

7 JULY 2023



**PROSPECTUS**  
**CARMIGNAC**  
**COURT TERME**

French UCITS

Under European Directive 2009/65/EC

Swiss Edition

# I – GENERAL CHARACTERISTICS

## 1. Structure of the UCITS

French Mutual Fund (FCP)

## 2. Name

CARMIGNAC COURT TERME

## 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

CARMIGNAC COURT TERME (the “Fund”) was approved by the *Autorité des marchés financiers* on 12 January 1989. It was launched on 26 January 1989 for a period of 99 years (ninety-nine years).

## 5. Fund overview

UNIT CLASS	ISIN	ALLOCATION OF DISTRIBUTABLE INCOME	BASE CURRENCY	TARGET INVESTORS	MINIMUM INITIAL SUBSCRIPTION*	MINIMUM SUBSEQUENT SUBSCRIPTION*
A EUR Acc	FR0010149161	Accumulation	Euro	All investors	None	None

\* The minimum initial subscription amount does not apply to entities belonging to the Carmignac group or to funds that it manages.

## 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 <http://www.carmignac.com>. The AMF website (<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, approved by the *Autorité des marchés financiers* (AMF) (formerly COB) as of 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 S.A., carries out the tasks described in the regulations applicable to the fund:

- Safekeeping of Fund assets
- Checking that decisions taken by the management company are lawful

- Monitoring the Fund's cash flows.

The management company has also appointed the custodian 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/solutions/asset-fund-services/depositary-bank-and-trustee-serv.html>.

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

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

### 3. Statutory 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. Investment management delegated to

BNP PARIBAS ASSET MANAGEMENT France (the "Investment Manager"), a *société par actions simplifiée* (simplified joint stock company) with its registered office at: 1, boulevard Haussmann – 75009 Paris (postal address: TSA 47000 – 75318 Paris CEDEX 09), an asset management company approved by the AMF on 19 April 1996 under number GP 96002

The investment management concerns all the Fund's assets. It is performed in compliance with applicable rules on ethics, regulatory provisions regarding UCIs, and the prospectus.

### 6. Accounting delegated to

CACEIS Fund Administration, *société anonyme* (public limited company), 1-3 Place Valhubert, 75013 Paris  
CACEIS Fund Administration is the CREDIT AGRICOLE group entity specialising in fund administration and accounting for the group's internal and external clients.

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

### 7. 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,
  - For bearer units 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 registered form or units registered in a Shared Electronic Registration System (DEEP), and 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).

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

### 8) 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 vis-à-vis 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 6pm each day on which the net asset value is calculated (D).

### 9. Registrar

- For bearer units 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 registered form or units registered in a Shared Electronic Registration System (DEEP), and 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

- 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 to be registered or units registered 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 stock market trading day of December.

- 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 CATEGORY	ISIN
A EUR Acc	FR0010149161

**• CLASSIFICATION**

Short-term variable net asset value (VNAV) money market fund.

**• INVESTMENT OBJECTIVE**

The investment objective of the fund is, over a minimum investment horizon of one day, to outperform the Eurozone money market reference indicator (capitalised €STER), less actual management fees, by investing in securities of issuers that integrate environmental, social and sustainability criteria into their operating methods.

However, in the event of negative or very low money market interest rates, the returns generated by the Fund may be insufficient to cover the management fees, resulting in a structural reduction in the Fund's net asset value.

**2. REFERENCE INDICATOR**

The reference indicator is the capitalised €STER (Bloomberg code: ESTRON)

The €STER is an interbank interest rate benchmark. In accordance with the methodology used by the European Central Bank (ECB), it is published at 8.00 am, on the basis of transactions made the day before, from Monday to Friday excluding public holidays. The €STER is based on unsecured overnight interest rates for lending between banks. These interest rates are obtained directly by the ECB as part of the collection of statistical data on the money market.

For more information about the index, please see <https://www.ecb.europa.eu>.

The management company may replace the reference indicator if one or more of the indices that make up this reference indicator undergo substantial modifications or cease to be published.

This fund is an actively managed UCITS. An actively managed UCITS is one where the investment manager has discretion over the composition of its portfolio, subject to the stated investment objectives and policy. The fund's investment universe is at least partly derived from the Reference indicator. The fund's investment strategy is not dependent on the indicator. Therefore, the fund's holdings and the weightings may substantially deviate from the composition of the indicator. There is no limit set on the level of such deviation.

**3. INVESTMENT STRATEGY****a) Strategy used****Investment process:**

The investment process is the result of a top-down approach and can be divided into four stages, the third being non-financial analysis.

**1. Macroeconomic analysis and market forecasts**

The management team holds a committee meeting every month to analyse:

- Macroeconomic developments in the major geographical areas (United States, Europe, etc.)
- The monetary policies of the main central banks (Fed, ECB)
- The money market instruments of the central banks: outstanding liquidity, reserve requirements, auctions, etc.

This analysis helps to determine the central interest rate scenario and the asset allocation to be implemented within the portfolios.

## 2. Tactical asset allocation by instrument type

- Separation into fixed- and/or floating-rate instruments
- selection of maturities: at least 7.5% of net assets in securities that mature within one day and at least 15% of net assets in securities that mature within one week (including up to 7.5% of net assets in securities that can be sold and liquidated within five working days).

## 3. Selection of sectors and issuers

Sectors and issuers (public and private) are selected based on non-financial analysis and financial stability criteria:

- financial analysis: issuers are selected based on recommendations from financial analysts specialising in credit risk
- non-financial analysis: non-financial research is based on recommendations from analysts specialising in environmental, social and governance criteria.

## 4. Selection of securities and yield curve positioning

After a list of authorised issuers has been drawn up, the management team selects securities based on their:

- Liquidity
- Profitability
- Credit quality
- Modified duration

### Interest rate risk, credit risk

In terms of interest rate risk, the weighted average maturity (WAM) of the portfolio is limited to 60 days.

WAM is the average duration until maturity of all the securities held by the Fund, adjusted to reflect the relative weighting of each security, considering that the maturity of an adjustable-rate security is the time remaining until the money market rate is next adjusted, rather than the time remaining until repayment of the principal on the security.

Derivatives will be taken into account when calculating the WAM.

In terms of credit risk, the weighted average life (WAL) of the portfolio is limited to 120 days.

WAL is the weighted average of the residual maturities of each security held by the Fund, i.e. the time remaining until the principal on the security is repaid in full.

### **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*

None

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

The securities in which the Fund can invest have (i) a legal maturity at issuance of 397 days or fewer, or (ii) a residual maturity of 397 days or fewer.

The Fund invests primarily in fixed- and/or variable- and/or adjustable-rate euro-denominated money market instruments. The Fund invests in securities from public issuers, whether or not they are guaranteed by a sovereign state, as well as in securities from private issuers.



The Fund may invest in short- and medium-term transferable securities (including negotiable European medium-term notes (NEU MTNs), euro commercial paper and negotiable European commercial paper (NEU CP) and treasury bills.

As the Fund is managed on a discretionary basis, no asset allocation constraints shall apply.

Pursuant to the derogating provisions of Article 17(7) of Regulation (EU) 2017/1131 and in compliance with the principle of risk spreading, the Fund may invest more than 5% and up to 100% of its assets (20% for issuers in emerging countries) in different money market instruments issued or guaranteed separately or jointly by administrations, institutions or organisations.

