



**PROSPECTUS**  
**CARMIGNAC**  
**CREDIT 2031**

French UCITS

Under European Directive 2009/65/EC

# I. GENERAL CHARACTERISTICS

## 1. Structure of the UCITS

French Mutual Fund (FCP)

## 2. Name

CARMIGNAC CREDIT 2031

## 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 Autorité des marchés financiers (AMF) on 25 November 2024. It was created on 31 December 2024 for a period of 99 years (ninety-nine years).

## 5. Fund overview

CATEGORY OF UNITS	ISIN	ALLOCATION OF DISTRIBUTABLE INCOME	BASE CURRENCY	TARGET INVESTORS	MINIMUM INITIAL SUBSCRIPTION AMOUNT	MINIMUM SUBSEQUENT SUBSCRIPTION AMOUNT
A EUR Acc	FR001400U4S3	Allocation of net income: Accumulation  Allocation of net realised capital gains: Accumulation	EURO	All investors	None	None
A EUR Ydis	FR001400U4T1	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
AW EUR Acc	FR001400U4W5	Allocation of net income: Accumulation  Allocation of net realised capital gains: Accumulation	EURO	All investors	None	None

AW EUR Ydis	FR001400U4X3	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	FR001400XCT7	Allocation of net income: Accumulation  Allocation of net realised capital gains: Accumulation	EURO	All investors	None	None
F EUR Acc	FR001400U4U9	Allocation of net income: Accumulation  Allocation of net realised capital gains: Accumulation	EURO	Authorised investors*	None	None
F EUR Ydis	FR001400U4V7	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
FW EUR Acc	FR001400U4Y1	Allocation of net income: Accumulation  Allocation of net realised capital gains: Accumulation	EURO	Authorised investors*	None	None
FW EUR Ydis	FR001400U4Z8	Allocation of net income: Distributed and/or carried forward	EURO	Authorised investors*	None	None

		Allocation of net realised capital gains: Distributed, carried forward, and/or accumulated.				
Z Eur Acc	FR001400UTO8	Allocation of net income: Accumulation  Allocation of net realised capital gains: Accumulation	EURO	These units are reserved for UCIs managed by companies belonging to the Carmignac Group.	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

Contact: Communications department

Tel: +33 (0)1 42 86 53 35 - Fax: +33 (0)1 42 86 52 10

This information, the prospectus and KID (Key Information Document) are also available at [www.carmignac.com](http://www.carmignac.com).

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 - PARTIES

### 1. Management company

Carmignac Gestion, a société anonyme (public limited company), 24, place Vendôme, 75001 Paris, with Autorité des marchés financiers (formerly COB) approval dated 13 March 1997 under number GP 97-08.

### 2. Custodian

BNP PARIBAS SA, a credit institution approved by the Autorité de contrôle prudentiel et de résolution (ACPR), having its registered office at 16, Boulevard des Italiens - 75009 Paris, France (postal address: 9, rue du Débarcadère - 93500 Pantin, France), entered in the Paris Trade and Companies Register (RCS) under number 662 042 449, and overseen by the Autorité des marchés financiers (AMF).

*Description of the Custodian's role:* BNP PARIBAS SA 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 to manage 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/fr/solutions/depositary-bank-trustee-services.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 auditor

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, a credit institution approved by the ACPR, 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 delegated the centralisation of subscription and redemption requests to the following establishments:

- a) Centralising agent for subscription and redemption requests as delegated by the management company
  - (i) For units in bearer or administered registered form to be registered or units registered with Euroclear France: **BNP PARIBAS SA**, registered office: 16, Boulevard des Italiens - 75009 Paris, France; postal address: 9, rue du Débarcadère - 93500 Pantin, France.
  - (ii) For registered units in pure registered form or units registered in a Shared Electronic Registration System (DEEP) reserved solely for corporate investors acting on their own behalf: **IZNES**, a société par actions simplifiée (simplified joint-stock company), registered with the Paris Commercial Court Registry Office under number 832 488 415, licensed by the Autorité de Contrôle Prudentiel et de Résolution (ACPR), authorised and overseen by the Autorité des marchés financiers (AMF), and whose registered office is at 18 Boulevard Malesherbes (75008).

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; and Carmignac Gestion, 24, place Vendôme, 75001 Paris, 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 with respect to BNP PARIBAS S.A. Consequently, such intermediaries may apply their own cut-off time, which may be earlier than the cut-off time indicated above, in order to take into account the time required to transmit requests to BNP PARIBAS S.A.

IZNES: the registered office is 18 Boulevard Malesherbes - 75008 Paris, France.

Requests for units to be registered or units registered in pure registered form in the IZNES Shared Electronic Registration System (French initials DEEP) are received at any time by IZNES and centralised with IZNES at 1.00 pm each day on which the net asset value is calculated (D).

## 8. Registrar

➤ For units in bearer or administered registered form to be registered or units registered with Euroclear France: **BNP PARIBAS S.A.**, registered office: 16, Boulevard des Italiens - 75009 Paris, France; postal address: 9, rue du Débarcadère - 93500 Pantin, France.

