Payment of distributable income payable quarterly is made within one month of the end of each calendar quarter.

**TITLE 4: MERGER - SPLIT - DISSOLUTION - LIQUIDATION**

**ARTICLE 10 - MERGER - SPLIT**

The management company may either merge all or part of the assets of the fund with another fund under its management or with a fund managed by another company, or split the fund into two or more mutual funds under

its management.

Such mergers or splits may only be carried out after unitholders have been notified. Such mergers or splits give rise to the issue of a new certificate indicating the number of units held by each unitholder.

#### **ARTICLE 11 - DISSOLUTION - EXTENSION**

If the assets of the fund remain below the amount set in article 2 above for thirty days, the management company shall inform the AMF and shall dissolve the fund, except in the event of a merger with another fund.

The management company may dissolve the fund before term. It shall inform the unitholders of its decision, after which no further subscription or redemption requests shall be accepted.

The management company shall also dissolve the fund if a request is made for the redemption of all of the units, if the custodian's appointment is terminated and no other custodian has been appointed, or upon expiry of the fund's term, unless such term is extended.

The management company shall inform the AMF by post of the dissolution date and procedure. It shall send the statutory auditor's report to the AMF.

The fund's extension may be decided by the management company subject to the agreement of the custodian. Its decision must be taken at least three months before the expiry of the fund's term and must be notified to the unitholders and the AMF.

#### **ARTICLE 12 - LIQUIDATION**

In the event of dissolution, the management company or designated liquidator shall act as liquidator. Otherwise, the liquidator shall be appointed by the court at the request of any interested party. To this end, they shall be granted the broadest powers to realise assets, pay off any creditors and allocate the available balance among the unitholders in the form of cash or securities.

The statutory auditor and the custodian shall continue to carry out their functions until the end of the liquidation.

### **TITLE 5: DISPUTES**

#### **ARTICLE 13 - JURISDICTION - ADDRESS FOR SERVICE**

All disputes relating to the fund that may arise during the term of the fund or during its liquidation, either among the unitholders or between the unitholders and the management company or the custodian, shall be submitted to the courts having jurisdiction.



**Annex: Pursuant to Article 92 of Directive 2009/65/EC, facilities made available to unitholders in a UCITS managed by Carmignac Gestion**

- A) Processing subscription, repurchase and redemption orders and make other payments to unitholders relating to the units of the UCITS, in accordance with the conditions set out in the documents required pursuant to Chapter IX of Directive 2009/65/EC:

Country	Austria	Germany	Belgium	Spain	France	Ireland	Italy*	Luxembourg	Netherlands	Sweden
Facility	Please contact BNP PARIBAS S.A., a credit institution approved by the ACPR, 16, Boulevard des Italiens, 75009 PARIS, France postal address : 9, rue du Débarcadère, 93500 Pantin *In Italy, please contact: Banca Sella Holding S.p.A. (Sella), ALLFUNDS BANK S.A.U. - Succursale di Milano, (AFB), CACEIS Bank Italy Branch, (CACEIS), Monte dei Paschi di Siena S.p.A. (MPS), RBC Investor Services Bank S.A. Milan Branch (RBC), Société Générale Securities Services (SGSS), State Street Bank International GmbH – Succursale Italia (State Street).									

- B) Providing information on how orders referred to in point (a) of article 92 of Directive 2009/65/EC can be made and how repurchase and redemption proceeds are paid:

Country	Austria	Germany	Belgium	Spain	France	Ireland	Italy	Luxembourg	Netherlands	Sweden
Facility	Please refer to the prospectus of the fund available on the website of the management company ( <a href="http://www.carmignac.com">www.carmignac.com</a> ) or please contact the management company of the UCITS: CARMIGNAC GESTION, Société Anonyme, 24 Place Vendôme 75001 Paris, France									

- C) facilitating the handling of information and access to procedures and arrangements referred to in Article 15 of Directive 2009/65/EC and relating to the investors' exercise of their rights arising from their investment in the UCITS in the Member State where the UCITS is marketed:

Country	Austria	Germany	Belgium	Spain	France	Ireland	Italy	Luxembourg	Netherlands	Sweden
Facility	Please refer to the prospectus of the fund available on the website of the management company ( <a href="http://www.carmignac.com">www.carmignac.com</a> ) or please contact the management company of the UCIT : CARMIGNAC GESTION, Société Anonyme, 24 Place Vendôme 75001 Paris, France									

- D) Making the information and documents required pursuant to Chapter IX available to investors under the conditions laid down in Article 94 of the Directive 2009/65/EC for the purposes of inspection and obtaining copies thereof:

Country	Austria	Germany	Belgium	Spain	France	Ireland	Italy	Luxembourg	Netherlands	Sweden
Facility	The prospectus, KIID and the last annual and semi-annual reports are available on the website of the management company ( <a href="http://www.carmignac.com">www.carmignac.com</a> ) and from the management company of the UCITS: CARMIGNAC GESTION, Société Anonyme, 24 Place Vendôme 75001 Paris, France									

E) Providing investors with information relevant to the tasks that the facilities perform in a durable medium:

Country	Austria	Germany	Belgium	Spain	France	Ireland	Italy	Luxembourg	Netherlands	Sweden
Facility	Information are available on the website of the management company ( <a href="http://www.carmignac.com">www.carmignac.com</a> ) and from the management company of the UCITS: CARMIGNAC GESTION, Société Anonyme, 24 Place Vendôme 75001 Paris, France									

F) Contact point for communicating with the competent authorities:

Country	Austria	Germany	Belgium	Spain	France	Ireland	Italy	Luxembourg	Netherlands	Sweden
Facility	PricewaterhouseCoopers, Société coopérative, Global Fund Distribution (“PwC GFD”), 2, rue Gerhard Mercator B.P. 1443 L-1014 Luxembourg									