29 DECEMBER 2023

CARMIGNAC
INVESTING IN YOUR INTEREST

PROSPECTUS

CARMIGNAC ABSOLUTE RETURN EUROPE

French UCITS

Under European Directive 2009/65/EC

I. GENERAL CHARACTERISTICS

1. Structure of the UCITS
French Mutual Fund (FCP)

2. Name
CARMIGNAC ABSOLUTE RETURN EUROPE

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
The Fund was approved by the AMF on 21 January 1997. It was launched on 3 February 1997 for a period of 99 years (ninety-nine years).

5. Fund overview

CATEGORY OF UNITS	ISIN	ALLOCATION OF DISTRIBUTABLE INCOME	BASE CURRENCY	TARGET INVESTORS	MINIMUM INITIAL SUBSCRIPTION	MINIMUM SUBSEQUENT SUBSCRIPTION
A EUR Acc	FR0010149179	Accumulation	Euro	All investors	None	None
A EUR Y dis	FR0011269406	Distribution	Euro	All investors	None	None
F EUR Acc	FR001400JG56	Accumulation	Euro	Authorised investors*	None	None
F USD Acc Hdg	FR001400JG64	Accumulation	USD (hedged)	Authorised investors*	None	None

* Accessible (i) to Institutional Investors investing on a proprietary basis (in the case of institutional investors incorporated in the European Union, the term "institutional investor" refers to an Eligible Counterparty/Professional Investor within the meaning of MiFID II), (ii) to Funds of Funds, (iii) to Packaged Products which buy units directly, or on behalf of an end investor, and apply a commission to said investor at product level, (iv) to Financial Intermediaries who are not authorised to accept and retain incentives, in accordance with regulatory requirements or individual fee arrangements with their clients, (v) to the Carmignac Group (Carmignac entities, UCITS/AIFs management by such entities and Carmignac employees).

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
The prospectus is available on the website: www.carmignac.com

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 available at www.carmignac.com.

The AMF website (www.amf-france.org) contains additional information on the list of regulatory documents and all the provisions relating to investor protection.

II. DIRECTORY

1. Management company

CARMIGNAC GESTION, a société anonyme (public limited company), with registered office at 24, place Vendôme, 75001 Paris, approved by the Autorité des marchés financiers (formerly COB) on 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: the Custodian 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 with managing 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 the Custodian 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: The Custodian 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 the Custodian, 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. A paper copy of this list is available free of charge, on request, from Carmignac Gestion.

3. Statutory auditors

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. Financial management (excluding foreign exchange which is managed by CARMIGNAC GESTION) **partially delegated to:**

CARMIGNAC UK Ltd., 2, Carlton House Terrace, SW1Y 5AF London, United Kingdom, licensed by the FCA, and subsidiary of Carmignac Gestion Luxembourg, itself a subsidiary of Carmignac Gestion, S.A.

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 units in bearer or administered registered form 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 pure registered form or units registered in a Shared Electronic Registration System (DEEP) 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 with respect to BNP PARIBAS SA. 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 6.00 pm each day on which the net asset value is calculated (D).

9. Registrar

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

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.

• 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 (DEEP) for subscribers who have access to this system.

• Fractions of units (if any):
Unitholders may subscribe and redeem thousandths of units.

Year-end:

The accounting year ends on the date of the last net asset value of the month 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.

The Fund is eligible for the PEA (French equity savings plan).

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 having access to the Fund through a life insurance policy will be taxed at the rates applicable to life insurance policies.

SPECIFIC PROVISIONS

1° ISIN

UNIT CLASSES	ISIN
A EUR Acc	FR0010149179
A EUR Ydis	FR0011269406
F EUR Acc	FR001400JG56
F USD Acc Hdg	FR001400JG64

2° DELEGATION OF FINANCIAL MANAGEMENT

CARMIGNAC UK Ltd., 2, Carlton House Terrace, SW1Y 5AF London, United Kingdom, licensed by the FCA, and subsidiary of Carmignac Gestion Luxembourg, itself a subsidiary of Carmignac Gestion, S.A.

3° INVESTMENT OBJECTIVE

The Fund aims to achieve net positive performance over the recommended investment horizon of three years.

The Fund seeks to invest sustainably and applies a socially responsible investment approach. The ways in which the socially responsible investment approach is followed are described in the environmental and/or social characteristics annex below, and can be found on www.carmignac.com.

4° REFERENCE INDICATOR

The Fund does not have a reference indicator.

5° INVESTMENT STRATEGY

a) Strategies used

The Fund implements a long/short equity investment strategy focused on fundamentals to achieve its investment objective. This strategy consists of building a portfolio of long and short positions on financial instruments eligible for the Fund's assets.

A minimum of 75% of the fund's net assets is invested in PEA-eligible shares, i.e. equities from issuers in member states of the European Economic Area. Up to 25% of the fund's net assets may be invested in equities from issuers outside European Economic Area.

The portfolio manager may open short positions on a discretionary basis either to implement relative value strategies combining long and short positions on underlying assets eligible for the portfolio or for risk hedging purposes. The portfolio manager also systematically hedges the specific exposure derived from securities eligible for the PEA (French equity savings plan) in order to hold the Fund's equity market exposure to 50% or below of net assets. The Fund's net equity market exposure is between -20% and +50% of the Fund's net assets.

If deemed necessary by the portfolio manager, the Fund may also have up to 25% of its net assets invested in bonds, treasury bills and money market instruments traded on French and foreign markets which the portfolio manager believes have the best upside potential or can reduce the portfolio's risk.

The long/short equity strategy of the Fund is determined on the basis of a detailed financial analysis of the companies in which the Fund may open positions, whether long or short. The selection of long and short positions is based on an in-depth analysis of the Fundamentals of the target companies, including thorough financial analysis, an assessment of the competitive environment, the quality of senior management and close monitoring of the development of the business. Sector and regional allocations are made based on the stock selection process.

Up to 25% of the Fund's net assets is exposed to currency risk through the purchase of securities denominated in currencies other than those of the European Economic Area.

These investments on the foreign exchange market depend on expectations of changes in different currencies, and follow on from the Fund's currency allocation: This currency allocation results from holding direct investments in securities denominated in foreign currency, or currency derivatives.

The investment universe for all strategies includes emerging markets within the limits stipulated in the section "Description of asset categories and financial contracts as well as their contribution to the investment objective being achieved".

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 responsible investment 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

A minimum of 75% of the portfolio's net assets are invested in securities eligible for the PEA (French equity savings plan), i.e. in the equity markets of member states of the European Economic Area. The remainder may be invested in equities or other equity securities on global markets, across all sectors. Where applicable, the portion of assets invested in equities of emerging countries may not exceed 10% of the net assets; the objective of these investments is to seek out opportunities in high-growth economic zones.