The authorised issuers included under the derogating provisions of Article 17(7) of Regulation (EU) 2017/1131 are as follows:

- The European Union
- National administrations (countries or state agencies, e.g. Republic of Singapore or the *Caisse d'amortissement de la dette sociale* - CADES), regional administrations (e.g. the 18 regions or 101 departments of France) or local administrations (e.g. the Société du Grand Paris, Rennes Métropole but also the City of Stockholm and the City of Turin) of the Member States or their central banks,
- The European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility
- A central authority or central bank of a third country (including Norway, Switzerland, Canada, Japan, Australia and the United States) such as the US Federal Reserve (Fed)
- The International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements

The fund may invest up to 20% of its net assets in securities issued by companies whose registered office is located in an emerging country (defined as a country that is not a member of the OECD).

All these securities must meet the socially responsible investment (SRI) selection criteria.

The securities held by the Fund will all be of high quality. The Investment Manager will ensure that this is the case thanks to an internal assessment process that takes into account in particular the credit quality of the instrument, the nature of the asset class, the rating and the liquidity profile. In the event of a deterioration in the quality of a money market instrument, the security or securities concerned will be sold under the best possible conditions in the interests of the unitholders. Any operating and counterparty risks inherent to the structure of the investment are subject to the Investment Manager's own evaluation process.

The Investment Manager will carry out its own analysis of the risk/reward profile of the securities (return, credit rating, 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 the credit risks and market conditions carried out by the management company.

#### *Short-term money market UCI*

In compliance with Regulation (EU) 2017/1131, the Fund may invest up to 9.99% of its net assets in units or shares of short-term money market UCITS under French or EU law.

The Fund may invest in eligible UCIs managed by BNP PARIBAS ASSET MANAGEMENT (France) or an affiliated company.

#### *Derivatives*

The Fund may intervene in regulated and/or over-the-counter French and/or foreign futures markets authorised by the Decree of 6 September 1989 and its amendments (for financial instrument contracts only).

On these markets, the Fund may deal in the following products: Interest rate swaps

All these instruments may be used to hedge the portfolio against interest rate risk. They are entered into with counterparties selected by the Investment Manager, and these may be linked to the BNP Paribas Group. The eligible

counterparty or counterparties have no power over the composition or management of the Fund's portfolio.

The Fund has no recourse to total return swaps.

#### *Securities with embedded derivatives*

In order to achieve its investment objective, the Fund may also invest up to 100% of its net assets in financial instruments with the following embedded derivatives: puttable securities for the purpose of reducing the portfolio's WAL, subject to compliance with the conditions set out in Regulation (EU) 2017/1131.

#### *Deposits and cash*

In order to achieve its investment objective or optimise its treasury management, the Fund may deposit up to 100% of its net assets with one or more credit institutions.

Cash lending is prohibited.

#### *Cash borrowings*

None.

However, in the event of exceptional redemptions, the Fund may temporarily acquire debtor status without this being the result of a management act. The debtor position will be redressed as soon as possible and in unitholders' best interests.

#### *Temporary purchase and sale of securities*

For the purpose of effective portfolio management and adhering to its investment objectives, the Fund may use reverse repurchase agreements up to a limit of 100% of its net assets and repurchase agreements up to a limit of 10% of its net assets. 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.

These transactions will be concluded with counterparties selected by the Investment Manager from among institutions with their registered office in a member state of the OECD or the European Union mentioned in article R.214-19 of the French Monetary and Financial Code. They may be carried out with companies associated with the BNP Paribas Group. The counterparties must be of high credit quality.

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**

In order to guard against counterparty default, the temporary purchase and sale of securities, as well as transactions on derivatives traded over the counter, may give rise to the delivery of collateral in the form of securities and/or cash which are held in segregated accounts by the custodian.

The eligibility of securities received as collateral is defined in accordance with the investment restrictions and based on a discount procedure established by the Investment Manager's risk management department. Securities received as collateral must be liquid and able to be sold quickly on the market. Securities received from a single issuer may not exceed 20% of the fund's net assets (except for securities issued or guaranteed by an eligible OECD Member State, for which this limit may be increased to 100% provided that this is divided between six issues, none of which may represent more than 30% of the fund's net assets) in accordance with the conditions set out in applicable regulations. They must be issued by an entity other than the counterparty.

ASSETS
Cash (EUR)
Fixed income securities

Securities issued or guaranteed by a government of one of the eligible OECD countries The Fund may receive as collateral, for more than 20% of its net assets, securities issued or guaranteed by an eligible OECD Member State. As such, the Fund may be fully guaranteed by securities issued or guaranteed by a single eligible OECD Member State.
Supranational securities and securities issued by government agencies
Debt securities and bonds issued by private issuers
Money market instruments issued by private issuers
Units or shares of money market UCITS (1)

(1) Only UCITS managed by BNP PARIBAS ASSET MANAGEMENT Holding Group companies.

Non-cash collateral must not be sold, reinvested or pledged and is kept in a segregated account with the custodian.

Cash collateral received may be reinvested in accordance with AMF position 2013-06. This means cash received may be placed on deposits, invested in high-quality government bonds, used in reverse repurchase agreements or invested in short-term money market UCITS.

For repurchase and reverse repurchase agreements, the Fund also complies with the provisions set out in Articles 14 and 15 of Regulation (EU) 2017/1131, in particular:

- the cash received may be placed on deposits or invested in money market instruments issued or guaranteed in accordance with the terms and conditions set out in Article 15(6) of Regulation (EU) 2017/1131;
- the assets received may not be sold, reinvested, pledged or otherwise transferred;
- the assets received are sufficiently diversified with a maximum exposure to a given issuer of 15% of the Fund's net assets.

## 5. RISK PROFILE

The Fund invests in financial instruments and, where applicable, UCIs selected by the Investment Manager. 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:** The discretionary management style is based on expectations regarding the performance of different markets in the investment universe. There is a risk that the Fund might not be invested in the best-performing markets at all times.
- b) **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.
- c) **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.
- d) **Risk of capital loss:** the Fund 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.
- e) **Counterparty risk:** counterparty risk arises from all the OTC financial contracts concluded with a single counterparty, such as temporary purchases/sales of securities and any other derivative contract concluded over the counter. Counterparty risk measures the risk of loss incurred by the Fund due to a counterparty in a transaction defaulting on its obligations before the definitive settlement of the transaction via financial flows. In order to reduce the Fund's exposure to counterparty risk, the Investment Manager may establish a financial guarantee in favour of the Fund.
- f) **Risks associated with temporary purchases and sales of securities:** the use of these transactions and management of their collateral may carry certain specific risks, such as operational risks and custody risk. Use of these transactions may therefore have a negative effect on the Fund's net asset value.
- g) **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.
- h) **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.
- i) **Emerging market risk:** The operating and supervision conditions of emerging markets may deviate from the standards prevailing on the major international markets, and price variations may be high. These variations may be even greater if the markets are very small, hard to access, or at the start of their development as in the case of frontier markets.

**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.

The underlying investments of this financial product do not consider the European Union's criteria regarding environmentally sustainable economic activities.

## 6. TARGET SUBSCRIBERS AND INVESTOR PROFILE

The Fund is open to all investors and more specifically to investors seeking short-term returns on low-risk investments.

