

FIXED INCOME TARGET MATURITY FUNDS: THE STORY CONTINUES WITH CARMIGNAC CREDIT 2031

03/03/2025

In 2020, we launched the first fixed income target maturity fund in a range that now comprises several vintages. Five years later, given the success of this franchise reaching over €3 billion in assets under management¹ and investors' strong appetite for this type of strategy offering visibility over their investments, we are expanding our range with Carmignac Credit 2031.

Following the increase in risk premiums in 2020 and the rise in interest rates in 2022, the credit markets have once again gained attention due to their attractive yields, and the asset class has won over new investors. Today, in an uncertain environment for equities, fixed income markets, inflation and the economy in general, **the very nature of credit provides investors with a form of visibility.**

Opting for a fixed income target maturity fund could be an attractive alternative for investors with a clear investment horizon **who want visibility on expected returns, while diversifying the risks to which they are exposed.**

CARMIGNAC CREDIT 2031: A FLEXIBLE APPROACH TO CARRY

Carmignac Credit 2031 aims to benefit from **a carry strategy in global credit markets, always hedging currency risk, and relying on a careful selection of corporate bonds.** The Fund has an annualized performance objective (net of management fees) between its inception date on 31 December 2024 and its maturity date on 31 October 2031, as described in the prospectus for each category of units².

Common to all the funds within Carmignac's target maturity range, its approach is distinctive in its flexibility:

A vast investment universe

Carmignac Credit 2031 may invest in both developed and emerging markets, in securities with diverse risk/return profiles, to build a diversified and selective portfolio with an average investment grade rating³.

An active carry management

Fund Managers can optimise performance by adding and pruning opportunities when they can improve the risk-return profile of the Fund, always keeping in mind its target maturity.

An open structure

Portfolio diversification allows us to keep the Fund open to subscriptions and redemptions on a daily liquidity basis throughout its life.

A TRIED AND TESTED FUND RANGE

Our fixed income target maturity fund management process has proved its worth, as demonstrated by Carmignac Credit 2029 and Carmignac Credit 2027 respective performance:

+11.3%

Carmignac Credit 2029

Annualised performance since launch on 20 October 2023

Target annualised performance objective from inception to maturity on 28 February 2029: 4.22%.

+8.1%

Carmignac Credit 2027

Annualised performance since the end of the initial subscription period on 30 June 2022

Target internal rate of return, observed between 30 June 2022 and 30 June 2026, the Fund's last early maturity date: 1.94%.

Please consult the Funds' prospectuses for more information about their investment objective. The objective of the Funds is not a promise of return or performance of the Funds and performance is not guaranteed.

Source: Carmignac, 31/12/2024. Data for the A EUR Acc share classes. Past performance is not an indication of future results. Performance is shown net of fees (excluding any entry charges applied by the distributor).

OUR CONVICTIONS ON CREDIT MARKETS

Today, the market environment is **favourable to carry**, with yields still attractive (over 3% for European investment grade securities and close to 6% for high yield⁴), but also and above all **to stock selection**. While credit markets as a whole have benefited from the compression of credit spreads since 2022, **there is a high dispersion between the different segments, sectors and issuers of the asset class, leaving plenty of opportunities for fundamental investors to seize**.

Our credit experts look precisely at opportunities where the fundamental risk is overestimated by the markets, so as to capture high premiums compared to general market valuations for equivalent risk. There are three major themes in our portfolios today:

Financial services and energy

In the financial sector, we are identifying attractive investments. Investors are still marked by memories of the Great Financial Crisis of 2008, creating an imbalance between supply and demand for capital, thus leading to a rise in credit spreads. Yet, the sector is in good health, after more than 15 years of capital accumulation and prudent regulation, and these premiums are in some cases very attractive. Similarly, the energy sector is full of issuers with strong cash flows and solid fundamentals, but suffer from a lack of investor appetite and therefore offer a higher yield.

Structured credit

Our expertise in structured credit through investments in tranches of *Collateralized Loan Obligation* (CLO) represents strong added value. The tranches in which we invest have a very low historical default rate, a short maturity and offer a higher yield than traditional instruments, while providing attractive diversification. In addition to offering excellent risk-adjusted returns, these instruments are less sensitive to rises in interest rates (as they are floating-rate instruments) and their structures prevent senior and mezzanine tranche holders from a potential increase in default rates.

Primary markets

The primary markets, i.e. the markets where securities are issued and sold to investors for the first time, have been particularly active in recent months, with new and relatively unknown issuers tapping the capital markets. Dispersion within these markets is also high, and we regularly find attractive opportunities offering additional yield.

Platinum

Carmignac is rated "Platinum" in the "Bonds - Euro Corporates" category by Citywire. Only four asset management companies achieved this ranking out of the 165 companies studied, which testifies to the quality of our credit management⁵.

13.7

billions of euros of credit assets under management in all Carmignac portfolios⁶.

18

average investment experience in the various segments making up the asset class from our team of credit portfolio managers.

¹Source: Carmignac, 31/01/2025.

²The Fund's objective does not constitute a promise of return or performance, the performance is not guaranteed.