Net equity market exposure is between -20% and +50% of the net assets.

Debt securities and money market instruments

In order to allow the portfolio manager to diversify the portfolio, up to 25% of the Fund's assets may be invested in money market instruments, transferable debt securities, and fixed or floating rate, covered or uncovered bonds, which may be linked to inflation in the Eurozone or international – including emerging – markets. The Fund may invest in securities issued by corporate or government issuers. There are no restrictions on allocation between corporate and government issuers, nor on the maturity and duration of securities chosen.

The portfolio manager reserves the right to invest up to 10% of the net assets in bonds rated below investment grade by at least one of the main rating agencies. The Fund may also invest in unrated bonds. In the latter case, the company may carry out its own analysis and assign an internal rating. If the bond rating is analysed and found to be below investment grade, it is then subject to the limits shown above.

For all of these assets, the management company will carry out its own analysis of the risk/reward profile of the securities (profitability, creditworthiness, liquidity, maturity). As a result, the decision to buy, hold or sell a security (particularly where agency ratings have 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.

UCIs, investment funds, trackers or Exchange Traded Funds (ETF)

The Fund may invest up to 10% of its net assets in:

- units or shares of French or foreign UCITS;
- units or shares of French or European AIFs;
- foreign investment funds;

provided that the foreign UCITS, AIF or investment fund meets the criteria of article R214-13 of the French Monetary and Financial Code.

The Fund may invest in funds managed by Carmignac Gestion or an affiliated company.

The Fund may use trackers, listed index funds and exchange-traded funds.

Derivatives

In order to achieve its investment objective, the Fund invests in futures traded on Eurozone and international – including emerging – regulated, organised or over-the-counter markets for exposure, relative value or hedging purposes.

The derivatives liable to be used by the portfolio manager include options (vanilla, barrier, binary), futures, forwards, forward exchange contracts, swaps (including performance swaps), and CFDs (contracts for difference), involving one or more risks/underlying instruments in which the portfolio manager may invest.

These derivatives allow the portfolio manager to expose the Fund to the following risks, while respecting the portfolio's overall constraints. Unless mentioned otherwise, each risk shall be limited to 100% of the assets:

- equities
- currencies
- fixed income
- dividends
- volatility and variance (up to 10% of the net assets)
- commodities through eligible financial contracts for up to 20% of the net assets.
- ETF (financial instruments)

Overall exposure to derivatives is controlled by combining leverage, defined as the sum of gross nominal amounts of derivatives without netting or hedging, with the Fund's VaR limit (cf. section VI. "Overall risk").

Derivative transactions may be concluded with counterparties selected by the management company in accordance with its "Best Execution/Best Selection" policy and the approval procedure for new counterparties. These counterparties are credit institutions or investment companies established in a European Union member state, having a minimum credit rating of BBB- (or equivalent) from at least one of the main credit rating agencies. Derivatives are subject to guarantees; the section entitled "Contracts as Collateral" contains information on how these work and on their characteristics. It should be noted that these counterparties have no discretionary decision-making powers over the composition or management of the Fund's portfolio or over the underlying assets of financial derivative instruments.

Strategy for using derivatives to achieve the investment objective:

Derivatives of equities, equity indices and baskets of equities or equity indices are used to gain long or short exposure, or hedge exposure, to a security, group of securities, economic sector or region, or simply adjust the Fund's overall exposure to equity markets, depending on the country, region, economic sector, issuer or group of issuers. They are also used to pursue relative value strategies, where the Fund takes simultaneous long and short positions on equity markets.

Currency derivatives are used to gain long or short exposure, hedge exposure to a currency, or simply adjust the Fund's overall exposure to currency risk. They may also be used to pursue relative value strategies, where the Fund takes simultaneous long and short positions on foreign exchange markets.

Interest rate derivatives are used to gain long or short exposure, hedge against interest rate risk, or simply adjust the portfolio’s modified duration. Interest rate derivatives are also used to pursue relative value strategies, where the Fund takes simultaneous long and short positions on different fixed income markets, depending on the country, region or yield curve segment.

Volatility or variance instruments are used to gain long or short exposure to market volatility, to hedge equity exposure or to adjust the portfolio's exposure to market volatility or variance. They are also used to pursue relative value strategies, where the Fund takes simultaneous long and short positions on market volatility.

Dividend derivatives are used to gain long or short exposure to the dividend of an issuer or group of issuers, or to hedge the dividend risk on an issuer or group of issuers, dividend risk being the risk that the dividend of a share or equity index is not paid as anticipated by the market. They are also used to pursue relative value strategies, where the Fund takes simultaneous long and short positions on equity market dividends.

Commodity derivatives are used to gain long or short exposure to commodities, to hedge commodity exposure, or to adjust the portfolio’s commodity exposure. They are also used to pursue relative value strategies, where the Fund takes simultaneous long and short positions on commodities.

Securities with embedded derivatives

The Fund may invest in securities with embedded derivatives (particularly warrants, convertible bonds, callable/puttable bonds, credit-linked notes (CLN), EMTN, subscription certificates) traded on regulated, organised or over-the-counter Eurozone and/or international markets. The Fund may hold subscription certificates or warrants on an ancillary basis following corporate actions resulting in the award of this type of security.

These securities with embedded derivatives allow the portfolio manager to expose the Fund to the following risks, while respecting the portfolio's overall constraints:

- equities
- currencies
- fixed income
- credit
- dividends
- volatility and variance (up to 10% of the net assets)
- commodities through eligible financial contracts for up to 20% of the net assets.
- ETF (financial instruments)

The risk associated with this type of investment is limited to the amount invested in its purchase.

The amounts invested in securities with embedded derivatives, excluding contingent convertible and callable/puttable bonds, may not exceed 10% of the net assets.

The portfolio manager may invest up to 10% of the net assets in contingent convertible bonds (“CoCos”). These securities often deliver a higher return (in exchange for higher risk) than conventional bonds due to their specific structure and the place they occupy in the capital structure of the issuer (subordinated debt). They are issued by banks under the oversight of a supervisory authority. They may have bond and equity features, being hybrid convertible instruments. They have a safeguard mechanism that turns them into ordinary shares if a trigger event threatens the issuing bank.

The Fund may also invest up to 25% of its net assets in callable bonds and puttable bonds. These transferable debt securities have an optional component allowing for early redemption subject to certain conditions (holding period, occurrence of a specific event, etc.) on the initiative of the issuer (in the case of callable bonds) or at the request of the investor (in the case of puttable bonds).