➤ For registered units in pure registered form or units registered in a Shared Electronic Registration System (DEEP) reserved solely for corporate investors acting on their own behalf and approved in advance by Carmignac Gestion: **IZNES**, a société par actions simplifiée (simplified joint-stock company), registered with the Paris Commercial Court Registry Office under number 832 488 415, licensed by the Autorité de Contrôle Prudentiel et de Résolution (ACPR), authorised and overseen by the Autorité des marchés financiers (AMF), and whose registered office is at 18 Boulevard Malesherbes (75008).

# III - OPERATING AND MANAGEMENT PROCEDURES

## GENERAL CHARACTERISTICS

### 1. Characteristics of the units or shares:

- **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:**

As part of the management of the Fund's liabilities, subscription and redemption orders are centralised by BNP PARIBAS S.A. for units registered or to be registered in bearer or administered registered form in EUROCLEAR and by IZNES for units to be registered or held in pure registered form in the Shared Electronic Registration System (French initials DEEP), with BNP PARIBAS S.A. acting as issuance account keeper.

These tasks are delegated by the management company.

- **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, administered registered or pure registered form, the latter only for units that will be registered on the IZNES shared electronic registration system for subscribers who have access to this system.

- **Year-end:**

The accounting year ends on the last net asset value date of the month of December. The Fund's first financial year ends on 31 December 2025.

- **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 holding one or more units in the Fund through a life insurance policy will be taxed at the rates applicable to life insurance policies.

## SPECIFIC PROVISIONS

### 1° ISIN

UNIT CLASSES	ISIN
A EUR Acc	FR001400U4S3
A EUR Ydis	FR001400U4T1
AW EUR Acc	FR001400U4W5
AW EUR Ydis	FR001400U4X3
E EUR Acc	FR001400XCT7
F EUR Acc	FR001400U4U9
F EUR Ydis	FR001400U4V7
FW EUR Acc	FR001400U4Y1
FW EUR Ydis	FR001400U4Z8
Z Eur Acc	FR001400UTO8

### INVESTMENT OBJECTIVE

The Fund's investment objective is to offer annualised performance, net of management fees, from the inception of the Fund or of the unit (if created at a later date) until its maturity on 31 October 2031 (the **"Maturity Date"**), of over:

- In the case of A EUR Acc and A EUR Ydis units: 2.78%;
- For AW EUR Acc and AW EUR Ydis units: 2.48%;
- In the case of F EUR Acc and F EUR Ydis units: 3.28%;
- For FW EUR Acc and FW EUR Ydis units: 2.98%;
- In the case of E EUR Acc units: 2.58%.

A EUR Acc, A EUR Ydis, AW EUR Acc, AW EUR Ydis, F EUR Acc, F EUR Ydis, FW EUR Acc and FW EUR Acc units were created on 31 December 2024. Z EUR Acc and E EUR Acc units were launched on 20 February 2025.

This objective is based on the fulfilment of market assumptions made by the management company (probability of default, recovery rate, exercise of early redemption options, repayments, hedging costs, etc.) when the Fund is launched, and only applies to subscriptions at this time. For subsequent subscriptions, performance will depend on market conditions at that time, which we cannot predict and which may therefore result in divergent performance. The market assumptions made by the management company may prove incorrect, which would prevent the Fund from reaching its performance objective. 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.

This annualised performance, generated mainly by the bond buy-and-hold strategy, is understood as net of management fees. It takes into account the estimate of any foreign exchange hedging costs, defaults calculated by the management company, and any capital losses realised on the resale of certain instruments before their maturity.

The Fund's assets will include bonds (including contingent convertible bonds for up to 15% of the net assets) as well as securitisation vehicles (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. It will therefore be exposed to corporate and government bond markets until liquidated (as described in the Investment Strategy section). Up to 30% of the net assets may be held outside the OECD, including on emerging markets. The portfolio's average rating will be BBB- or higher (investment grade).

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

### 2° REFERENCE INDICATOR

The Fund does not have a reference indicator.



### 3° INVESTMENT STRATEGY

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

##### a) Strategies used

In order to achieve its investment objective, the fund chiefly applies a buy-and-hold strategy, the aim of which is to build and hold a diversified portfolio of financial instruments comprising various credit market classes (hereafter, the **"Buy-and-Hold 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 Buy-and-Hold Portfolio during the portfolio **construction phase**. This will begin on the fund inception date, and will end no later than one month thereafter (inclusive). Once this construction phase has been completed, the Buy-and-Hold 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 Portfolio's construction phase, the management company may depart from the investment limits for the carry phase detailed below, up to a limit of 100% of the net assets for each of the instruments listed above.

In addition, the Fund will follow a portfolio **diversification phase** from the Fund's inception date until six months thereafter. This diversification phase may be extended once by the management company, for a maximum of three months, if the Fund's net assets are less than EUR 100 million six months after the Fund's inception.

**During the carry-phase**, the Buy-and-Hold Portfolio will comply with the following characteristics:

- Investment in bonds from corporate or government issuers, with a rating superior or equal 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, in the absence of a rating by these main rating agencies, 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, i.e., that have failed to achieve a rating superior or equal 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, in the absence of a rating by these main rating agencies, of a credit quality deemed to be equivalent by the portfolio manager, with no restrictions on maturity or duration: 0% to 50%;
- 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 30%
- Investment in contingent convertible bonds (CoCos): 0% to 15%
- Investment in money market instruments (directly or through funds): 0% to 5%;
- Selling protection via credit default swaps (CDS): 0% to 20%.