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

Investors include institutions (including associations, pension funds, paid leave funds and all non-profit organisations), legal entities and natural persons. The fund's investment policy meets the needs of certain company treasurers, institutions subject to tax and high net worth individuals.

The recommended investment period is at least one day.

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. Investors are also advised to sufficiently diversify their investments to avoid being exposed to the risks of this fund only.

## 7. ALLOCATION OF DISTRIBUTABLE INCOME

DISTRIBUTABLE INCOME	ACC UNITS
Allocation of net income	Accumulation (dividends are recorded on an accruals basis)
Allocation of net realised capital gains or losses	Accumulation (dividends are recorded on an accruals basis)

## 8. FREQUENCY OF DISTRIBUTIONS

No dividends are distributed for an accumulation fund.

## 9. CHARACTERISTICS OF THE UNITS

EUR units are denominated in euro.

Thousandths of units may be issued.

## 10. SUBSCRIPTION AND REDEMPTION PROCEDURES

Subscription and redemption requests are received and centralised each trading day

(D) before 6pm (except on French public holidays),

- by BNP PARIBAS S.A. for bearer units to be registered or units registered 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.

### *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 Saturdays, Sundays and public holidays in France. The list of these holidays can be obtained from the centralising agent on request.

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

Orders are executed on the basis of the table below:

D	D	D: NAV DATE	D+1	D+3 WORKING DAYS MAX.	D+3 WORKING DAYS MAX.
Centralisation of subscription requests before 6pm*	Centralisation of redemption requests before 6pm*	Order execution by D at the latest	NAV publication	Settlement of subscriptions	Settlement of redemptions

\* Unless another deadline is agreed with your financial institution.

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 6pm (CET/CEST) 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 list of these holidays can be obtained from the centralising agent on request.

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.

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

Carmignac Gestion, address: 24, place Vendôme, 75001 Paris.

The net asset value announced at 3pm each day shall be used for the calculation of the subscriptions and redemptions received before 6pm on the previous day.

The net asset value is shown at Carmignac Gestion and published on the Carmignac Gestion website: <http://www.carmignac.com>.

**11. FEES AND EXPENSES****a) Subscription and redemption fees**

Subscription fees increase the subscription price paid by the investor, while redemption fees decrease the redemption price. The fees charged by the Fund serve to offset the costs incurred by the Fund to invest and disinvest investors' monies. Fees not paid to the Fund are attributed to the Management Company, the Fund Promoter, etc.

EXPENSES PAYABLE BY THE INVESTOR, DEDUCTED AT THE TIME OF SUBSCRIPTIONS AND REDEMPTIONS	BASIS	RATE
Maximum subscription fee payable to third parties, inclusive of tax	net asset value X number of units	1%
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**

These fees cover all the costs invoiced directly to the Fund, except transaction costs. Transaction costs include intermediary fees (brokerage, stock market taxes, etc.) as well as transaction fees, if any, that may be charged by the custodian and the management company in particular. The following fees may be charged in addition to the management and administration fees:

- Performance fees. These reward the management company if the Fund exceeds its objectives. They are therefore charged to the Fund;
- Transaction fees charged to the Fund,
- A portion of the income from temporary purchases or sales of securities

	FEES CHARGED TO THE FUND	BASIS	RATE
1 and 2	Financial management and administration fees external to the management company	Net assets	A EUR Acc: 0.75% inclusive of tax Maximum rate
4	Transaction fees charged by the management company	Maximum payable per transaction	None
5.	Performance fee	Net assets	None

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

*The management company has 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.

*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.
  - Extraordinary, one-off costs for recovering a debt or exercising a right (e.g. class action), only where the outcome is in the fund's favour, and when the fund has actually received the money.
- Information on these charges is also provided ex-post in the fund's annual report.

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

The Fund is a direct counterparty in repurchase agreements and receives the entire payment  
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***

The Investment Manager uses a multi-criteria approach in order to select intermediaries that guarantee the best execution of stock market orders. The criteria applied are both quantitative and qualitative and depend on the markets for which the intermediaries provide services, in terms of both geographical area and instruments.

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

## **IV - COMMERCIAL INFORMATION**

Publication of information about the Fund:

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

The prospectus is 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 as bearer units 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 <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

At present, the applicable investment rules, regulatory ratios and temporary provisions are taken from the French Monetary and Financial Code and Regulation (EU) 2017/1131.

## VI - OVERALL RISK

Overall risk is calculated using the commitment method.

## VII - ASSET VALUATION RULES

### 1. Valuation rules

The Fund complies with applicable regulatory accounting rules and, in particular, the UCITS chart of accounts.

The accounting currency is the euro.

All portfolio securities are recognised at market price, excluding charges.

The Fund's NAV on a given day (D) is calculated on D+1 based on the closing prices on D.

Portfolio futures and options 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 on each NAV date and when the accounts are being prepared, using the following methods:

#### **LISTED FINANCIAL INSTRUMENTS:**

Listed financial instruments are valued at market value, dirty price (closing).

However, financial instruments whose price was not observed on the valuation day or has been adjusted, and securities not traded on a regulated market, are measured by the Investment Manager at their probable trading value.

#### **FUNDS:**

Funds are valued at their last known NAV. Otherwise, they are valued at their last estimated NAV.

#### **TRANSFERABLE DEBT SECURITIES AND SIMILAR:**

If it is not possible to value at market price or market data is of insufficient quality, the money market fund's assets are valued prudently using a model-based approach.

#### **TEMPORARY PURCHASE AND SALE OF SECURITIES:**

Repurchase and reverse repurchase agreements are valued at market price.

#### **FUTURES AND OPTIONS:**

Futures are valued at the daily settlement price.

The off-balance-sheet valuation is calculated based on the nominal settlement price and, where applicable, the exchange rate.

Interest rate and currency swaps are measured at their market value.

The off-balance-sheet commitment of the swaps corresponds to the nominal value, plus fixed-leg interest where applicable.

Options are measured at the daily closing price or, failing that, at their last known price.

The off-balance-sheet valuation is calculated at the equivalent value of the underlying depending on the delta and the price of the underlying and, where applicable, the exchange rate.

Securities received as collateral are valued daily at market price.

## 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 <http://www.carmignac.com>. A printout of the policy is available free of charge upon request.

# IX. ASSESSING CREDIT RISK

## 1. Purpose of assessing credit risk

The Investment Manager implements a credit quality assessment system in order to ensure investment in assets with good credit quality. This assessment system relies on internal work by the Investment Manager as well as publicly available information.

The methods used to assess credit quality are reviewed at least once a year by the Investment Manager to determine whether they are still appropriate.

If the Investment Manager uncovers any flaws in these credit quality assessment methods or how they are applied, it must take corrective action immediately.

## 2. Scope of assessing credit risk

The credit risk assessment process concerns financial institutions, companies, states, local authorities and

supranational bodies.

The investment universe covered by the Research teams is communicated internally every quarter, in a formal and transparent manner.

### 3. Parties involved in the assessment process

When the Investment Manager's Research teams analyse an issuer, they gather available public information (interim reports, financial communications, independent macroeconomic forecasts, etc.) and produce an initial assessment.

The Investment Manager's Risk department then produces its own independent score based on the credit analysts' internal ratings to determine the issuer's credit quality in accordance with the MMF Regulation. The Risk department also puts exposure limits before the Credit Committee, which comprises one representative each from the Risk, Research and management teams, and is chaired by the Risk department. The Credit Committee reviews and validates the management limits. If there is a lack of unanimity, the Risk department ultimately validates the assessment of creditworthiness.