Strategy for using instruments with embedded derivatives to achieve the investment objective:

The portfolio manager uses securities with embedded derivatives, as opposed to the other derivatives mentioned above, to optimise the portfolio's exposure or hedging, either by reducing the cost of using these financial instruments, or by gaining exposure to several performance drivers.

Deposits and cash

The Fund may use deposits in order to optimise its cash management and to manage the various subscription or redemption settlement dates of the underlying funds. These trades are made within the limit of 20% of the net assets. This type of transaction will be made on an exceptional basis.
The Fund may hold cash on an ancillary basis, in particular in order to meet its redemption obligations in relation to investors.
Cash lending is prohibited.

Cash borrowings

The Fund may borrow cash, in particular to cover investment/disinvestments and subscriptions/redemptions. As the Fund is not intended to be a structural borrower of cash, these loans will be temporary and limited to 10% of the Fund's net assets.

Temporary purchase and sale of securities

For efficient portfolio management purposes, and without deviating from its investment objectives, the Fund may allocate up to 20% of its net assets to temporary purchases/sales (securities financing transactions) of securities eligible for the Fund (essentially equities and money market instruments). 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. The transactions consist of:

- Securities repurchase and reverse repurchase transactions;
- Securities lending/borrowing;

The expected proportion of assets under management that will be involved in such transactions is 10% of the net assets.

The counterparty to these transactions is CACEIS Bank, Luxembourg Branch. CACEIS Bank, Luxembourg Branch, does not have any power over the composition or management of the Fund's portfolio.

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".

6° CONTRACTS AS COLLATERAL

Within the scope of OTC derivatives transactions and temporary purchases/sales of securities, the Fund may receive or give financial assets constituting guarantees with the objective of reducing its overall counterparty risk.

The financial guarantees shall primarily take the form of cash in the case of OTC derivatives transactions, and cash and eligible government bonds in the case of temporary purchases/sales of securities. All financial guarantees received or given are transferred with full ownership.

The counterparty risk inherent in OTC derivatives transactions, combined with the risk resulting from temporary purchases/sales of securities, may not exceed 10% of the Fund's net assets where the counterparty is one of the credit institutions defined in the current regulations, or 5% of its assets in other cases.

In this regard, any financial guarantee (collateral) received and serving to reduce counterparty risk exposure shall comply with the following:

- it shall take the form of cash or bonds or treasury bills (of any maturity) issued or guaranteed by OECD member states, by their regional public authorities or by supranational institutions and bodies with EU, regional or worldwide scope;
- it shall be held by the Custodian of the Fund or by one of its agents or a third party under its supervision or by any third-party custodian subject to prudential supervision and which is not linked in any way to the

provider of the financial guarantees;
- in accordance with the regulations in force, they shall at all times fulfil liquidity, valuation (at least daily), issuer credit rating (at least AA-), counterparty correlation (low) and diversification criteria, and exposure to any given issuer shall not exceed 20% of the net assets.
- financial guarantees received in the form of cash shall be mainly deposited with eligible entities and/or used in reverse repurchase transactions, and to a lesser extent invested in first-rate government bonds or treasury bills and short-term money market funds.

Government bonds and treasury bills received as collateral are subject to a discount. The management company agrees this contractually with each counterparty.

7° RISK PROFILE

The Fund invests in financial instruments and, where applicable, funds selected by the management company. The performance of these instruments 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**: discretionary management is based on the expected evolution of the financial markets. The Fund's performance will depend on the companies selected and asset allocation chosen by the management company. There is a risk that the management company may not invest in the best performing companies.

b) **Risk of capital loss**: the portfolio 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.

c) **Long/Short risk**: This risk is associated with long and/or short positions used to adjust net market exposure. The Fund could suffer high losses if its long and short exposures were to move simultaneously in the wrong directions.

d) **Equity risk**: As the Fund is exposed to the risks of the equity markets, the net asset value of the Fund may decrease in the event of a downward or upward movement on the equity markets.

e) **Currency risk**: Currency risk is linked to exposure – through investments and the use of forward financial instruments – to a currency other than the fund's valuation currency. The fluctuations of currencies against the euro may have a positive or negative influence on the fund's net asset value.

f) **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.

g) **Credit risk**: credit risk is the risk that the issuer may default. Should the quality of bond issuers decline, for example in the event of a downgrade in their rating by the financial rating agencies, the value of the corporate bonds may drop. The net asset value of the Fund may decrease.

h) **Risk associated with high yield bonds**: a bond is considered a high-yield bond when its credit rating is below "investment grade". The manager reserves the right to invest up to 10% of the net assets in high-yield bonds on an ancillary basis. The value of high yield bonds may fall more substantially and more rapidly than other bonds and negatively impact the net asset value of the Fund which may decrease as a result.

i) **Risk associated with investment in contingent convertible bonds (CoCos)**: Risk related to the trigger threshold: these securities have characteristics specific to them. The occurrence of the contingent event may result in a conversion into shares or even a temporary or definitive writing off of all or part of the debt. The level of conversion risk may vary, for example depending on the distance between the issuer's capital ratio and a threshold defined in the issuance prospectus. Risk of loss of coupon: with certain types of CoCo, payment of coupons is discretionary and may be cancelled by the issuer. Risk linked to the complexity of the instrument: as these securities are recent, their performance in periods of stress has not been established beyond doubt. Risk linked to late and/or non-repayment: contingent convertible bonds are perpetual instruments repayable only at predetermined levels with the approval of the relevant authority. Capital structure risk: unlike with the standard capital hierarchy, investors in this type of instrument may suffer a capital loss, which holders of shares in the same issuer would not incur. Liquidity risk: as with the high yield bond market, the liquidity of contingent convertible bonds may be affected significantly in the event of market turmoil.

j) **Risk associated with market capitalisation**: the Fund may be exposed to small and mid-cap equity markets. As there are generally fewer small and mid-cap stocks listed on stock exchanges, market movements are more pronounced than in the case of large cap stocks. The net asset value of the Fund may therefore be affected.

k) **Liquidity risk:** The markets in which the Fund participates may be subject to temporary illiquidity. These market distortions could have an impact on the pricing conditions under which the Fund may have to liquidate, initiate or modify its positions, and may cause the Fund's net asset value to fall.

l) **Emerging markets risk**: the operating and supervision conditions of these markets may deviate from the standards prevailing on the major international markets. Where applicable, the portion of assets invested in equities of emerging countries may not exceed 10% of the net assets of the fund.

m) **Risk associated with commodities indices**: Changes in commodity prices and the volatility of the sector may cause the fund’s net asset value to fall.

n) **Counterparty risk**: Counterparty risk measures the potential loss in the event of a counterparty defaulting on over-the-counter financial contracts or failing to meet its contractual obligations on temporary purchases or sales of securities. The fund is exposed to it through over-the-counter financial contracts agreed with various counterparties. In order to reduce the fund’s exposure to counterparty risk, the management company may establish financial guarantees in favour of the fund.

o) **Volatility risk**: The increase or decrease in volatility may lead to a fall in net asset value. The Fund is exposed to this risk, particularly through derivative products with volatility or variance as the underlying instrument.

p) **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.

q) **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.

r) **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.

s) **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 refer to the engagement policy at the address 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 "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.