The Buy-and-Hold Portfolio consists of securities with different maturities, including some with a maturity exceeding that of the fund.

The weighted average of the ratings of the debt securities comprising the Buy-and-Hold Portfolio at the start of the construction phase is investment grade.

The Buy-and-Hold 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 holding phase, the debt securities held in the Buy-and-Hold Portfolio are not automatically sold should the credit rating be downgraded. Consequently, the minimum average rating of the Buy-and-Hold Portfolio may fall due to a downgraded rating of some financial instruments. Nevertheless, the portfolio manager reserves the option to carry out arbitrage, especially if they expect the risk profile of an instrument on the Buy-and-Hold Portfolio to be

downgraded, or identify an investment opportunity compatible with the fund's investment objective and strategy. All investments and divestments made on the portfolio during this phase must meet the following criteria:

- The average rating of the portfolio recorded prior to the transaction may not be reduced if it is not investment grade (or, in the absence of a rating by the main rating agencies registered with the European Securities and Markets Authority, of a credit quality deemed equivalent by the portfolio manager);
- The portfolio's average rating may be reduced provided that it remains investment grade (or, in the absence of a rating by the main rating agencies registered with the European Securities and Markets Authority, of a credit quality deemed equivalent by the portfolio manager);

Following the construction phase, the initial duration of the Buy-and-Hold Portfolio shall be no more than 7. This duration will decrease to no more than 2 by the end of the holding 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.

**During the liquidation phase**, which will begin six (6) months before the Maturity Date, the investment limits for the carry phase will not apply, and the fund will adopt a prudent style of investment management. The securities comprising the Buy-and-Hold 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 Fund's portfolio has at least 80% of its net assets 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 event of an exceptional market situation 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) Non-financial characteristics**

The Fund promotes environmental and/or social characteristics, in accordance with Article 8 of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation – "SFDR"). Information on these environmental and/or social characteristics can be found in the annex to this prospectus.

#### **c) 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 or conversion of bonds, including convertible bonds (whether or not CoCos).

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

The Fund can be invested up to 110% of net assets in (short- and medium-term) transferable debt securities, money market instruments, fixed or floating-rate bonds, and/or Eurozone or international inflation-linked bonds. These bonds may be covered or uncovered, senior or subordinated, with various maturities (including "perpetual" bonds with no maturity). Investment in emerging markets may not exceed 30% 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-purpose 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 (actual 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 Fund 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. 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 temporarily overdrawn due to flow-related trading (investments and divestments pending, subscriptions/redemptions) 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".

**4° 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 given a haircut of between 1% and 10%. The management company agrees this contractually with each counterparty.

## 5° 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.

AIM 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 Fund's 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 markets risk:** the operating and supervision conditions of emerging markets may deviate from the standards prevailing on the major international markets, and price variations may be high.
- 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 incidental 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 subordinated bonds:** subordinated bonds are lower-ranking unsecured bonds whose redemption, particularly in the event of the issuer's liquidation, is only possible after all other creditors have been paid. These securities therefore represent an increased risk of non-repayment in exchange for payment by the issuer of a higher interest rate than that of an unsubordinated bond.
- m) **Risk associated with perpetual bonds:** a perpetual bond is a bond with no maturity date (although the issue documentation for most of these bonds provides for early redemption of the capital at the issuer's option). The issuer only undertakes to pay interest but does not commit to a date for repayment of the capital. Consequently, this type of instrument exposes the fund to an increased credit and non-repayment risk. There may also be a risk of non-payment of the coupon where the issue documentation allows the issuer to defer payment of the coupon at its own discretion. In addition, the risk associated with changes in interest rates is greater due to the theoretical perpetuity of the instrument: the real value of coupons decreases over time, mainly due to inflation. Lastly, this type of bond is less liquid on the secondary market than conventional bonds.
- n) **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 and/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.
- o) **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.
- p) **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.

q) **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.

r) **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 consult the engagement policy 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.

## 6° GUARANTEE OR PROTECTION

None

## 7° TARGET SUBSCRIBERS AND INVESTOR PROFILE

Units of this fund have not been registered in accordance with the US Securities Act of 1933. Therefore, they may 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 units. F and Z 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., 31 October 2031.

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.

## 8° ALLOCATION OF DISTRIBUTABLE INCOME

DISTRIBUTABLE INCOME	ACC UNITS	DIS UNITS
Allocation of net income	Accumulation (dividends are recorded on an accruals basis)	<p>Distribution target (subject to sufficient net income):</p> <ul style="list-style-type: none"> <li>- A EUR Ydis units: distribution of 2.3% of the NAV observed on 31 December 2024;</li> <li>- AW EUR Ydis unit: distribution of 2% of the NAV observed on 31 December 2024;</li> <li>- F EUR Ydis units: distribution of 2.8% of the NAV observed on 31 December 2024;</li> <li>- FW EUR Ydis units: distribution of 2.5% of the NAV observed on 31 December 2024;</li> </ul> <p>Remaining amount carried over, if applicable.</p>
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.