### 4. Frequency of assessment

The Research and Risk analysts are responsible for updating the assessments they have made on the portfolio issuers, as well as for validating and reviewing the methodology on an annual basis. The assessments are updated continually and at the very least upon publication of the issuers' annual reports.

### 5. Elements used when assessing credit quality

- Type of data used

The analysts only use publicly available information, most of which has been published by the issuers. Financial intermediaries (brokers or investment banks) are another source of information. The team also subscribes to independent research providers, some of whom have developed specialist sector-based expertise.

- Keeping audit trails of used data

The sources used in written analysis are indicated in the analysis memos. All publications by the analysis team are archived in a dedicated intranet tool available to all the fund managers, the Risk Management team and the relevant users.

### 6. Description of the methodology

#### 1. Assessment by the Research teams

- Prospective analysis

The Research teams cover at least the following areas:

- a) Market outlook: an in-depth analysis by industry is carried out, concerning the outlook for the credit quality of a large universe of issuers within the different portfolios. Each industry is assessed independently according to its economic cycle.
- b) Intrinsic value of the issuer: the Research team prepares an assessment of the issuer's intrinsic value based on quantitative factors linked to the issuer and its industry, as well as on qualitative factors such as the quality of the management team.
- c) Event risk: the Research team assesses the probability and potential impact of events that may have a positive, neutral or negative effect on the credit quality in three months' time.

- d) Expected credit rating: 18-month projection of the credit rating, using the S&P scale and based on ratings awarded by external rating agencies.
  - e) Credit rating floor: 18-month projection of the credit rating in a significantly adverse scenario, using the S&P scale and based on ratings awarded by external rating agencies. The expected rating and the rating floor are assessed for products that are sensitive to changes in the rating and may be considered as an indicator of credit rating downgrade risk.
- Static analysis: the “stability” rating

The static assessment is complementary to the prospective analysis and is applied to issuers with an investment grade rating. The static rating should be combined with the issuer’s intrinsic value to get a more complete picture of the credit risk because it is a forward-looking view.

## 2. Assessment by the Risk department

The Credit Risk Management team primarily uses the internal ratings produced by the Credit Research team, but also those established by ratings agencies or other external accounts analysis providers, to eventually produce a ratings overview using the Risk team’s proprietary concordance table.

A single ratings scale for all issuers (banks, businesses, governments, local authorities, agencies, supranational bodies, etc.), comprising five rating categories, means that they can be ranked regardless of their legal form, activity, size and location. All issuers with the same internal rating have the same default risk. Only securities issued by issuers in the first four categories are eligible.

## 3. Credit limit calibration

- Eligible credit universe

The universe of eligible issuers pursuant to Regulation (EU) 2017/1131 is reviewed periodically at Credit Committee meetings to ensure compliant selection criteria.

- Asset ceiling

In order to define the overall amount that can be invested in a banking or corporate issuer, asset ceiling rules have been created to set structural limits for the level of commitment or exposure to an issuer in respect of its financial position and repayment capacity, and – with regard to liquidity – to retain an ability to actively manage market reversals with a view to minimising a trading price discrepancy in the event of having large quotas to sell.

In this context, according to the balance sheet structure and/or the level of financial information available, preference is given to a maximum authorisation level calculated using the capital level of the issuer or business group and cross-checked with the issuer’s rating, or to an authorisation ceiling determined by the debt level based on previous market issues by the issuer in question.

- Granting authorisations

The Credit Risk Committee is the body responsible for validating existing or proposed authorisations, amending or removing limits on issuers (internal rating downgrades below the eligibility threshold, etc.) and disseminating information on any critical matter (internal or external rating downgrades, market rumours, etc.)

This Committee is chaired by the Risk department and meets regularly (at least once a quarter) and sometimes on an extraordinary basis. The Credit Risk Committee is attended by the Credit Research and Risk teams and management.

Away from Credit Risk Committee meetings, the Risk department may open authorisation procedures on request provided the selection criteria are met. These authorisations are then submitted to and reviewed by the Credit Risk Committee.

- Monitoring compliance with the limits

The Credit Risk Management team ensures that the money market funds respect the limits for each issuer and asks the Management team to explain any breach in order to assess whether such a breach is justified and determine the way forward.

## ANNEX

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 COURT TERME

Legal entity identifier: 969500GBDAX5I1RMT89

### Environmental and/or social characteristics

**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.

#### 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 **15%** 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 financial product promotes environmental and social characteristics by assessing the underlying investments, taking environmental, social and governance (ESG) criteria into account using a proprietary ESG methodology and investing in issuers that can demonstrate sound environmental, social and governance practices.

- Issuers

The investment strategy entails selecting issuers with the best ESG practices in their sector, through: Positive screening based on the “selectivity” principle. This involves assessing an issuer’s ESG performance using a set of environmental, social and governance factors, including:

- Environmental: global warming and combating greenhouse gas emissions, energy efficiency, conservation of natural resources, carbon emissions and energy intensity
- Social: management of jobs and restructuring, workplace accidents, training policy, remuneration, staff turnover rate and PISA (Programme for International Student Assessment) score
- Corporate governance: the independence of the board of directors from the general management, respecting the rights of minority shareholders, separating the management and control functions, fighting corruption, respecting the freedom of the press

Negative screening through the application of exclusion criteria in relation to issuers that contravene international standards and conventions or operate in sensitive sectors as defined in the responsible business conduct policy (“RBC Policy”).

- Sovereign issuers

The investment strategy entails selecting sovereign issuers based on their performance on environmental, social and governance pillars. The ESG performance of each country is assessed using proprietary sovereign ESG methodology focused on assessing the government’s efforts to produce and protect assets, goods and services that are highly valuable from an ESG perspective, depending on the country’s level of economic development. In this context, countries are assessed using a set of environmental, social and governance factors, including:

- Environmental: climate change mitigation, biodiversity, energy efficiency, natural resources, pollution
- Social: living standards, economic inequality, education, employment, healthcare infrastructure, human capital
- Governance: corporate law, corruption, democracy, political stability, security

The sustainable development strategy of BNP Paribas Asset Management (the investment manager) is centred on the fight against climate change. Sovereign issuers have an important role to play in combating climate change, which is why the internal ESG methodology for governments includes an additional rating component that reflects the country’s contribution to achieving the carbon neutrality goals set out in the Paris Agreement. This additional rating component reflects countries’ commitment to achieving future goals and considers their current policies as well as their potential exposure to physical climate risk. It combines the temperature alignment methodology used to determine countries’ contributions to climate change with an assessment of legislation and policies enacted to combat it.

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

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



The investment manager also applies the BNP Paribas Group’s framework for sensitive countries, which includes restrictions on certain countries and/or activities considered to have particularly high exposure to the risks associated with money laundering and the financing of terrorism.

Furthermore, the investment manager seeks to promote best practices by implementing a policy of active engagement with companies in relation to responsible practices (individual and collective engagement with companies, general meeting voting policy).

No reference benchmark has been selected to attain the environmental or social characteristics promoted by the financial product.