8° TARGET SUBSCRIBERS AND INVESTOR PROFILE

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).

Aside from this exception, the Fund is open to all investors.

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 Fund is intended for all types of investors, natural persons and legal entities wishing to diversify their investments in stocks of all capitalisations issued in the European Economic Area. The Fund has a defensive profile thanks to an active hedging policy.

The minimum recommended investment period is 3 years.

The appropriate investment amount depends on the personal situation of the investor. To determine this amount, investors' personal wealth, their cash requirements now and 3 years from now as well as their degree of risk aversion must all be taken into account. It is recommended that investors seek the advice of a professional in order to diversify their investments and to decide on the proportion of their financial portfolio or wealth that should be invested in this fund. It is also recommended that investments be sufficiently diversified so as to avoid exposure exclusively to the risks of this fund.

9° ALLOCATION OF DISTRIBUTABLE INCOME

DISTRIBUTABLE INCOME	ACC UNITS	DIS UNITS
Allocation of net income	Accumulation (Dividends are recorded on an accruals basis)	Distributed or carried forward as decided by the management company
Allocation of net realised capital gains or losses	Accumulation (Dividends are recorded on an accruals basis)	Distributed or carried forward as decided by the management company

10°FREQUENCY OF DISTRIBUTIONS

No dividends are distributed for accumulation units.
With regard to distribution units, income is paid annually on A EUR Ydis units.
Payment of distributable income is made annually within five months of the financial year-end.

11° CHARACTERISTICS OF THE UNITS

EUR units are denominated in euro. Thousandths of units may be issued.
USD units are denominated in US dollars. Thousandths of units may be issued.
Hedged units are hedged against currency risk.

12° SUBSCRIPTION AND REDEMPTION PROCEDURES

Subscription and redemption requests are received and centralised each trading day

(D) before 6pm (CET/CEST) (except on French public holidays),
- by BNP PARIBAS S.A. for units in bearer or administered registered form 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.

Orders are executed on the basis of the table below:

BUSINESS DAY D	BUSINESS DAY D	BUSINESS DAY D, NAV DATE	D+1	D+3	D+3
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.

Procedures for transferring from one unit class to another

As the Fund is made up of several unit classes, a redemption of one class of units followed by a subscription to another class of units constitutes, for tax purposes, a sale in return for payment of a consideration likely to generate a taxable gain.

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 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

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.

Redemption capping mechanism:

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 (“gates”) in exceptional circumstances and if deemed necessary to protect the interests of unitholders. The management company has provided for a cap on redemptions from a threshold of 5% corresponding to the ratio between net redemptions of subscriptions and the fund’s net assets. The implementation of this mechanism is not systematic and the management company reserves the right to meet redemption requests fully or partially above this threshold.

The threshold for the redemption cap mechanism is specified in Article 3 of the management regulations and corresponds to the ratio between:

- The difference recorded, on the same date of centralisation, between the number of fund units for which redemption is requested or the total amount of these redemptions, and the number of fund units for which subscription is requested or the amount of these subscriptions; and
- The total number of units in the fund, or its net assets.

The threshold for the redemption cap mechanism is identical for all of the unit classes in the fund.

The implementation of this mechanism is not systematic and the management company reserves the right to meet redemption requests fully or partially above this threshold. The redemption cap mechanism may be applied for a maximum duration of twenty (20) net asset values over three (3) months. Notwithstanding the mechanism being activated, the management company may also decide on a given net asset value date to meet in full or in part redemption requests that exceed this threshold.

For example, if net redemptions on a given NAV date represent 8% of the Fund's net assets, the threshold (5%) is reached. Two scenarios arise:

- If liquidity conditions are favourable, the management company may decide not to trigger the redemption cap mechanism and honour all redemption requests; or
- If the management company considers that liquidity conditions are unfavourable, the redemption cap mechanism is applied at a threshold of 5% or any higher threshold (as determined by the management company on the basis of the liquidity conditions prevailing on the NAV date in question). The portion of redemption requests exceeding the threshold selected is carried forward to the next NAV date. Thus, if the management company chooses a threshold of 5%, redemption requests representing 3% of the net assets are carried forward to the next NAV date (the management company executes redemption requests up to the limit of 5% of the Fund's net assets). If the management company chooses a threshold of 7%, redemption orders representing 1% of the net assets are carried forward to the next NAV date (the management company executes redemption orders up to the limit of 7% of the Fund's net assets).

The application of this mechanism is identical for all the unitholders in the fund who have made a redemption request for the same net asset value date. Consequently, these redemption orders are executed in the same proportion for all fund unitholders. Orders not executed are automatically carried forward to the next net asset value date. Orders carried forward in this manner do not have priority over new redemption orders placed for execution on the next net asset value date. If a redemption gate is again activated on this net asset value date, these orders are split according to the same conditions as new orders. Unitholders should note that they cannot cancel or rescind any portion of an order not executed on a net asset value date, which will be automatically carried forward to the next net asset value date.

All unitholders are informed of the activation of the redemption cap by means of a notice published on the management company's website (www.carmignac.com). Investors are directly informed as soon as possible when a fraction of their redemption order has not been executed on a given net asset value date.

This redemption cap mechanism is a temporary measure. Its duration is justified in view of the frequency of the net asset value calculation, the fund’s investment strategy and the liquidity of the assets it holds. Article 3 of the management regulations specifies the maximum number of NAVs and the maximum period for which the mechanism can be activated.

Place and means of publication of the net asset value

CARMIGNAC GESTION: 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: www.carmignac.com

13° 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.

FEES AND EXPENSES PAYABLE BY THE INVESTOR FOR SUBSCRIPTIONS AND REDEMPTIONS	BASIS	RATE
Maximum subscription fee payable to third parties, inclusive of tax	net asset value X number of units	**A units:** • 9% maximum, comprising:up to 4% for intermediaries tasked with distribution or investment of the UCITS; And • up to 5% for the Management Company. **F units**: up to 5% for the Management Company.
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

	FEES CHARGED TO THE FUND	BASIS	RATE
1	Financial management fees	Net assets	(Maximum rate) A EUR Acc units: 2% inclusive of tax A EUR Ydis units: 2% inclusive of tax F EUR Acc units: 1.50% inclusive of tax F USD Acc Hdg units: 1.50% inclusive of tax
2	Operating and other service expenses	Net assets	0.30% inclusive of tax (Flat rate)**
5.	Performance fee	Net assets	Maximum 20% of the outperformance when it is established and exceeds the high-water mark (1)

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.

