

CARMIGNAC CREDIT 2027 F EUR SHARE CLASSES

FRENCH MUTUAL FUND (FCP)



P. Verlé A. Deneuveille F. Viros

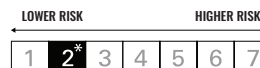


INVESTING IN CREDIT MARKETS WITH VISIBILITY AND DIVERSIFICATION

Management Team as at 31 May 2024

The management team is subject to change during the life of the Fund.

Recommended minimum investment horizon:



SFDR Fund Classification**



Carmignac Credit 2027 is a target date fund implementing a carry strategy that includes both private and public issuers. The Fund benefits from both the strong expertise of its management team and a disciplined investment process that enables a rigorous selection of securities. Carmignac Credit 2027 targets appreciation of invested capital in line with its carry strategy on a five-year horizon, while giving investors the opportunity for early recovery of their investment if the Fund's internal rate of return hits one of the thresholds stated in the prospectus before maturity⁽¹⁾.

KEY POINTS



A buy and hold carry strategy over a set 5-year period expiring in 2027 suited to a volatile interest-rate environment while offering clear visibility on global credit markets⁽¹⁾.



An early maturity option during the third and fourth year if pre-set conditions are met, to allow investors to recover their investment prior to maturity.



A conviction-driven investment process that seeks to identify attractive premiums on various segments in the credit universe, in order to build a diversified but selective portfolio.



Risks that recede over time and that are managed rigorously, thanks to the target date and systematic hedging of currency risk.

RIGOROUS SELECTION OF ISSUERS FROM ACROSS THE ENTIRE INVESTMENT SPECTRUM

In constructing the portfolio, the Fund managers draw on both their convictions and in-depth analysis of each opportunity examined. This investment process is what enables them to capture complexity premia available in the credit markets, based on a conservative estimate of the fundamental cost of risk⁽²⁾. This analysis is also used to determine the terms and conditions for exercising the early maturity option, and particularly to calculate the minimum internal rate of return that the Fund must have achieved.

Investment-grade allocation

Maximum 100%

Emerging-market corporate-bond allocation⁽³⁾

Maximum 40%

High-yield allocation⁽⁴⁾

Maximum 100%

Structured credit

Maximum 40%

Currency risk exposure

Hedged - Euro



*Source: Carmignac, 31/05/2024. SRI from the KID (Key Information Document): scale from 1 (lowest risk) to 7 (highest risk); category-1 risk does not mean a risk-free investment. This indicator may change over time. **Sustainable Finance Disclosure Regulation (SFDR) 2019/2088. For more information, please refer to <https://eur-lex.europa.eu/eli/reg/2019/2088/oj>. (1) For further information on the Fund's management objective, please see the reverse side of this document or refer to the prospectus of the Fund. The objective does not constitute a promise of return or performance, the performance is not guaranteed. No performance guarantee is offered. (2) Cost of fundamental risk = Estimated annualised probability of default x Loss in the event of default. (3) Investment in government or corporate bond issuers from outside the OECD, including emerging markets. (4) "High Yield" bonds are speculative securities.

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- **Launch date:** May 2022
- **Investment universe:** Global credit markets. Currency risk is systematically hedged.
- **Objective:** The Fund's management objective is to generate performance, net of management fees, from a portfolio comprising debt securities of public or private issuers, with no restrictions on the average rating, duration or maturity; such securities will be held until a liquidation phase of six months (maximum) preceding the Fund's maturity date, on 30 June 2027, or, if applicable, until the Fund's early maturity date, i.e., for F EUR Acc and Ydis units:
 - No later than **4 August 2025** if the Fund has achieved or exceeded a performance deemed appropriate and corresponding to **an internal rate of return (IRR) observed between 30 June 2022 and 30 June 2025 of 2.85%**, i.e., a net asset value of 108.80 euros for the F EUR Acc unit, or an equivalent performance over the period, with dividends reinvested, for the F EUR Ydis unit;
 - No later than **4 December 2025** if the Fund has achieved or exceeded a performance deemed appropriate and corresponding to **an internal rate of return (IRR) observed between 30 June 2022 and 31 October 2025 of 2.65%**, i.e., a net asset value of 109.11 euros for the F EUR Acc unit, or an equivalent performance over the period, with dividends reinvested, for the F EUR Ydis unit;
 - No later than **3 April 2026** if the Fund has achieved or exceeded a performance deemed appropriate and corresponding to **an internal rate of return (IRR) observed between 30 June 2022 and 27 February 2026 of 2.49%**, i.e., a net asset value of 109.42 euros for the F EUR Acc unit, or an equivalent performance over the period, with dividends reinvested, for the F EUR Ydis unit;
 - No later than **4 August 2026** if the Fund has achieved or exceeded a performance deemed appropriate and corresponding to **an internal rate of return (IRR) observed between 30 June 2022 and 30 June 2026 of 2.35%**, i.e., a net asset value of 109.74 euros for the F EUR Acc unit, or an equivalent performance over the period, with dividends reinvested, for the F EUR Ydis unit.