³The average rating of the portfolio is BBB- or higher (investment grade), or the equivalent. An investment grade rating indicates the good quality of the issuers held in the portfolio.

⁴Source: Carmignac, Bloomberg, 31/01/2021. Average yield to maturity of European investment-grade and high-yield securities.

⁵The reference to a ranking or prize, is no guarantee of the future results of the UCITS or the manager. Past performance is not necessarily indicative of future performance. Source & Copyright: Citywire. Carmignac is Platinum rated in the Bonds – Euro Corporates sector by Citywire for their rolling risk-adjusted performance, across the sector, over the period 31/12/2017 – 31/12/2024. Citywire Fund Manager Ratings and Citywire Rankings are proprietary to Citywire Financial Publishers Ltd ("Citywire") and © Citywire 2024. All rights reserved. For more information on the methodology, please visit: https://citywire.com/Publications/WEB_Resources/AKG_Group_Ratings_Report_Feb_2014.pdf.

⁶Including non-sovereign debt securities, across all Carmignac portfolios, as at 31/01/2025.

CARMIGNAC CREDIT 2031 A EUR ACC

(ISIN: FR001400U4S3)

SFDR - Fund Classification** :

Article **8**



Recommended minimum investment horizon

From the launch date to the maturity date, i.e. 31 October 2031.

MAIN RISKS OF THE FUND

CREDIT: Credit risk is the risk that the issuer may default. **INTEREST RATE:** Interest rate risk results in a decline in the net asset value in the event of changes in interest rates. **LIQUIDITY:** Temporary market distortions may have an impact on the pricing conditions under which the Fund might be caused to liquidate, initiate or modify its positions.

DISCRETIONARY MANAGEMENT: Anticipations of financial market changes made by the Management Company have a direct effect on the Fund's performance, which depends on the stocks selected.

The Fund presents a risk of loss of capital.

*Risk Scale from the KID (Key Information Document). Risk 1 does not mean a risk-free investment. This indicator may change over time. **The Sustainable Finance Disclosure Regulation (SFDR) 2019/2088 is a European regulation that requires asset managers to classify their funds as either 'Article 8' funds, which promote environmental and social characteristics, 'Article 9' funds, which make sustainable investments with measurable objectives, or 'Article 6' funds, which do not necessarily have a sustainability objective. For more information please refer to <https://eur-lex.europa.eu/eli/reg/2019/2088/oj>.

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

FEES

Entry costs : 1,00% of the amount you pay in when entering this investment. This is the most you will be charged. Carmignac Gestion doesn't charge any entry fee. The person selling you the product will inform you of the actual charge.

Exit costs : We do not charge an exit fee for this product.

Management fees and other administrative or operating costs : 1,14% of the value of your investment per year. This estimate is based on actual costs over the past year.

Performance fees : 20,00% max. of the outperformance once performance since the start of the year exceeds that of the reference indicator and if no past underperformance still needs to be offset. The actual amount will vary depending on how well your investment performs. The aggregated cost estimation above includes the average over the last 5 years, or since the product creation if it is less than 5 years.

Transaction Cost : 0,13% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the investments underlying the product. The actual amount varies depending on the quantity we buy and sell.

CARMIGNAC CREDIT 2029 A EUR ACC

(ISIN: FR001400KAV4)

SFDR - Fund Classification** :

Article **8**



Recommended
minimum
investment horizon



MAIN RISKS OF THE FUND

CREDIT: Credit risk is the risk that the issuer may default. **INTEREST RATE:** Interest rate risk results in a decline in the net asset value in the event of changes in interest rates. **LIQUIDITY:** Temporary market distortions may have an impact on the pricing conditions under which the Fund might be caused to liquidate, initiate or modify its positions.

DISCRETIONARY MANAGEMENT: Anticipations of financial market changes made by the Management Company have a direct effect on the Fund's performance, which depends on the stocks selected.

The Fund presents a risk of loss of capital.

*Risk Scale from the KID (Key Information Document). Risk 1 does not mean a risk-free investment. This indicator may change over time. **The Sustainable Finance Disclosure Regulation (SFDR) 2019/2088 is a European regulation that requires asset managers to classify their funds as either 'Article 8' funds, which promote environmental and social characteristics, 'Article 9' funds, which make sustainable investments with measurable objectives, or 'Article 6' funds, which do not necessarily have a sustainability objective. For more information please refer to <https://eur-lex.europa.eu/eli/reg/2019/2088/oj>.

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

FEES

Entry costs : 1,00% of the amount you pay in when entering this investment. This is the most you will be charged. Carmignac Gestion doesn't charge any entry fee. The person selling you the product will inform you of the actual charge.

Exit costs : We do not charge an exit fee for this product.

Management fees and other administrative or operating costs : 1,14% of the value of your investment per year. This estimate is based on actual costs over the past year.

Performance fees : 20,00% max. of the outperformance when the unit outperforms its annualised performance objective by 4.22% during the performance period. Any underperformance is recovered over 5 years. The actual amount will vary depending on how well your investment performs. The estimate of aggregated costs above includes the average for the last five years, or since the creation of the product if it is less than five years old. If the outperformance is constituted, the commission will be collected no earlier than December 2024.