## 9° 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.

#### 10° CHARACTERISTICS OF THE UNITS

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

UNIT CLASSES	ISIN
A EUR Acc	FR001400U4S3
A EUR Ydis	FR001400U4T1
AW EUR Acc	FR001400U4W5
AW EUR Ydis	FR001400U4X3
E EUR Acc	FR001400XCT7
F EUR Acc	FR001400U4U9
F EUR Ydis	FR001400U4V7
FW EUR Acc	FR001400U4Y1
FW EUR Ydis	FR001400U4Z8
Z EUR Acc	FR001400UTO8

Net asset value of a unit on the launch date: 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.

#### 11° SUBSCRIPTION AND REDEMPTION PROCEDURES

Subscription and redemption requests are received and centralised each trading day

(D) before 1pm (CET/CEST) (except on French public holidays),

- by BNP PARIBAS S.A. for units registered or to be registered in bearer or administered registered form with Euroclear and

- IZNES for units to be registered or units to be registered or units registered as pure registered units in the IZNES Shared Electronic Registration System (DEEP)

and are processed on the basis of the next NAV. Settlements are made on the third trading day following the centralisation date.

Subscription and redemption requests are executed in accordance with the table below.

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 (CET/CEST) <sup>1</sup>	Centralisation of redemption requests before 1pm (CET/CEST) <sup>1</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.

<sup>1</sup> Unless another deadline is agreed with your financial institution.

***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 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 in the “Regulatory Information” section of the site [www.carmignac.com](http://www.carmignac.com).

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.

For example, if net redemptions on a given NAV date represent 8% of the Fund's net assets, the threshold (5%) is reached. Two scenarios arise:

- If liquidity conditions are favourable, the management company may decide not to trigger the redemption cap mechanism and honour all redemption requests; or
- If the management company considers that liquidity conditions are unfavourable, the redemption cap mechanism is applied at a threshold of 5% or any higher threshold (as determined by the management company on the basis of the liquidity conditions prevailing on the NAV date in question). The portion of redemption requests exceeding the threshold selected is carried forward to the next NAV date. Thus, if the management company chooses a threshold of 5%, redemption requests representing 3% of the net assets are carried forward to the next NAV date (the management company executes redemption requests up to the limit of 5% of the Fund's net assets). If the management company chooses a threshold of 7%, redemption orders representing 1% of the net assets are carried forward to the next NAV date (the management company executes redemption orders up to the limit of 7% of the Fund's net assets).

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.

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.

#### ***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 1pm 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)

## **12° 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 FCP serve to offset the costs incurred by the FCP 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 EUR Acc and A EUR Ydis units: 1% maximum AW EUR Acc and AW EUR Ydis units: 1% maximum E EUR Acc units: 0.50% maximum F EUR Acc and F EUR Ydis units: None FW EUR Acc and FW EUR Ydis units: None Z EUR Acc units: None
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	None
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 1% inclusive of tax</p> <p>A EUR Ydis units: maximum 1% inclusive of tax</p> <p>AW EUR Acc unit: maximum 1.3% inclusive of tax</p> <p>AW EUR Ydis unit: maximum 1.3% inclusive of tax</p> <p>E EUR Acc units: maximum 1.3% inclusive of tax</p> <p>F EUR Acc units: maximum 0.5% inclusive of tax</p> <p>F EUR Ydis units: maximum 0.5% inclusive of tax</p> <p>FW EUR Acc units: maximum 0.8% inclusive of tax</p> <p>FW EUR Ydis units: maximum 0.8% inclusive of tax</p> <p>Z EUR Acc units: maximum 0.00% inclusive of tax</p>
2	Operating and other service expenses	Net assets	0.14% (flat rate**)
5.	Performance fee	Net assets	<p>A EUR Acc and A EUR Ydis units: Maximum 20% of this outperformance when it is established (1)</p> <p>AW EUR Acc and AW EUR Ydis units: None</p> <p>E EUR Acc units: Maximum 20% of this outperformance when it is established (1)</p> <p>F EUR Acc and F EUR Ydis units: Maximum 20% of this outperformance when it is established (1)</p> <p>FW EUR Acc and FW EUR Ydis units: None</p>

Financial management fees include any retrocessions paid to external companies or entities belonging to the same group, including those tasked with financial management or distribution of the UCITS. Such retrocessions are generally calculated as a percentage of the management fee and administration fees external to the management company.

The management company has established a system to ensure that all unitholders are treated fairly.

*In principle, no preferential treatment is granted. The only exception is preferential financial treatment in the form of a discount negotiated with certain investors in relation to a portion of the management fees. These are only granted for objective reasons, such as a commitment from an institutional investor to invest a significant amount or over a long period. It may be the case that such discounts are granted to investors with a legal or economic link to the management company.*

*It should be noted that retrocessions paid to intermediaries for selling the Fund are not considered preferential treatment.*

(1) The performance fees are based on a comparison over the financial year between the performance of each Fund unit and the annualised performance target, i.e. 2.78% for A units, 3.28% for F units and 2.58% for E units (the **“Minimum Rate of Return”**).

