

ADDITION OF ENVIRONMENTAL AND SOCIAL CRITERIA FOR CARMIGNAC CREDIT 2027

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Letter to unitholders of the CARMIGNAC CREDIT 2027 fund

18 July 2022

Paris, France

Dear Sir/Madam,

We would like to thank you for the trust you have placed in us. We are honoured to count you among the unitholders of the Carmignac Credit 2027 fund.

We are writing to inform you of an important upcoming change to the fund – the addition of extra-financial characteristics to the investment strategy – and its implications for you. As described in further detail below, as of 1 August, Carmignac Credit 2027 will give greater weight to environmental and social criteria in its investment decisions.

This document is therefore important and requires your attention. If in doubt, please contact your usual advisor.

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WHAT CHANGES ARE BEING MADE TO THE FUND?

Regulation (EU) 2019/2088, known as the Sustainable Finance Disclosure Regulation (SFDR), requires asset managers, among others, to disclose environmental, social and governance (ESG) information. As such, financial products that promote environmental or social characteristics, such as the Carmignac Credit 2027 fund, are required to disclose them in their prospectus and annual report, as well as on the management company's website.

Through this enhanced regulatory framework for sustainable investment, the European Union intends to improve transparency surrounding environmental and social matters for investors, allowing them to access more information on the ESG aspects of funds in order to compare products more easily.

In the case of Carmignac Credit 2027, as of 1 August, the fund's investment strategy will incorporate environmental and social characteristics and will promote investment in companies with sound governance practices as follows:

- (1) Exclusion of controversial investments:** the fund excludes businesses whose practices run counter to Carmignac's values on the basis of their activity, their standards or their behaviour; this includes thermal coal miners, tobacco producers and high-emission electricity producers, as well as companies that are not sustainably managed, and those that have very low ESG ratings.

(2) Incorporation of non-financial analysis: in parallel with its financial analyses, the management company assesses the ESG practices of each company in which the fund invests, particularly through its proprietary ESG research system, START. This system allows Carmignac to assess the impact of a company's activities on its environment and society in order to better identify investment risks and opportunities.

(3) Dialogue with businesses: Carmignac regularly discusses a number of ESG-related topics with the companies in which its funds may potentially invest. The purpose of these discussions is to help companies improve their practices and encourage directors to adopt a responsible approach to ESG criteria. They also provide Carmignac with a better understanding of the various subjects in this field. The management company conducts this dialogue by means of regular meetings with the directors of the companies concerned.

This approach (integrating environmental and social aspects into the fund's investment strategy) enables the managers of Carmignac Credit 2027 to develop a comprehensive and detailed view of each company's potential so as to make better investment decisions from an ESG perspective.

The procedures for applying a socially responsible investment approach are described in the "Extra-financial characteristics" section of the prospectus, and can be found in the "Responsible Investment" section of the website www.carmignac.com.

The fund's risk profile remains unchanged. There is no change of investment manager or fund fees.

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WHEN WILL THIS CHANGE TAKE EFFECT?

This change will take effect on 1 August 2022.

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WHAT IMPACT WILL THESE CHANGES HAVE ON THE RISK/RETURN PROFILE OF YOUR INVESTMENT?

- Change in risk/return profile¹: No
- Increase in risk profile: No
- Potential increase in fees: No

- Extent of change in risk/return profile: Not significant



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HOW DOES THIS CHANGE AFFECT YOUR TAX SITUATION?

This change will have no tax implications for residents of France. Unitholders are encouraged to contact their usual advisor in order to assess the consequences of the change given the specific characteristics of their circumstances and tax residence.

¹ The risk and reward profile is shown on a scale from 1 to 7. The score shown is an estimate of the level of risk and the potential return of the fund

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KEY POINTS TO REMEMBER

Please note the importance of reading the Key Investor Information Document (KIID). We also encourage you to regularly contact your advisor to discuss your investments.

Your usual advisor is available should you require any further information.

The KIID, the prospectus and the latest annual and semi-annual reports are available in French, English, German, Italian and Spanish at www.carmignac.com and can also be obtained free of charge upon request from the fund's management company.

Yours faithfully,

Christophe Peronin
Deputy Managing Director