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

The following sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by the financial product:

- The percentage of the financial product’s portfolio that complies with the RBC Policy
- The percentage of the financial product’s portfolio (excluding cash held on an ancillary basis) covered by ESG analysis using the proprietary ESG methodology
- The percentage by which the financial product’s investment universe is reduced through the exclusion of securities with low ESG scores and/or sector exclusions in accordance with the RBC Policy
- The average weighted ESG score of the financial product’s portfolio compared with the average weighted ESG score of the reference investment universe
- The percentage of the financial product’s portfolio that is invested in “sustainable investments” as defined in article 2 (17) of the SFDR.

● ***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?***

The purpose of the financial product’s sustainable investments is to finance companies that contribute to environmental and/or social objectives through their products and services, as well as through sustainable practices. The definition of “sustainable investment” in the proprietary methodology includes various essential criteria for determining whether a company qualifies as “sustainable”. These criteria complement one another. In practice, an issuer must meet at least one of the criteria below to be considered to contribute to an environmental or social objective:

1. A company whose economic activity is aligned with the EU Taxonomy
2. A company whose economic activity contributes to one or more of the United Nations Sustainable Development Goals (UN SDG)
3. A company operating in a sector with high GHG emissions that is adapting its business model to achieve the objective of keeping the global temperature rise below 1.5°C
4. A company applying “best-in-class” environmental or social practices in relation to its peers in the relevant sector and region.

Green bonds, social bonds and sustainable bonds issued to support specific environmental and/or social projects also qualify as sustainable investments provided that such debt securities receive a “POSITIVE” or “NEUTRAL” investment recommendation from the Sustainability Center following an assessment of the issuer and underlying project based on a proprietary methodology for assessing green/social/sustainable bonds.

Companies identified as sustainable investments must not cause significant harm to any other environmental or social objectives (the “do no significant harm” principle) and must apply good governance practices. BNP Paribas Asset Management (BNPP AM) uses its internal methodology to assess all companies with respect to these requirements.

The website of the fund’s investment manager provides more detailed information on the internal methodology: <https://www.bnpparibas-am.com/sustainability-documents/>

***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?***

The sustainable investments that the product partially intends to make must not cause significant harm to any environmental or social objective (the “do no significant harm” principle). In this regard, the investment manager undertakes to analyse the principal adverse impacts on sustainability factors by considering the indicators of adverse impacts defined in the SFDR. It also undertakes not to invest in issuers in breach of the standards established by the OECD guidelines and the United Nations guidelines on companies and human rights.

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

Throughout the investment process, the investment manager ensures the financial product takes into account the principal indicators for adverse impacts that are relevant to its investment strategy. It does so in order to select sustainable investments for the financial product by systematically implementing, as part of its investment process, the sustainable investment pillars defined in the BNP Paribas Asset Management Global Sustainability Strategy (GSS): RBC Policy, ESG Integration; Voting, dialogue and engagement policy, Forward-looking perspective: the “3Es” (Energy transition, Environmental sustainability, Equality & inclusive growth).

The RBC Policy establishes a common framework for all investments and economic activities that helps to identify sectors and behaviours presenting a high risk of adverse impacts in contravention of international standards. As part of the RBC Policy, sector-specific policies establish a tailored approach to identifying and prioritising principal adverse impacts based on the nature of the economic activity and, in many cases, the geographic region in which it takes place.

The ESG Integration Guidelines include a series of commitments that are important for mitigating the principal adverse impacts on sustainability factors and guiding the internal ESG integration process. The proprietary ESG rating methodology includes an assessment of a number of adverse impacts on sustainability factors caused by the companies in which we invest. The results of this assessment may have an impact on valuation models and the portfolio construction process, depending on the severity and scale of the adverse impacts identified.

The management company therefore takes principal adverse impacts on sustainability factors into account throughout the investment process by using proprietary ESG scores and building a portfolio with a better ESG profile than that of its reference investment universe.

As part of its forward-looking perspective, the management company has defined a set of performance targets and indicators that can be used to measure the extent to which its research, portfolios and engagement efforts align with the three key themes identified (the “3Es”: Energy transition, Environmental sustainability, Equality & inclusive growth) in order to support all investment processes.

Furthermore, the team responsible for the stewardship policy regularly identifies adverse impacts through ongoing research, collaboration with other investors and dialogue with NGOs and other experts.

The indicators of adverse impacts on sustainability factors used in this regard are listed below.

Mandatory indicators applicable to companies:

1. Greenhouse gas emissions (GHG)
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Voluntary indicators applicable to companies:

Environmental indicators

4. Investments in companies with no initiatives to reduce carbon emissions

Social

4. Lack of a supplier code of conduct
9. Lack of a human rights policy

Mandatory indicators applicable to sovereign assets:

15. GHG intensity
16. Investee countries subject to social violations

The BNPP AM “SFDR Disclosure Statement: Sustainability Risk Integration and PASI Considerations” contains detailed information on the consideration of principal adverse impacts on sustainability factors.

<https://docfinder.bnpparibas-am.com/api/files/874ADAE2-3EE7-4AD4-B0ED-84FC06E090BF>

Furthermore, the financial product’s annual report explains how principal adverse impacts on sustainability factors are taken into account during the year.

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

The sustainable investments are analysed on a regular basis to identify issuers that are potentially in breach of the United Nations Global Compact principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. This assessment is conducted within the BNPP AM Sustainability Center based on internal analysis and information provided by external experts, and in consultation with the BNP Paribas Group CSR team. Issuers associated with serious and repeated breaches of these principles are placed on an “exclusion list” and no longer eligible for investment. Existing investments must be withdrawn from the portfolio in accordance with an internal procedure. If an issuer is considered at risk of non-compliance with one of these principles, it is placed on a “watchlist”,

if applicable.

*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 product takes principal adverse impacts on sustainability factors into account by systematically implementing the responsible investment pillars defined in the GSS as part of its investment process. These pillars are governed by company-level policies that define identification, assessment and prioritisation criteria and describe how adverse impacts on sustainability factors caused by issuers are to be managed or mitigated.

The RBC Policy establishes a common framework for all investments and economic activities that helps to identify sectors and behaviours presenting a high risk of adverse impacts in contravention of international standards. As part of the RBC Policy, sector-specific policies establish a tailored approach to identifying and prioritising principal adverse impacts based on the nature of the economic activity and, in many cases, the geographic region in which it takes place.

The ESG Integration Guidelines include a series of commitments that are important for mitigating the principal adverse impacts on sustainability factors and guiding the internal ESG integration process. The proprietary ESG rating methodology includes an assessment of a number of adverse impacts on sustainability factors caused by the companies in which we invest. The results of this assessment may have an impact on valuation models and the portfolio construction process, depending on the severity and scale of the adverse impacts identified.

The investment manager therefore takes principal adverse impacts on sustainability factors into account throughout the investment process by using proprietary ESG scores and building a portfolio with a better ESG profile than that of its reference investment universe.

As part of its forward-looking perspective, the investment manager has defined a set of performance targets and indicators that can be used to measure the extent to which its research, portfolios and engagement efforts align with the three key themes identified (the “3Es”: Energy transition, Environmental sustainability, Equality & inclusive growth) in order to support all investment processes.

Furthermore, the team responsible for the stewardship policy regularly identifies adverse impacts through ongoing research, collaboration with other investors and dialogue with NGOs and other experts.