** Operating and other service expenses are fixed to cover and pay for the functions and services provided by the management company (other than those excluded below, mainly financial management and distribution) and the operating expenses of the fund. A provision is set aside for them at each net asset valuation of the fund.*
Operating and other service expenses included under this heading are:
(1) fund registration and listing costs, such as costs associated with registration and formalities with local regulators in the countries where the fund is registered (fees of lawyers, advisers or service providers for assistance with registration or listing), costs of listing and publication of the net asset value, costs of distribution/listing platforms, commission of agents interfacing with distribution (paying agents, representative agents, etc.);
(2) client and distributor information costs, such as the cost of compiling and publishing regulatory documentation (including service providers), reporting, communication of information to distributors (in particular the costs and charges of producing and publishing market data files), the cost of customer and distributor monitoring tools, information to unitholders (including letters to unitholders – except in the case of mergers, takeovers and liquidations), the cost of maintaining the management company's website, the fund's translation costs, and the cost of responding to due diligence requests from third parties;
(3) data costs, such as the cost of licensing the reference indicator, the cost of data used for republication to third parties and, more generally, for investor information in addition to periodic reports, the cost of access to providers of financial information and data (with the exception of items relating exclusively to the portfolio manager's decision-making or risk management), the cost of access to investor data providers, costs resulting from specific client requests, the cost of specific data, and audit costs;
(4) the fees of external service providers or internal expenses necessary for the operation of the fund. Under this heading are included, by way of illustration, expenses paid to the fund's depositary for asset safekeeping, centralisation and depositary oversight functions (including fees paid to sub-depositaries), auditor's fees, custodian's fees, fees paid to the administrative and accounting management delegate, audit costs, the outsourced middle-office fees, tax expenses (including taxes paid on behalf of the fund, external advisers and service providers), the fund's legal costs, internal costs relating to the supervision of delegated or outsourced activities, costs relating to the creation of the fund or the offering of units;
(5) expenses relating to compliance with regulatory obligations and regulatory reporting, such as expenses and costs of implementing regulatory reporting to the regulator (e.g., reporting relating to ratio breaches and compensation, Solvency reporting), expenses relating to compliance with regulatory obligations (e.g., monitoring of the fund's pricing strategy, subscriptions to the mandatory professional association, operating costs for monitoring limit overruns), operating costs relating to the maintenance and implementation of the policy on voting rights at meetings of the securities making up the fund's assets;
(6) operating expenses, such as the cost of monitoring compliance and statutory investment restrictions;
(7) fees and costs relating to KYC and the completion of the due diligence and checks required for this knowledge and for monitoring it, fees for monitoring fundraising and the investor base.
All the fees and expenses listed above include (i) the salaries of the employees involved in these operating and other service expenses (ii) the real estate, insurance and general costs of the management company, (iii) the IT costs and tools required for the services provided and the operation of the fund (including cybersecurity), subject to the exclusions detailed below.
Operating and other service expenses do not include (1) financial management fees (including trailer fees) and all operating and other service expenses directly linked to financial management, (2) fees and expenses linked to the promotion of the fund, (3) costs linked to hedging operations, (4) transaction costs, (5) brokerage fees, (6) fees for financial and non-financial data used exclusively in financial management and (7) fees linked to the research payment account.
*** Operating and other service expenses are charged on a flat-rate basis up to the maximum rate shown above. They are defined as a fixed percentage of the fund's net assets and, as a result, the amount of operating and other service expenses charged to the fund by the management company may differ from the actual costs. The management company retains all the charges levied, i.e. a margin, if the actual expenses are lower than the charges levied. Conversely, if actual expenses exceed the maximum flat rate, the management company will pay the excess.*

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.

(1) Performance fees are calculated for the financial year for each unit class. If a unit class is launched during the financial year, performance fees are calculated from the launch date of this unit class until the end of the first full financial year. Performance fees are based on the absolute performance of each unit class in the Fund. If the value of the relevant unit class has risen during the financial year and is above the high-water mark (as defined below), a daily provision is recognised for a maximum of 20% of this excess performance. The applicable rate for the performance fee is 20% for all unit classes. If the Fund is eligible for the booking of a performance fee, then:
- In the event of subscriptions, a system for neutralising the volume effect of these units on the performance fee is applied. This involves systematically deducting the share of the performance fee actually booked as a result of these newly subscribed units from the daily provision;
- In the event of redemptions, the portion of the performance fee provision corresponding to redeemed shares is transferred to the management company under the crystallisation principle.

The Fund applies a high-water mark model whereby performance fees are provisioned on a daily basis only if, on the date of calculation, the net asset value of the relevant unit class is greater than the highest net asset value for this unit class recorded on any closing date over the Fund's last five (5) financial years. This model takes effect on 1 January 2022 and is not applied retroactively. As a result, the net asset value of each unit class as at 1 January 2022 constitutes the high-water mark for that unit class.

For each unit class, the net asset value per share used to calculate the performance fee is the net asset value prior to the provision for the performance fee.

The performance fee set aside is paid to the Management Company in full at the end of the financial year.
Please refer to the "Performance fee" section below for a detailed example illustrating the method for calculating performance fees.

Other fees charged to the Fund:
- Contributions payable to the AMF for fund administration in accordance with article L.621-5-3 of the French Monetary and Financial Code.
- Research costs (See "Research and Inducements" below)
- 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 management company does not receive any remuneration in respect of efficient portfolio management techniques (temporary purchases and sales of securities).

All income resulting from these techniques is returned to the Fund, minus operating costs linked to the involvement of Caceis Bank Luxembourg Branch as lending agent in securities lending/borrowing transactions. The lending agent's charges may not exceed 15% of income generated on these lending/borrowing transactions.

With respect to repurchase agreements, the Fund is the direct counterparty in such transactions and receives the full amount of the remuneration.

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
Carmignac Gestion 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, inter alia, the availability and proactivity of the intermediary representatives, the financial situation of the intermediaries, their speed, the quality of the processing and execution of orders and intermediary costs.