If the performance since the beginning of the financial year exceeds the Minimum Rate of Return and if no past underperformance still needs to be offset, a daily provision of up to 20% of this outperformance is established. In the event of underperformance against the Minimum Rate of Return for the unit class, a daily amount corresponding to a maximum of 20% of this underperformance is deducted from the provision established since the beginning of the year. The applicable rate for the performance fee is 20% for all the Fund's unit classes. Any underperformance of the unit class against the Minimum Rate of Return over the five-year reference period or since launch (whichever period is shorter) is made up before a performance fee becomes payable. If another year of underperformance occurred within this first five-year period and it was not made up at the end of this first period, a new period of a maximum of five years begins from this new year of underperformance. The Fund's performance is represented by its gross assets, net of all fees, before provision of the performance fee and taking into account subscriptions and redemptions. If the Fund is eligible for the booking of a performance fee, then:

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

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

*\* Operating and other service expenses:*

*Operating and other service expenses are fixed to cover and pay for the functions and services provided by the management company (other than those excluded below, mainly financial management and distribution) and the operating expenses of the fund. A provision is set aside for them at each net asset valuation of the fund.*

*Operating and other service expenses included under this heading are:*

*(1) fund registration and listing costs, such as costs associated with registration and formalities with local regulators in the countries where the fund is registered (fees of lawyers, advisers or service providers for assistance with registration or listing), costs of listing and publication of the net asset value, costs of distribution/listing platforms, commission of agents interfacing with distribution (paying agents, representative agents, etc.);*

*(2) client and distributor information costs, such as the cost of compiling and publishing regulatory documentation (including service providers), reporting, communication of information to distributors (in particular the costs and charges of producing and publishing market data files), the cost of customer and distributor monitoring tools, information to unitholders (including letters to unitholders – except in the case of mergers, takeovers and liquidations), the cost of maintaining the management company's website, the fund's translation costs, and the cost of responding to due diligence requests from third parties;*

*(3) data costs, such as the cost of licensing the reference indicator, the cost of data used for republication to third parties and, more generally, for investor information in addition to periodic reports, the cost of access to providers of financial information and data (with the exception of items relating exclusively to the portfolio manager's decision-making or risk management), the cost of access to investor data providers, costs resulting from specific client requests, the cost of specific data, and audit costs;*

*(4) the fees of external service providers or internal expenses necessary for the operation of the fund. Under this heading are included, by way of illustration, expenses paid to the fund's depositary for asset safekeeping, centralisation and depositary oversight functions (including fees paid to sub-depositaries), auditor's fees, custodian's fees, outsourced middle office fees, fees paid to the administrative and accounting management delegate, audit costs, tax expenses (including*

taxes paid on behalf of the fund, external advisers and service providers), the fund's legal costs, internal costs relating to the supervision of delegated or outsourced activities, costs relating to the creation of the fund or the offering of units;

(5) expenses relating to compliance with regulatory obligations and regulatory reporting, such as expenses and costs of implementing regulatory reporting to the regulator (e.g., reporting relating to ratio breaches and compensation, Solvency reporting), expenses relating to compliance with regulatory obligations (e.g., monitoring of the fund's pricing strategy, subscriptions to the mandatory professional association, operating costs for monitoring limit overruns), operating costs relating to the maintenance and implementation of the policy on voting rights at meetings of the securities making up the fund's assets;

(6) operating expenses, such as the cost of monitoring compliance and statutory investment restrictions;

(7) fees and costs relating to KYC and the completion of the due diligence and checks required for this knowledge and for monitoring it, fees for monitoring fundraising and the investor base.

All the fees and expenses listed above include (i) the salaries of the employees involved in these operating and other service expenses (ii) the real estate, insurance and general costs of the management company, (iii) the IT costs and tools required for the services provided and the operation of the fund (including cybersecurity), subject to the exclusions detailed below.

Operating and other service expenses do not include (1) financial management fees (including trailer fees) and all operating and other service expenses directly linked to financial management, (2) fees and expenses linked to the promotion of the fund, (3) costs linked to hedging operations, (4) transaction costs, (5) brokerage fees, (6) fees for financial and non-financial data used exclusively in financial management and (7) fees linked to the research payment account.

**\*\* Operating and other service expenses are charged on a flat-rate basis up to the maximum rate shown above. They are defined as a fixed percentage of the fund's net assets and, as a result, the amount of operating and other service expenses charged to the fund by the management company may differ from the actual costs. The management company retains all the charges levied, i.e. a margin, if the actual expenses are lower than the charges levied. Conversely, if actual expenses exceed the maximum flat rate, the management company will pay the excess.**

#### *Other fees charged to the Fund:*

- Contributions payable to the AMF for fund administration in accordance with d) of 3° of II of Article L.621-5-3 of the French Monetary and Financial Code are charged to the Fund.
- 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**

All income generated by effective portfolio management techniques, net of direct and indirect operating costs, is returned to the Fund.

With respect to temporary sales of securities (lending/borrowing), fees payable to the lending agent may not exceed 15% of income generated on these transactions. With respect to temporary purchases of securities (reverse repurchase transactions), the Fund is the direct counterparty in such transactions and receives the full amount of the remuneration.

The management company does not receive any remuneration in respect of temporary purchases and sales of securities. 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.

#### **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, inter alia, the availability and proactivity of the intermediary representatives, the financial situation of the intermediaries, their speed, the quality of the processing and execution of orders and intermediary costs.