The measures aimed at managing or mitigating principal adverse impacts on sustainability factors depend on the severity and scale of these impacts. These measures are based on the RBC Policy, the ESG Integration Guidelines and the Engagement and Voting Policy, which include the following provisions:

- Exclusion of issuers in breach of international standards and conventions and issuers involved in activities posing an unacceptable risk to society and/or the environment
- Dialogue with issuers in order to encourage them to improve their environmental, social and governance practices and, in so doing, mitigate potential adverse impacts
- Voting at the annual general meetings of portfolio companies to promote good governance and progress on environmental and social matters
- Ensuring that all portfolio securities are backed up by conclusive ESG research
- Managing the portfolios by ensuring that their overall ESG score is higher than that of the index or reference universe

Based on the above approach and depending on the underlying assets, the financial product takes into account and manages or mitigates the principal adverse impacts on sustainability factors listed below.

Mandatory indicators applicable to companies:

1. Greenhouse gas emissions (GHG)
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Voluntary indicators applicable to companies:

Environmental indicators

4. Investments in companies with no initiatives to reduce carbon emissions

Social

4. Lack of a supplier code of conduct
9. Lack of a human rights policy

Mandatory indicators applicable to sovereign assets:

15. GHG intensity
16. Investee countries subject to social violations

The BNPP AM “SFDR Disclosure Statement: Sustainability Risk Integration and PASI Considerations” contains detailed information on the consideration of principal adverse impacts on sustainability factors. <https://docfinder.bnpparibas-am.com/api/files/874ADAE2-3EE7-4AD4-B0ED-84FC06E090BF>

Furthermore, the financial product’s annual report explains how principal adverse impacts on sustainability factors are taken into account during the year.

 **No**



## What investment strategy does this financial product follow?

**Investment objective:** The objective of the FCP, classified as a standard money market variable net asset value (VNAV) fund, over a minimum investment period of one month, is to obtain performance equal to or above that of the Eurozone money market reference indicator (compounded €STR), after ongoing charges are taken into account, by investing in securities that take good governance and/or sustainable development criteria into account, on the basis of analysis conducted by the investment manager. In an environment of very low money market interest rates, the return achieved by the FCP may not be sufficient to cover management costs, and the net asset value of the FCP may experience a structural decline. The FCP’s investment policy is based on active management. Its reference indicator is used solely for comparison purposes. The portfolio manager is therefore free to choose the securities that make up the portfolio in accordance with the management strategy and investment restrictions.

**Key features of the FCP:** The investment process can be divided into four stages: macroeconomic analysis and market forecasts, tactical asset allocation by instrument type, selection of issuers and sectors, and selection of securities and yield curve positioning. The FCP is made up of investments in directly held securities and undertakings for collective investment (funds), selected using an assessment model that combines quantitative and qualitative analysis. The FCP has obtained the socially responsible investment (SRI) label. It follows an SRI strategy for directly held securities that entails selecting and assessing securities on the basis of non-financial criteria, and covers environmental (E), social (S) and governance (G) factors. These criteria are defined on the basis of the investment manager’s non-financial research, which is conducted in advance of the financial analysis. The FCP’s SRI strategy is based on a best-in-class approach aimed at identifying leading issuers in each sector (for corporate issuers) or geographical area (for governments) based on the ESG criteria identified. This analysis is tailored to the key issues in each issuer category. As part of its investment strategy, the FCP invests at least 90% of its net assets (excluding cash held on an ancillary basis in a sight account) in securities and funds whose ESG criteria have undergone analysis. It follows a “selective” approach whereby the non-financial investment universe is reduced by at least 20%. The non-financial investment universe is defined as comprising short-dated corporate bonds denominated in euro.

- a) **Regarding investments in directly held securities:** The analysis criteria for selected issuers comply with the following ESG standards: compliance with sector-wide policies on controversial activities; exclusion of issuers that repeatedly breach one or more of the 10 principles of the United Nations Global Compact and/or the OECD Guidelines for Multinational Enterprises; exclusion of issuers deriving over 10% of turnover from controversial activities such as alcohol, tobacco, weapons, gambling and pornography; and exclusion of issuers with the worst ESG practices in each business sector. The dedicated team of ESG analysts assess both corporate issuers and governments using the ESG criteria defined by the investment manager. For example, environmental analysis may cover energy efficiency, social analysis may cover management of diversity, and governance analysis may cover the fight against corruption.
- b) **Regarding indirect investments via funds:** The management team selects funds via ESG screening or a best-in-class approach for the purposes of investing in the companies with the best ESG practices in their sector.
- c) **Key methodological limits to the non-financial strategy:** Certain companies held in the portfolio may have imperfect ESG practices and/or exposure to sectors facing major environmental, social or governance challenges. In terms of interest rate risk, the weighted average maturity (WAM) of the portfolio is limited to 60 days. In terms of credit risk, the weighted average life (WAL) of the portfolio is limited to 120 days. No securities have a lifecycle longer than two years, meaning that the time remaining until the next update of the interest rate is always 397 days or fewer. The FCP may invest more than 5% and up to 100% of its assets (20% for issuers in emerging countries) in different money market instruments issued or guaranteed separately or jointly by issuers authorised in the context of the derogating provisions of Article 17(7) of Regulation (EU) 2017/1131.

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



The FCP may invest 100% of its net assets in money market instruments, including negotiable debt securities or bonds, denominated in euro and/or other currencies (in which case systematic currency hedging through derivatives is used) issued by corporate, public or supranational issuers from any country. The FCP may invest up to 20% of the net assets in securities issued by companies headquartered in an emerging country.

The portfolio is made up of investment-grade securities. The investment manager uses an internal credit quality assessment process to ensure that the money market instruments in which the FCP invests qualify as investment grade. The investment manager uses internal resources to assess credit risk for the purposes of selecting the FCP’s securities; ratings issued by rating agencies are used neither exclusively nor systematically. External ratings are used as part of the overall assessment of the credit quality of an issue or issuer, which the investment manager uses as a basis when determining its own convictions regarding security selection. Corporate debt may represent up to 100% of the net assets.

The portfolio manager may invest in derivatives traded on regulated and/or over-the-counter, French and/or foreign futures markets in order to hedge the portfolio against interest rate and/or currency risk. Securities in foreign currencies are systematically hedged via derivatives. Investors residing in France or another Eurozone country have no exposure to currency risk.

Elements of the investment strategy aimed at attaining the environmental or social characteristics promoted by this financial product, described below, are systematically incorporated throughout the investment process.

● ***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 financial product must comply with the RBC Policy by excluding companies implicated in controversies relating to poor practices on human rights, employment rights, the environment and corruption, as well as issuers operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos, etc.) on the grounds that such companies are considered in breach of international standards or the cause of unacceptable damage to society and/or the environment. Further information on the RBC Policy, and in particular on the criteria for sector exclusions, are accessible on the management company’s website: Sustainability documents - BNPP AM Corporate English (<https://www.bnpparibas-am.com/sustainability-documents/>)
- The financial product will systematically integrate relevant ESG criteria into its investment analysis and decision-making processes
- ESG analysis based on proprietary ESG methodology must cover at least 90% of the financial product’s assets (excluding cash held on an ancillary basis)
- The financial product’s investment universe will be reduced by at least 20% through the exclusion of securities with low ESG scores and/or sector exclusions in accordance with the RBC Policy
- The average weighted ESG score of the financial product’s portfolio must be higher than the average weighted ESG score of its investment universe



- The financial product will invest at least 15% of the assets in “sustainable investments” as defined in Article 2 (17) of the SFDR. The criteria used to classify an investment as a “sustainable investment” are set out above in answer to the question “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?”. The quantitative and qualitative thresholds can be found in the methodology available on the investment manager’s website.