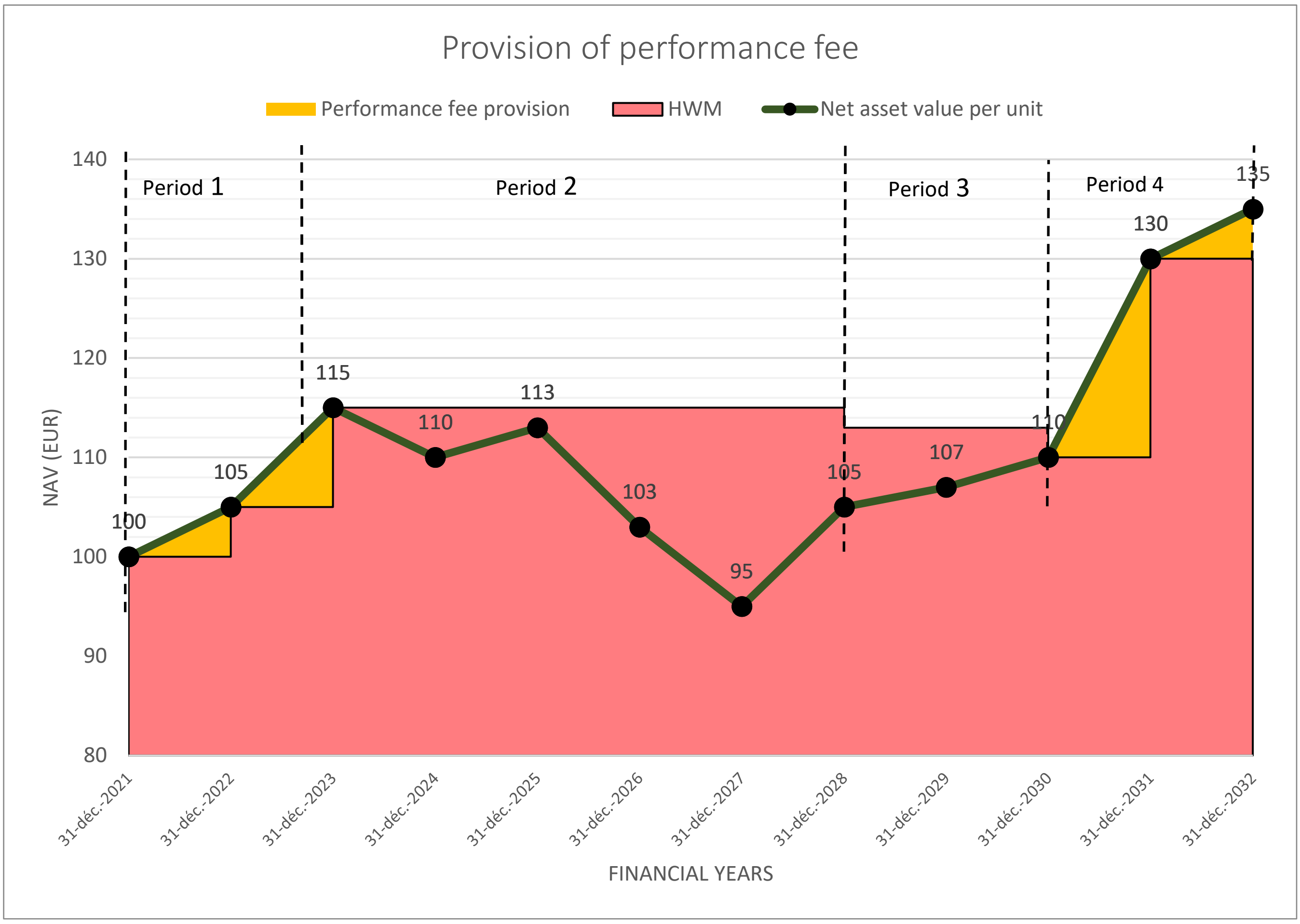
Research and inducements
"Research" refers to material or services used to develop an opinion on a financial instrument, asset, issuer, sector or specific market. Carmignac will not procure any research service unless it is needed to reach an informed decision in the fund's best interests. Before procuring the research service, fund managers and/or analysts will check that it is appropriate, justify their request with evidence, and assess how reasonable the service is. The request is reviewed by a local compliance officer. The budget is allocated in such a way as to distribute the research cost fairly between the different funds. Generally speaking, investment decisions relating to funds with similar investment objectives and mandates are taken on the basis of the same research service. In their best interests, funds sharing a similar strategy and benefitting from the same research service will share costs. The management team allocates the budget. Carmignac collects the money from the Funds only when fees payable to the research service are due. Carmignac collects funds' research costs in the separate research payment account (RPA), as available monies. The Fund bears the cost of financial research. Investors and potential investors may obtain the total budget and the estimated research budget for each fund using the "Research payment account disclosure form" available at www.carmignac.com.

Performance fee
The method used to calculate the performance fee has been established in accordance with ESMA guidelines ("Final report - Guidelines on performance fees in UCITS and certain types of AIFs"; 3 April 2020/ESMA 34-39-968). The fee calculation method, illustrated by concrete examples, the reference performance period applicable to fund units, and the high-water mechanism are described below.

The detailed example below shows the performance of the net asset value of a unit class in the Fund and the relevant level of the high-water mark, which corresponds to the highest net asset value recorded on the last day of calculation of the net asset value in the previous five (5) financial years.

YEAR	NET ASSET VALUE PER UNIT	PERFORMANCE OF THE UNIT	PERFORMANCE FEE PERCENTAGE	HWM	PERFORMANCE FEE	PERFORMANCE FEE PROVISION
T	100	0.00%	20.00%	100	n/a	n/a
T+1	105	5.00%	20.00%	100	1.00%	Yes
T+2	115	10.00%	20.00%	105	2.00%	Yes
T+3	110	-5.00%	20.00%	115	0.00%	No
T+4	113	3.00%	20.00%	115	0.60%	No
T+5	103	-10.00%	20.00%	115	0.00%	No
T+6	95	-8.00%	20.00%	115	0.00%	No
T+7	105	10.00%	20.00%	115	2.00%	No
T+8	107	2.00%	20.00%	113	0.40%	No
T+9	110	3.00%	20.00%	113	0.60%	No
T+10	130	20.00%	20.00%	110	4.00%	Yes
T+11	135	5.00%	20.00%	130	1.00%	Yes

These detailed examples are illustrated in the following chart.



Period 1: During this period, the unit has generated positive performance and is above the high-water mark (EUR 100 in year 1 and EUR 105 in year 2). A performance fee is therefore provisioned and paid to the Management Company at the end of the financial year.

Period 2: During this period, the net asset value of the unit is below the high-water mark (EUR 115). Accordingly, a performance fee is not charged for the period, despite the fact that the unit generated positive absolute performance in year 4 (3%) and year 7 (10%).