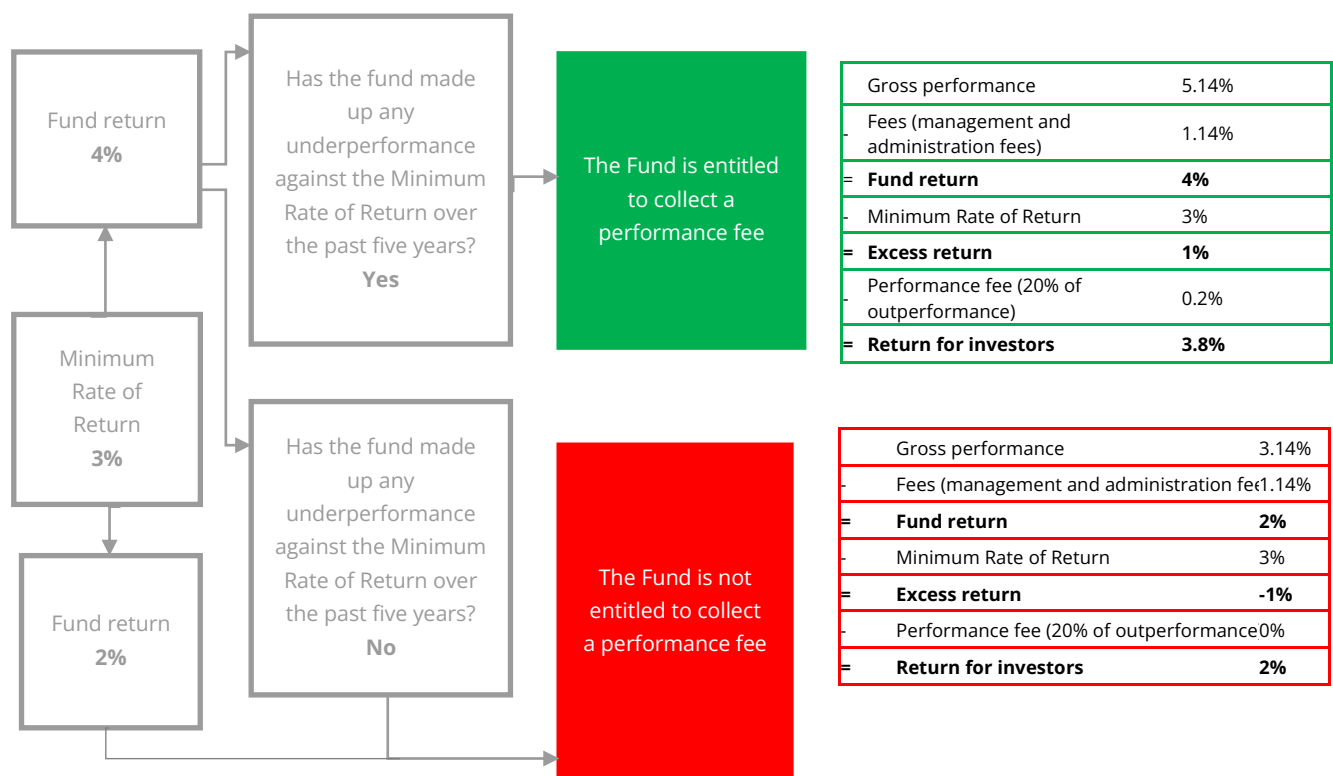
### Research and inducements

The management company (or any financial management delegate) 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. The management company 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).

### Performance fee

The method used to calculate the performance fee has been established in accordance with ESMA guidelines ("Final report - Guidelines on performance fees in UCITS and certain types of AIFs"; 3 April 2020/ESMA 34-39-968). The fee calculation method, as illustrated by concrete examples, the reference performance period and the clawback mechanism applicable to the abovementioned units are described below.

#### 1. Logic behind the performance fee calculation (applied to unit class A)



## 2. Specific example (applied to unit class A)

YEAR	NET PERFORMANCE	UNDERPERFORMANCE TO BE COMPENSATED IN THE FOLLOWING YEAR	PAYMENT OF PERFORMANCE FEES
Year 1	5%	0%	YES
Year 2	0%	0%	NO
Year 3	-5%	-5%	NO
Year 4	3%	-2%	NO
Year 5	2%	0%	NO
Year 6	5%	0%	YES

Excerpt of the ESMA Questions and Answers, Application of the UCITS Directive, [ESMA34-43-392](#).

## IV - COMMERCIAL INFORMATION

Publication of information about the Fund:

The latest annual and semi-annual reports shall be sent to unitholders within one week upon written request to: CARMIGNAC GESTION, 24, place Vendôme, 75001 PARIS

The prospectus, KID (Key Information Document), 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)

Centralisation of Fund unit subscriptions and redemptions is delegated by the management company to BNP Paribas S.A. for units to be registered or units registered in administered registered or bearer form in Euroclear and to IZNES for units to be registered or units registered as pure registered units in the shared electronic registration system (DEEP).

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 FCP 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: based on the latest valuation carried out by the management company

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 money market instrument 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.

**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 2031

**Legal entity identifier:** 969500CP1YPMYX94UM94

**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.

## 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, by combining: 1) ESG integration, 2) negative screening, 3) active stewardship, and 4) consideration of principal adverse impacts (PAI) in investment decisions.

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.

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

**Sustainability indicators**

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

This fund uses sustainability indicators 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).