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

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

Under no circumstances may this investment objective be construed as an undertaking in relation to the yield or performance of the fund; the performance is not guaranteed. The fund is an actively managed UCITS. The investment manager has discretion over the composition of the portfolio, subject to compliance with the stated investment objectives and policy.

MAIN RISKS OF THE FUND

CREDIT: Credit risk is the risk that the issuer may default. **INTEREST RATE:** Interest rate risk results in a decline in the net asset value in the event of changes in interest rates. **LIQUIDITY:** Temporary market distortions may have an impact on the pricing conditions under which the Fund might be caused to liquidate, initiate or modify its positions. **DISCRETIONARY MANAGEMENT:** Anticipations of financial market changes made by the Management Company have a direct effect on the Fund's performance, which depends on the stocks selected.

The Fund presents a risk of loss of capital.

Please refer to the Fund's prospectus to view the exhaustive list of risks.

CHARACTERISTICS

Units	ISIN Code	Allocation of distributable income	Entry costs	Exit costs	Management fees and other administrative or operating costs ⁽¹⁾	Transaction costs ⁽³⁾	Performance fees
F EUR Acc ⁽³⁾	FR0014008223	Accumulation	None	None	0.64%	0,40%	None
F EUR Ydis ⁽³⁾	FR0014008231	Distribution, carried forward and/or accumulation ⁽²⁾	None	None	0.64%	0,40%	None

(1) This estimate is based on actual costs over the past year. (2) Dependent on the type of income (net income or net realised capital gains). For more details, please refer to the prospectus of the Fund. (3) 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. (3) This is an estimate of the costs incurred when we buy and sell the investments underlying the product. The actual amount varies depending on the quantity we buy and sell.

HIGH YIELD: A loan or bond rated below investment grade because of its higher default risk. The return on these securities is generally higher.

INVESTMENT GRADE: A loan or bond that rating agencies have rated AAA to BBB-, generally indicating relatively low default risk.

NET ASSET VALUE: The net asset value represents the price of a Fund's share at a given time.

MARKETING COMMUNICATION. Please refer to the KID/prospectus of the Fund before making any final investment decisions. Source: Carmignac, 31/05/2024. This is a marketing communication. This document may not be reproduced, in whole or in part, without prior authorisation from the management company. This document does not constitute a subscription offer, nor does it constitute investment advice. Past performance is not necessarily indicative of future performance. Performance is net of fees (excluding possible entrance fees charged by the distributor). The Sustainable Finance Disclosure Regulation (SFDR) 2019/2088 is a European regulation that requires asset managers to classify their funds as either "Article 8" funds, which promote environmental and social characteristics, "Article 9" funds, which make sustainable investments with measurable objectives, or "Article 6" funds, which do not necessarily have a sustainability objective. For more information, please refer to <https://eur-lex.europa.eu/eli/reg/2019/2088/oj>. The decision to invest in the promoted fund should take into account all its characteristics or objectives as described in its prospectus. Carmignac Credit 2027 is a common fund in contractual form (FCP) conforming to the UCITS Directive under French law. Access to the Fund may be subject to restrictions with regard to certain persons or countries. The Fund is not registered in North America, South America, Asia or Japan. The Funds are registered in Singapore as a restricted foreign scheme (for professional clients only). The Fund has not been registered under the US Securities Act of 1933. The Fund may not be offered or sold, directly or indirectly, for the benefit or on behalf of a "U.S. person", according to the definition of the US Regulation S and/or FATCA. The Fund presents a risk of loss of capital. The risks and fees are described in the KID (Key Information Document). The Fund's prospectus, KID and annual reports are available at www.carmignac.com, or upon request to the Management Company. The KID must be made available to the subscriber prior to subscription. The Management Company can cease promotion in your country at any time. Investors have access to a summary of their rights in English at the following links (paragraphe 6 "Summary of investor rights"): • France: https://www.carmignac.fr/en_GB/article-page/regulatory-information-3863; • Luxembourg: https://www.carmignac.lu/en_GB/article-page/regulatory-information-1385.

Carmignac Gestion - 24, place Vendôme - 75001 Paris - Tel: (+33) 01 42 86 53 35.

Portfolio management company (AMF agreement n° GP 97-08 of 13/03/1997). Public limited company with share capital of € 13,500,000 - RCS Paris B 349 501 676.

Carmignac Gestion Luxembourg - City Link - 7, rue de la Chapelle - L-1325 Luxembourg - Tel: (+352) 46 70 60 1 - Subsidiary of Carmignac Gestion.

UCITS management company (CSSF agreement of 10/06/2013). Public limited company with a share capital of € 23,000,000 - R.C. Luxembourg B 67 549.