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

Product name: CARMIGNAC CREDIT 2029
Legal entity identifier: 96950085NIXDZ57SI911

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 promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: ___%**	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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

The Fund applies a "best-in-universe" approach (identifying companies whose activities are sustainable) and a "*best-efforts*" approach (consisting in favouring issuers that exhibit an improvement or strong prospects in terms of ESG practices and performance over time) in order to invest sustainably, by combining: 1) ESG integration, 2) negative screening, 3) active stewardship, and 4) consideration of *principal adverse impacts* (PAI) in investment decisions.

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

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

This fund uses sustainability indicators to measure the attainment of each of the environmental or social characteristics it promotes:

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

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

   For the Fund's bond component, negative screening consists of exclusions of unsustainable activities and practices, reflected in low ESG scores from START, MSCI and ISS ("*Institutional Shareholder Services*") ESG, and are carried out on the basis of the following indicators: (a) practices that are harmful to society and to the environment, (b) controversies concerning the OECD guidelines and the UN Global Compact principles, (c) controversial weapons, (d) thermal coal production, (e) energy producers that have not set a target for alignment with the Paris Agreement, (f) companies involved in tobacco production and (g) companies involved in adult entertainment.

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

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

4) ***Principal adverse impacts* – PAI:** in accordance with Annex 1 to Commission Delegated Regulation (EU) 2022/1288, the Fund monitors 16 mandatory environmental and social indicators, and 2 optional indicators (as listed below) to demonstrate the impact of sustainable investments with respect to these indicators:

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

N/A.

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

N/A.

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

N/A.

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

N/A.

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

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

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

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

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.

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

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

☐ No

What investment strategy does this financial product follow?

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

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

Negative screening of corporate bonds:
The management company actively reduces the fund's investment universe for corporate bonds and debt. The initial investment universe prior to the reduction includes around 2,500 issuers and is made up of the ICE BofA Global Corporate, ICE BofA Global Non-Financial High Yield, and ICE BofA Emerging Market Corporate Plus indices.

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

Subsequently, companies with an MSCI rating for the environmental or social pillars of below 2.5 (on a scale from 0 to 10), or with an overall MSCI rating of B or CCC (on a scale from AAA to CCC), are excluded from the Fund's investment universe. Companies with a START score of "C" or above (on a rating scale of "A" to "E") may re-enter the fund once the management company has carried out ad-hoc analysis and engaged with the company in question. The table below details the correspondences between the MSCI and START ratings used by the fund for negative screening.

MSCI lower limit		START rating		MSCI upper limit
8	≤	A	≤	10
6	≤	B	<	8
4	≤	C	<	6
2	≤	D	<	4
0	≤	E	<	2

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

Screening of sovereign bonds:

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

Negative screening of securitisation instruments:

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

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

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

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

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

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

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

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

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

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

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

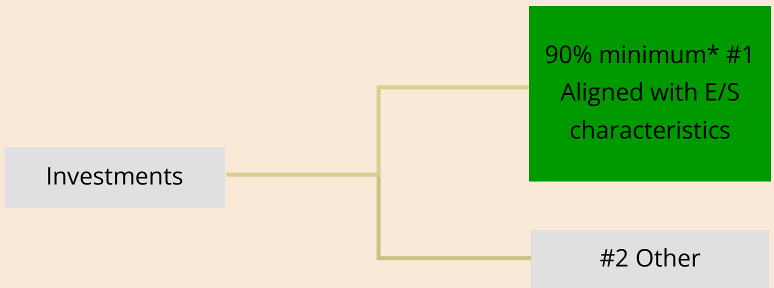
1) Publish a comprehensive tax policy describing the company's approach to tax responsibility;
2) Report on their tax governance and risk management processes to the competent authorities; and
3) File appropriate returns in each of the countries in which they operate (*country-by-country reporting*,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

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

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

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.



** Coverage rate of ESG analysis*

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

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

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

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

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

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

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

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

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

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.

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

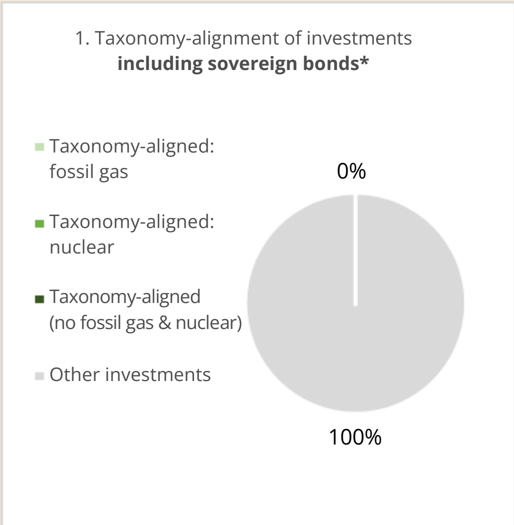
- [ ] Yes:
  - [ ] In fossil gas
  - [ ] In nuclear energy
- [x] No

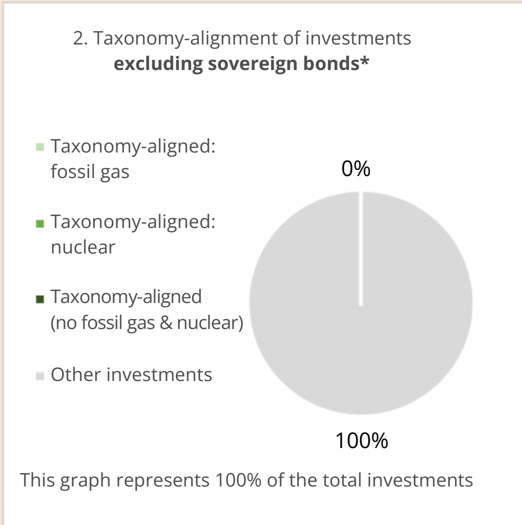
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy,** the criteria include comprehensive safety and waste management rules.

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

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

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





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

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

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

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

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

N/A.

What is the minimum share of socially sustainable investments?

N/A.

What investments are included under "#2 Other", what is their purpose and are any minimum environmental or social safeguards applied to them?

The remainder of the portfolio (i.e. beyond the minimum share of 90%) may include securities for which ESG analysis may be carried out after the financial instrument in question is acquired by the Fund. Cash (and equivalent instruments) and derivatives (used for hedging or exposure purposes) are also included under "#2 Other".

At corporate issuer level, investments are assessed to ensure compliance with global standards on environmental protection, human rights, employment practices and anti-corruption measures through controversy screening (“standards-based” approach). These investments are analysed on the basis of the minimum safeguards in place to ensure that their business activities comply with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

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

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

N/A.

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

  N/A.

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

  N/A.

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

  N/A.

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

  N/A.

Where can I find more product specific information online?

More product-specific information can be found online on the website:
http://www.carmignac.com, in the “Funds” and “Responsible Investment” sections.