Period 3: During this period, the high-water mark for the unit is reduced to EUR 113, which corresponds to the highest net asset value recorded over the previous five (5) financial years. Although the unit performance is positive for both financial years, the price per unit remains below the high-water mark. Accordingly, a performance fee is not provisioned for either year in this period.

Period 4: The unit price shows a clear rise and is above the high-water mark for both years in this period. A performance fee is therefore provisioned and charged by the Management Company.

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, KID (Key Information Document), and information regarding the facilities carrying out the tasks identified in Article 92 of Directive 2009/65/EC are available on the website: 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 in bearer or administered registered form 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 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

The Fund respects the regulatory limits applicable to standard French UCITS under European Directive 2009/65/EC.

VI. OVERALL RISK

The method used to determine the Fund's overall risk is the absolute Value-at-Risk (VaR) method over a two-year historical horizon, with a 99% confidence threshold over 20 days. The envisaged leverage, calculated as the sum of nominal amounts without netting or hedging, is 200% but may be higher under certain conditions.

Higher leverage: this will generally result from specific market conditions (high/low volatility, low interest rates, central bank intervention) or an increase in the number of positions, which may nonetheless offset portfolio risks, or from the use of options that are well out of the money.

For example, new positions opened to counterbalance existing positions may increase the gross nominal value of outstanding contracts, creating high leverage that bears little correlation to the portfolio's current risk. In each case, they are used in accordance with the portfolio's investment objective and risk profile.

VII. ASSET VALUATION RULES

1. Valuation rules:

a) Methods used for the valuation of balance sheet items and futures and options

Investments in securities
Securities purchased are recorded at their acquisition price excluding fees, and securities sold are recorded at their sale price excluding fees.

Securities, futures and options held in the portfolio 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 according to the following methods:

French securities
- on the spot market, deferred settlement system: on the basis of the latest price.

French government bonds are valued on the basis of the mid price of a contributor (a primary dealer selected by the French Treasury), supplied by an information server. This price is subject to a reliability check by means of a comparison with the prices of several other primary dealers.

Foreign securities
- listed and registered in Paris: on the basis of the latest price.
- not registered in Paris: on the basis of the latest price available.

Transferable securities whose prices have not been determined on the valuation day, or whose prices have been adjusted, are valued under the responsibility of the management company at their foreseeable sale prices. Justification is sent to the statutory auditor at the time of the audit.

The Funds are valued at the latest redemption price or the latest net asset value available
They are valued at the latest redemption price or the latest net asset value available.

Money market instruments and synthetic assets composed of a transferable debt security backed by one or more interest rate and/or currency swaps ("asset swaps")
For those traded in large volumes and which have a residual maturity greater than three months: at the market price on the basis of information feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.).

For those not traded in large volumes and which have a residual maturity greater than three months: at the market price on the basis of information feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.) for equivalent money market instruments whose price shall be incremented or decreased, where applicable, by a differential representing the issuer's specific characteristics and by applying an actuarial method.

For those with a residual maturity of three months or less: on a straight-line basis.

In the case of a debt security valued at the market price whose residual maturity falls below or is equal to three months, the last rate used shall be frozen until the final repayment date, unless the security's modified duration requires valuation at the market price (see the previous paragraph).

Temporary purchases and sales of securities in accordance with the terms and conditions provided for in the agreement
These transactions are valued according to the conditions provided for in the agreement.

Certain fixed income transactions whose maturity is greater than three months may be valued at the market price.

Futures and options transactions
Forward purchases and sales of currencies are valued in consideration of the amortisation of any positive or negative balance carried forward.

b) Off-balance sheet transactions

Transactions on regulated markets
Futures transactions: these transactions are valued according to the markets on the basis of the settlement price. The commitment is calculated as follows: price of futures contract x nominal value of contract x quantities.

Options transactions: these contracts are valued according to the markets on the basis of the opening price or the settlement price. The commitment is equal to the conversion of the option into the underlying equivalent. It is calculated as follows: delta x quantity x ratio or nominal value of the contract x price of the underlying equivalent.

Transactions on over-the-counter markets
Interest rate transactions: valuation at the market price on the basis of information feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.) and, if necessary, by applying an actuarial method.

Interest rate swap transactions:
For those with a residual maturity greater than three months: valuation at the market price on the basis of information feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.) and by applying an actuarial method.

Backed or non-backed transactions:
- Fixed rate/Variable rate: nominal value of the contract

- Variable rate/Fixed rate: nominal value of the contract
- For those with a residual maturity of three months or less: valued on a straight-line basis.
- In the case of an interest rate swap transaction valued at the market price whose residual maturity is less than or equal to 3 months, the last rate used shall be frozen until the final repayment date, except in the case of modified duration requiring valuation at the market price (see the previous paragraph).

The commitment is calculated as follows:
- Backed transactions: nominal value of the contract
- Non-backed transactions: nominal value of the contract

Other transactions on over-the-counter markets:
- Interest rate, foreign exchange or credit transactions: valuation at the market price on the basis of information feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.) and, if necessary, by applying an actuarial method.
- The commitment is shown as follows: nominal value of the contract.

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 www.carmignac.com. A printout of the policy is available free of charge upon request.

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

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.

Product name: CARMIGNAC ABSOLUTE RETURN EUROPE
Legal entity identifier: 96950047MB7CH61F0D32

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental 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 ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ 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**

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

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

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: 1) ESG integration, 2) negative screening, 3) active stewardship to promote environmental and social characteristics, 4) low-carbon target (as detailed below), and 5) monitoring of principal adverse impacts (PAIs).

The fund does not have a reference indicator for sustainability in order to measure the fund's ESG performance.

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, which includes in-house and external ESG scores, is applied to at least 90% of securities (excluding cash and derivatives).

2) **Reduction of the investment universe**:

   a. **Exclusions at management company level:** unsustainable activities and practices are identified using an approach based on international standards and rules in the following areas: (a) controversies concerning the OECD Guidelines, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the principles of the United Nations Global Compact, (b) controversial weapons, (c) thermal coal production, (d) energy producers, (e) tobacco, (f) adult entertainment.

   b. **Negative screening specific to the fund:**

      i. the fund applies extended exclusions or stricter exclusion criteria to the sectors of oil and gas extraction, conventional arms and gambling.

      ii. The fund's equity positions with an MSCI rating for the governance pillar of below 3.4 (on a scale from 0 to 10) or with carbon emissions over 168 tCO_2/EURm 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 portfolio manager has carried out ad-hoc analysis, which may entail engagement with the issuer. 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

3) **Active stewardship:** 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 shareholder (or bondholder) meetings.

4) **Low-carbon target:** The fund seeks to achieve carbon emissions 30% lower than those of a composite benchmark composed of 75% MSCI Europe, and 25% S&P 500, measured on a monthly basis by the carbon intensity (tCO_2/USDm of revenue converted into euro, aggregated at portfolio level (scopes 1 and 2 of the GHG Protocol)).