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

The financial product’s investment universe will be reduced by at least 20% through the exclusion of securities with low ESG scores and/or sector exclusions in accordance with the RBC Policy

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

The ESG rating methodology involves assessing corporate governance using a set of standard key performance indicators for all sectors, coupled with sector-specific indicators.

Indicators relating to good governance practices, in particular as regards sound management structures, employee relations, remuneration of competent staff and compliance with tax obligations, include:

- Separation of powers (e.g. between the managing director and the chair)
- Diversity on the Board of Directors
- Director remuneration (remuneration policy)
- Independence of the Board of Directors and key committees
- Accountability of directors
- Financial expertise of the Audit Committee
- Respect for shareholders’ rights and absence of anti-takeover mechanisms
- Existence of suitable policies (e.g. the fight against corruption, whistleblowing)
- Tax transparency
- Assessment of past governance incidents

The ESG analysis goes further than this framework to achieve a more qualitative assessment of the way in which the information in our ESG model is reflected in investee companies’ culture and activities.

In certain cases, ESG analysts will attend due diligence meetings (dialogue) to better understand a company’s approach to corporate governance.

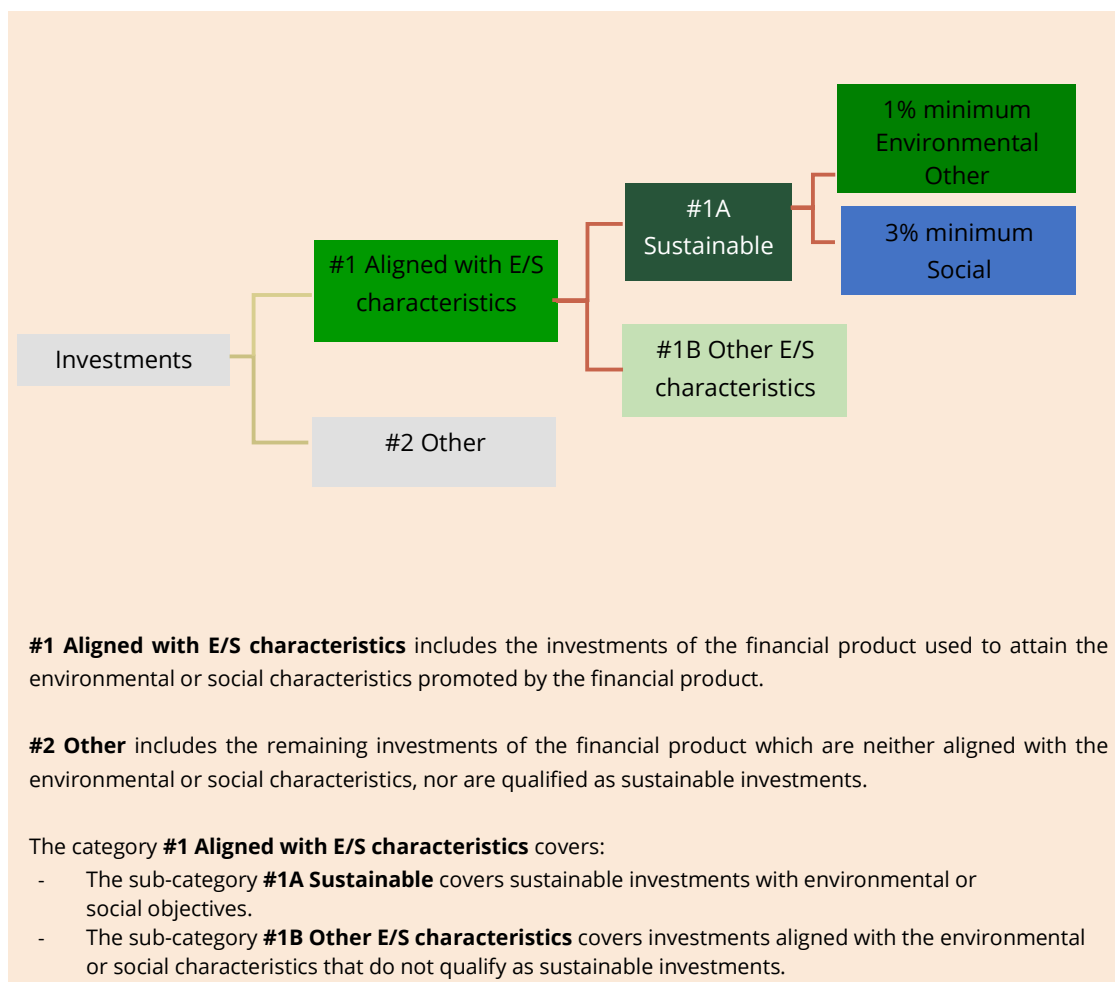
**Good governance**

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



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

The investments used to meet the environmental or social criteria promoted by the financial product, taking into account the binding elements of its investment strategy, represent the proportion of assets with a positive ESG score coupled with a positive E or S score, and the proportion of assets that qualify as sustainable investments under BNPP AM's internal ESG methodology. The minimum proportion of investments used to meet the environmental or social criteria promoted by the financial product is 50%. The percentage stated represents a minimum commitment; the actual percentage of the financial product's investments achieving the environmental or social characteristics promoted will be indicated in the annual report. The minimum proportion of sustainable investments is 15%.



The remainder of the investments may include:

- The proportion of assets not achieving the standards set by the management company, i.e. assets that do not have a positive ESG score coupled with a positive E or S score and assets that do not qualify as sustainable investments. These assets are used for investment purposes. Or
- Instruments used mainly for the purposes of liquidity, efficient portfolio management and/or hedging, such as cash, deposits and derivatives.

The management company will ensure that such investments do not adversely affect the financial product's ESG profile. Furthermore, these investments are conducted in accordance with our internal processes, and with the following minimum environmental or social safeguards:

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

Taxonomy-aligned activities are expressed as a share of:

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

- The risk management policy. The risk management policy sets out mandatory procedures allowing the management company to assess the exposure of each of the financial products it manages to market, liquidity, sustainability and counterparty risk
- The RBC Policy, if applicable, by excluding companies implicated in controversies relating to poor practices on human rights, employment rights, the environment and corruption, as well as issuers operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos, etc.) on the grounds that such companies are considered in breach of international standards or the cause of unacceptable damage to society and/or the environment

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

Derivatives can be used for the purposes of efficient portfolio management and/or hedging and/or investment, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