Transaction Cost : 0,13% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the investments underlying the product. The actual amount varies depending on the quantity we buy and sell.

CARMIGNAC CREDIT 2027 A EUR ACC

(ISIN: FR00140081Y1)

SFDR - Fund Classification** :

Article **8**



Recommended minimum investment horizon



MAIN RISKS OF THE FUND

CREDIT: Credit risk is the risk that the issuer may default. **INTEREST RATE:** Interest rate risk results in a decline in the net asset value in the event of changes in interest rates. **LIQUIDITY:** Temporary market distortions may have an impact on the pricing conditions under which the Fund might be caused to liquidate, initiate or modify its positions.

DISCRETIONARY MANAGEMENT: Anticipations of financial market changes made by the Management Company have a direct effect on the Fund's performance, which depends on the stocks selected.

The Fund presents a risk of loss of capital.

*Risk Scale from the KID (Key Information Document). Risk 1 does not mean a risk-free investment. This indicator may change over time. **The Sustainable Finance Disclosure Regulation (SFDR) 2019/2088 is a European regulation that requires asset managers to classify their funds as either 'Article 8' funds, which promote environmental and social characteristics, 'Article 9' funds, which make sustainable investments with measurable objectives, or 'Article 6' funds, which do not necessarily have a sustainability objective. For more information please refer to <https://eur-lex.europa.eu/eli/reg/2019/2088/oj>.

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

FEES

Entry costs : 1,00% of the amount you pay in when entering this investment. This is the most you will be charged. Carmignac Gestion doesn't charge any entry fee. The person selling you the product will inform you of the actual charge.

Exit costs : We do not charge an exit fee for this product.

Management fees and other administrative or operating costs : 1,04% of the value of your investment per year. This estimate is based on actual costs over the past year.

Performance fees : There is no performance fee for this product.

Transaction Cost : 0,12% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the investments underlying the product. The actual amount varies depending on the quantity we buy and sell.

Calendar Year Performance (%)	2024	2023	2022
Carmignac Credit 2027 A EUR acc	7,24	12,76	1,72
Carmignac Credit 2029 A EUR acc	7,97	5,26	

Annualised performance (%)	Date of 1st NAV
Carmignac Credit 2027 A EUR acc	8,07
Carmignac Credit 2029 A EUR acc	11,25

Source: Carmignac, 31/12/2024. Past performance is not necessarily indicative of future performance. Performances are net of fees (excluding possible entrance fees charged by the distributor).

Date of 1st NAV - Carmignac Credit 2027: 02/05/2022; Date of 1st NAV - Carmignac Credit 2029: 20/10/2023

MARKETING COMMUNICATION. Please refer to the KID/prospectus of the Fund before making any final investment decisions. This document may not be reproduced, in whole or in part, without prior authorisation from the management company. It does not constitute a subscription offer, nor does it constitute investment advice. The information contained in this document may be partial information and may be modified without prior notice. The decision to invest in the promoted funds should take into account all their characteristics or objectives as described in their prospectus. The reference to a ranking or prize, is no guarantee of the future results of the UCITS or the manager. The Funds are common funds in contractual form (FCP) conforming to the UCITS Directive under French law. Past performance is not necessarily indicative of future performance. Performances are net of fees (excluding possible entrance fees charged by the distributor). The return may increase or decrease as a result of currency fluctuations. Reference to certain securities and financial instruments is for illustrative purposes to highlight stocks that are or have been included in the portfolios of funds in the Carmignac range. This is not intended to promote direct investment in those instruments, nor does it constitute investment advice. The Management Company is not subject to prohibition on trading in these instruments prior to issuing any communication. The portfolios of Carmignac funds may change without previous notice. Access to the Funds may be subject to restrictions with regard to certain persons or countries. The Funds may not be offered or sold, directly or indirectly, for the benefit or on behalf of a U.S. person, according to the definition of the US Regulation S and/or FATCA. The Funds present a risk of loss of capital. The risk, fees and ongoing charges are described in the KIDs (Key Information Document). The Funds' respective prospectuses, KIDs, NAV and annual reports are available at www.carmignac.com, or upon request to the Management Company. ? In Switzerland, the Fund's prospectus, KID, and annual reports are available at www.carmignac.ch, or through our representative in Switzerland, CACEIS (Switzerland), S.A., Route de Signy 35, CH-1260 Nyon. The paying agent is CACEIS Bank, Montrouge, succursale de Nyon/Suisse, Route de Signy 35, 1260 Nyon. The KIDs must be made available to the subscriber prior to subscription. The Management Company can cease promotion in your country at any time. Investors have access to a summary of their rights in English at the following links (paragraph 5 "Summary of investor rights"):

- **France:** https://www.carmignac.fr/en_GB/regulatory-information;
- **Luxembourg:** https://www.carmignac.lu/en_GB/regulatory-information;
- **Switzerland:** https://www.carmignac.ch/en_GB/regulatory-information.