START is a systematised platform that aggregates multiple sources of raw ESG data for use in Carmignac's proprietary rating systems for companies, ESG sovereign debt model, controversy analysis and alignment with the United Nations Sustainable Development Goals. START rates companies from “E” to “A”. The table below indicates the relationship between numeric scores and the START rating:

Lower limit		START rating		Upper limit
8	≤	A	≤	10
6	≤	B	<	8
4	≤	C	<	6
2	≤	D	<	4
0	≤	E	<	2

- 2) Negative screening:** 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 High Yield, and ICE BofA Emerging Market Corporate Plus indices. This investment universe is reduced by applying the exclusions detailed below.

- a. **Exclusions at management company level:** unsustainable activities and practices are identified using an approach based on international standards and rules in the following areas: (a) controversies concerning the OECD Guidelines, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the principles of the United Nations Global Compact, (b) controversial weapons, (c) thermal coal production, (d) energy producers, (e) tobacco, (f) adult entertainment.
- b. **Negative screening specific to the fund:** The portfolio positions with a global START score of “D” or “E” (on a rating scale from “E” to “A”) are excluded from the fund's investment universe. Companies in the portfolio with a START rating of “E” (on a rating scale from “E” to “A”) for environmental and social pillars are excluded from the fund's investment universe. Companies with a global MSCI rating of “CCC” or “B” (on a scale from “C” to “AAA”) are excluded from the fund's investment universe. Companies with a global MSCI rating of “CCC” or “B” (on a scale from “C” to “AAA”) having obtained a START score of “C” or above (on a rating scale from “A” to “E”) may re-enter the fund's investment universe.

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.

Before the investment universe is reduced as described above, the equity and corporate bond universes are reweighted to eliminate any biases that could result in significant differences between the composition of the indices constituting these universes and that of the fund's portfolio. Each issuer is reweighted using the fund's historical weightings by sector, geographical region (emerging markets/developed markets) and capitalisation (small/mid/large), with authorised deviation of +/-5% for each of these characteristics. The weightings used are calculated annually whereas the universe components and the ESG data used to reduce the universe are updated quarterly. The reweighting is carried out using the fund's average historical weightings, observed over a period corresponding to the recommended investment horizon.

**3) Active stewardship for bondholders:** 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.

**4) Principal adverse impacts – PAI:** 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 (as listed below) to demonstrate the impact of sustainable investments with respect to these indicators:

● *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? Details:*

N/A.



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

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

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



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



**Yes**, the management company is committed to applying the regulatory technical standards (RTS) referred to in Annex 1 of Delegated Regulation (EU) 2022/1288, which define 14 mandatory environmental and social indicators, and two 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 High Yield, and ICE BofA Emerging Market Corporate Plus indices.

First of all, the Fund applies the exclusions defined at management company level: (a) controversies concerning the OECD Guidelines and the principles of the United Nations Global Compact, (b) controversial weapons, (c) thermal coal production, (d) energy producers, (e) tobacco, (f) adult entertainment.

The fund's positions with a global START score of “D” or “E” (on a rating scale from “E” to “A”) are excluded from the fund's investment universe. Companies in the portfolio with a START rating of “E” (on a rating scale from “E” to “A”) for environmental and social pillars are excluded from the fund's investment universe. Companies with a global MSCI rating of “CCC” or “B” (on a scale from “C” to “AAA”) are excluded from the fund's investment universe. Companies with a global MSCI rating of “CCC” or “B” (on a scale from “C” to “AAA”) having obtained a START score of “C” or above (on a rating scale from “A” to “E”) may re-enter the fund's investment universe.

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?***

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.

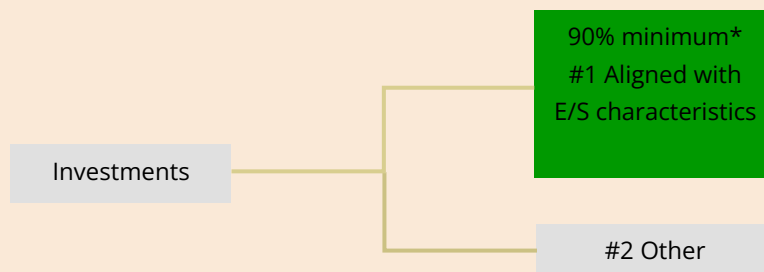
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



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

### Asset allocation

describes the share of investments in specific assets.



\* Coverage rate of ESG analysis

**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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 comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**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.

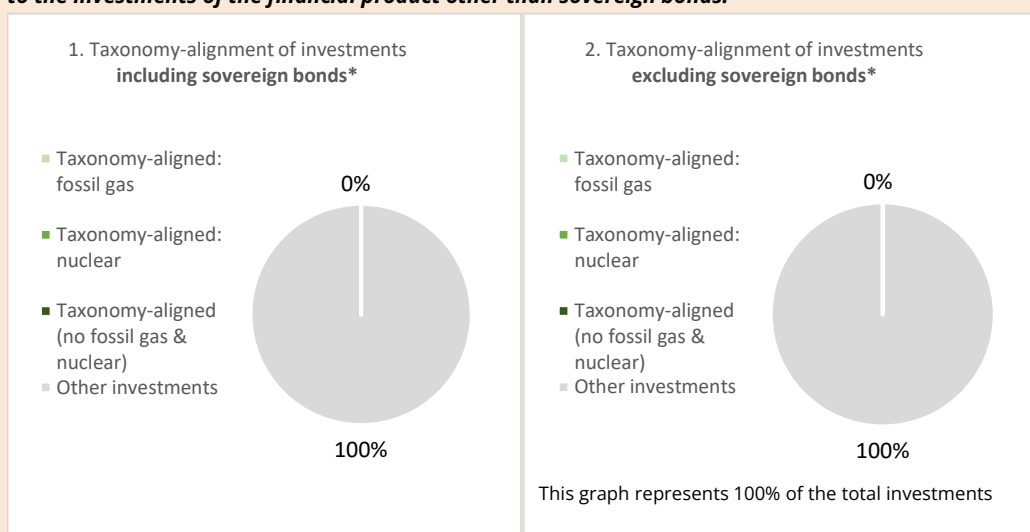
### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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.

### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

- ☐ Yes:
- ☐ In fossil gas ☐ In nuclear energy
- ☒ No

*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.



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



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

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 any minimum environmental or social safeguards applied to them?**

The remainder of the portfolio (i.e. beyond the minimum share of 90%) 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 issuer level (for equities and corporate bonds), investments that are not sustainable investments are assessed to ensure compliance with global standards on environmental protection, human rights, employment practices and anti-corruption measures through controversy screening (“standards-based” approach). These investments are analysed on the basis of the minimum safeguards in place to ensure that their business activities comply with the OECD Guidelines for

Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

Environmental, social and governance considerations are integrated into the instruments enabling synthetic exposure based on the framework applied to derivative instruments, as detailed below. The approach adopted will depend on the type of derivative instrument used by the fund: a derivative on a single underlying or a derivative on an index.

### **Derivatives on a single underlying**

Derivatives offering short exposure to a single underlying security are not subject to additional checks related to ESG. The underlying issuer may feature on the fund’s exclusion lists, given that signalling a lack of confidence in a company with poor ESG characteristics by short selling the security is considered reasonable when attempting to balance the investment objectives of holders. These instruments are not subject to a START rating.

Derivatives offering long exposure to a single underlying issuer are subject to the same ESG integration policy as physical long positions in shares and/or in corporate debt, as applicable. These instruments must satisfy the same ESG integration criteria as those described in this appendix.

## Derivatives on an underlying index

Derivatives offering exposure to an index, whether long or short, may be subject to additional checks to ensure their eligibility as a fund asset, depending on their purpose.

- Derivatives used for the purposes of hedging and efficient portfolio management: index derivatives acquired by the fund for hedging purposes are not analysed on the basis of ESG criteria.
- Derivatives used for the purposes of exposure: index derivatives may be acquired for the purposes of exposure, provided that they present the following characteristics and are held for a period of greater than one month:
  - Concentrated index (five components or less): the index must not include components that are included on the fund's exclusion list.
  - Broad index (more than five components): the significant majority of the index (>80% of exposure) must comprise companies that are not included on the fund's exclusion list.

In addition, the weighted average ESG rating of the index must be higher than BBB (MSCI) or C (START), and ESG coverage of the index (MSCI or START) must be above 90%.

The fund's reference indicator remains outside the scope of application of this framework that is applicable index derivatives, and is not taken into account for ESG purposes.

The fund applies a netting calculation (netting a long position against equivalent short positions in the relevant issuer) in order to measure adverse impacts.

All of the fund's assets (excluding cash and derivatives) are subject to sectoral and standards-based exclusions guaranteeing minimum environmental and social safeguards.

Moreover, the exclusion process, the lack of significant harm, and monitoring of adverse impacts apply to all fund assets.



*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: <http://www.carmignac.com>, in the “Funds” and “Responsible Investment” sections.



# MANAGEMENT REGULATIONS OF THE FCP

## CARMIGNAC CREDIT 2031

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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 422-17 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 communicate its decision within seven days of the date on which the securities were tendered. If they are accepted, the securities contributed in kind 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 relevant securities.

Redemptions may be in cash.

Redemptions may also be made in kind. If a redemption in kind corresponds to a share of the portfolio's assets, then the fund 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.

As an exception to the above, when the fund is an ETF, redemptions on the primary market may, with the agreement of the portfolio management company and while respecting the interests of unitholders, be carried out in kind under the conditions set out in the prospectus or the fund's management regulations. 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.

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

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.

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 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 in the exclusive interests 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 which are eligible to form part of the Fund's assets 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 financiers*.

#### 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 accuracy of 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	INC 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)	Total or partial distribution or carry-forward, and/or accumulation, at the discretion of 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 UCITS under its management or with a UCITS 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.

**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	<p>Please contact BNP PARIBAS S.A., a credit institution approved by the ACPR, 16, Boulevard des Italiens, 75009 PARIS, France – RCS: 662 042 449 RCS Paris – postal address: 9, rue du Débarcadère, 93500 Pantin, France</p> <p>*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).</p>									

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	<p>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</p>									

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	<p>Please refer to Section 6 of the "Regulatory Information" page on the website <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</p>									

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	<p>The prospectus, KID 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>) or from the management company of the UCITS: CARMIGNAC GESTION, Société Anonyme, 24 Place Vendôme 75001 Paris, France</p>									

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	<p>Information is available on the website of the management company (<a href="http://www.carmignac.com">www.carmignac.com</a>) or from the management company of the UCITS: CARMIGNAC GESTION, Société Anonyme, 24 Place Vendôme 75001 Paris, France</p>									

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									