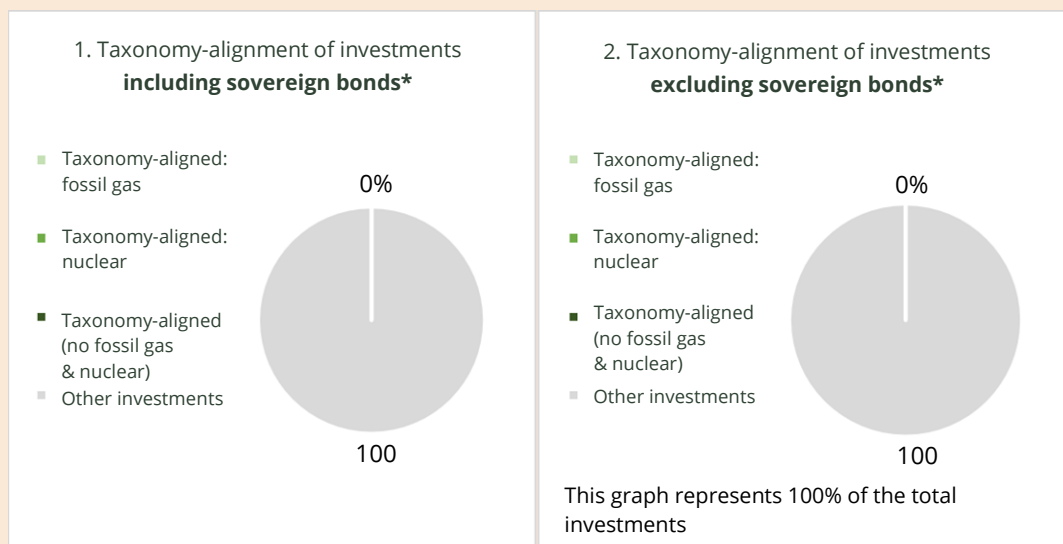
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

N/A.

- **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.**



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

N/A.

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?

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 1%.

This minimum share is deliberately low because the investment manager does not wish to prevent the product from investing in activities aligned with the EU Taxonomy Regulation as part of the product's investment strategy.

Accordingly, the investment manager is currently improving its systems for collecting data on alignment with the EU Taxonomy in order to guarantee that the information it publishes in relation to sustainability under the EU Taxonomy is accurate and sufficient. In the meantime, the financial product will invest in sustainable investments whose environmental objectives are not aligned with the EU Taxonomy Regulation.



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

Socially sustainable investments must represent at least 1% of the financial product.



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

The remainder of the investments may include:

- The proportion of assets not achieving the standards set by the investment manager, i.e. assets that do not have a positive ESG score coupled with a positive E or S score and assets that do not qualify as sustainable investments. These assets are used for investment purposes
- 
- Instruments used mainly for the purposes of liquidity, efficient portfolio management and/or hedging, such as cash, deposits and derivatives.

The management company will ensure that such investments do not adversely affect the financial product's ESG profile. Furthermore, these investments are, where applicable, conducted in accordance with our internal processes, including the following minimum environmental or social safeguards:

- The risk management policy. The risk management policy sets out mandatory procedures allowing the management company to assess the exposure of each of the financial products it manages to market, liquidity, sustainability and counterparty risk
- 
- The RBC Policy, if applicable, by excluding companies implicated in controversies relating to poor practices on human rights, employment rights, the environment and corruption, as well as issuers operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos, etc.) on the grounds that such companies are considered in breach of international standards or the cause of unacceptable damage to society and/or the environment



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

### 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?

No reference benchmark has been selected to attain the environmental or social characteristics promoted by the financial product.

- ***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?

Users can find further information on the product at [www.carmignac.com](http://www.carmignac.com) by selecting the relevant country, or by going straight to the “Sustainability information” section for the product.

# MANAGEMENT REGULATIONS OF THE FCP

## CARMIGNAC COURT TERME

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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 fund'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 par value.
- be systematically hedged against risk, either partially or completely, as described in the prospectus. This hedge is created using financial instruments that reduce to a minimum the impact of the hedging transactions on the fund'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 funds 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 announce its decision within seven days of the date on which the securities were tendered. If they are accepted, the securities tendered are valued according to the rules laid down in article 4, and the subscription is based on the first net asset value following acceptance of the securities concerned.

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

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

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

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

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

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

Pursuant to article L.214-8-7 of the French monetary and financial code, the management company may temporarily suspend the redemption of units or the issue of new units by the 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.

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

Pursuant to articles L.214-8-7 of the French monetary and financial code and 411-20-1 of the AMF general regulation, the management company may decide to cap redemptions in exceptional circumstances and if deemed necessary to protect the interests of unitholders. The means by which the capping system works and unitholders are notified must be described in detail.

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



objective situation cited or the trigger point must always be made in unitholders' best interests. Information stating the exact reasons for these changes may be given by any means.

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

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

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

To this end, the management company can:

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

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

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

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

## TITLE 2: MANAGEMENT OF THE FUND

#### ARTICLE 5 - THE MANAGEMENT COMPANY

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

The management company shall act in all circumstances 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 fund is a short-term variable net asset value (VNAV) money market fund.

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.

Pursuant to the derogating provisions of Article 17(7) of Regulation (EU) 2017/1131, the fund may invest more than 5% of its assets in different money market instruments issued or guaranteed separately or jointly by the administrations, institutions or organisations. The prospectus contains the list of authorised issuers.

The Investment Manager includes an internal credit quality assessment procedure in the Fund's prospectus and keeps it up to date.

#### 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 fund'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
Allocation of net income	Accumulation (dividends are recorded on an accruals basis)
Allocation of net realised capital gains or losses	Accumulation (dividends are recorded on an accruals basis)

The management company decides on the allocation of distributable income.

The fund will be subject to the accumulation policy, i.e. the reinvestment of all distributable income.

### 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.

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

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

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

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

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

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

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

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

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

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

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

- F) Contact point for communicating with the competent authorities:

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

## IMPORTANT INFORMATION FOR INVESTORS IN SWITZERLAND

### 1. Representative

The representative in Switzerland is CACEIS (Switzerland) SA, Route de Signy 35, CH-1260 Nyon.

### 2. Paying agent

The Swiss Paying Agent is CACEIS Bank, Montrouge, succursale de Nyon / Suisse, Route de Signy 35, CH-1260 Nyon.

### 3. Location where the relevant documents may be obtained

The prospectus, the Key Information Document, Management Regulations, as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

### 4. Publications

1. Publications concerning the foreign collective investment scheme are made in Switzerland in fundinfo AG ([www.fundinfo.com](http://www.fundinfo.com)).

2. The issue and redemption prices and / or the book value, with a mention reading "excluding commissions", of all share classes are published on fundinfo AG ([www.fundinfo.com](http://www.fundinfo.com)) whenever shares are issued or redeemed. Prices are published every day.

### 5. Payment of retrocessions and rebates

1. The Management Company and its agents may pay retrocessions as remuneration for distribution activity in respect of fund units in Switzerland. This remuneration may be deemed payment for the following services in particular:

- B2B events for Investment professionals to update on our investment strategy and corporate news,
- Due Diligence for fund selectors with special reporting's,
- Insight portfolio analysis, detailed risk analysis,
- Detailed risk analysis,
- Information platforms (e.g. ifundservices) to distribute our documentation and video for our funds,
- Roadshows,
- Reports,
- Events,
- IT client tools.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

Disclosure of the receipt of retrocessions is based on the applicable provisions of FinSA.

2. In respect of distribution in or from Switzerland, the Management Company and its agents do not pay any rebates to reduce the fees or costs incurred by the investor and charged to the fund.

### 6. Place of performance and jurisdiction

In respect of the units offered in Switzerland, the place of performance is the registered office of the representative. The place of jurisdiction is at the registered office of the representative or at the registered office or place of residence of the investor.