5) **Principal adverse impacts – PAI:** as regards monitoring principal adverse impacts ("PAI"), and 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 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.

- ***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 the PAI Integration Policy on the management company’s website. 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

The Fund implements a long/short equity investment strategy focused on fundamentals to achieve its investment objective. This strategy consists of building a portfolio of long and short positions on financial instruments eligible for the Fund's assets. A minimum of 75% of the fund's net assets is invested in PEA-eligible shares, i.e. equities from issuers in member states of the European Economic Area. Up to 25% of the fund's net assets may be invested in equities from issuers in member states of the European Economic Area.

The fund applies either a "best-in-universe" approach to identify companies with sustainable activities, or a "best-efforts" approach consisting in favouring issuers that have low carbon emissions and that demonstrate good governance in their ESG practices and performance over time. The fund pursues active engagement with respect to all its investments.

The investment universe is assessed in light of the ESG risks and opportunities recorded in Carmignac's proprietary ESG platform, START. Environmental, social and governance analysis is integrated into the investment process implemented by the investment team using proprietary and external research.

Non-financial analysis is applied as part of the investment strategy through the following processes, which actively reduce the equity investment universe by at least 20%. The full procedure for reducing the investment universe is described in the corresponding transparency codes, which are available in the "Responsible Investment" section at www.carmignac.com. The initial investment universe prior to the reduction consists of listed European equities with a market capitalisation of more than EUR 250 million, i.e. approximately 2,000 to 2,500 shares. The investment universe and the fund are periodically reviewed to maintain their alignment for the purposes of reducing the investment universe.

Reduction of the investment universe (minimum 20% of the portfolio's equity and corporate bond components):

i. **Exclusions at management company level:** unsustainable activities and practices are identified using an approach based on international standards and rules in the following areas: (a) controversies concerning the OECD Guidelines, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the principles of the United Nations Global Compact, (b) controversial weapons, (c) thermal coal production, (d) energy producers, (e) tobacco, (f) adult entertainment.

ii. **Negative screening specific to the fund:**

   a. the fund applies extended exclusions or stricter exclusion criteria to the sectors of oil and gas extraction, conventional arms and gambling.

   b. The fund's equity positions with an MSCI rating for the governance pillar of below 3.4 (on a scale from 0 to 10) or with carbon emissions over 168 tCO_2/EURm 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 portfolio manager has carried out ad-hoc analysis, which may entail engagement with the issuer.

In addition, as part of the management company's active stewardship, ESG engagements with companies, contributing to heightened awareness and improvement in the companies' sustainable development policies are measured by the following indicators: (a) level of active engagement and voting policies, (b) number of engagement efforts, (c) voting rate and (d) participation in shareholder (or bondholder) meetings.

Lastly, the fund seeks to achieve carbon emissions 30% lower than those of a composite benchmark composed of 75% MSCI Europe, and 25% S&P 500, measured on a monthly basis by the carbon intensity (tCO_2/USDm of revenue converted into euro, aggregated at portfolio level (scopes 1 and 2 of the GHG Protocol)).

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) ESG analysis is applied to at least 90% of securities (excluding cash and derivatives).

2) The universe of long equity positions in actively reduced.

3) Carbon emissions, as measured by carbon intensity, are 30% lower than those of the aforementioned composite benchmark.

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

The fund is not required to comply with any minimum rate to reduce the equity investment universe prior to the application of its investment strategy.

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

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

To assess good governance practices, 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

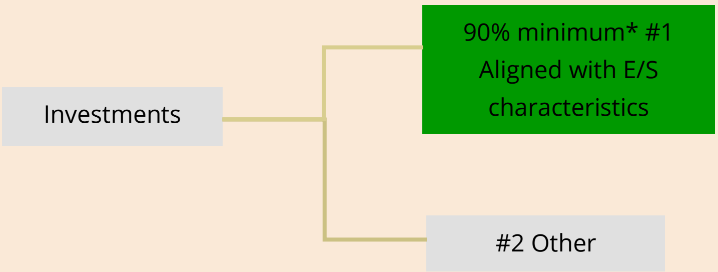
3) File appropriate returns in each of the countries in which they operate (country-by-country reporting, "CBCR").

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.

What is the asset allocation planned for this financial product?

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.



* 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.

Minimum share of sustainable investments:

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

Share of "#2 Other" investments:
Where investments 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 carbon emissions and measuring adverse impacts.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully 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.

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 net assets. The actual level of alignment with the Taxonomy is calculated and published annually.

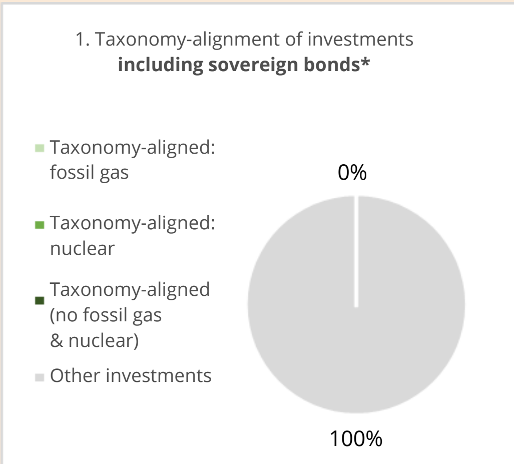
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

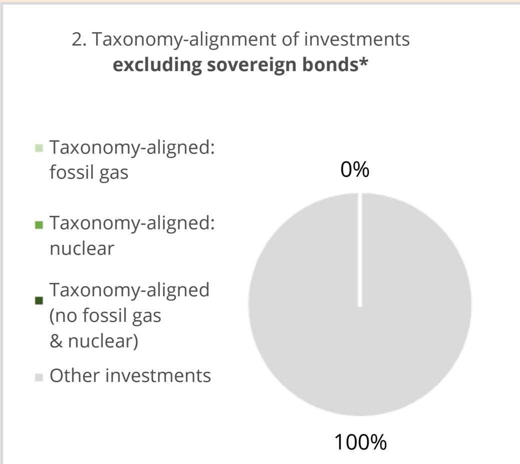
☐ Yes:

☐ 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.





This graph represents 100% of the total investments

** 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?

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?

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 there any minimum environmental or social safeguards?

The remainder of the portfolio (i.e. beyond the minimum share of 90%) may also promote environmental and social characteristics but is not systematically covered by ESG analysis. These assets may include listed or unlisted 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".

All of the fund's assets (excluding cash and derivatives) apply sectoral and standards-based negative screening and exclusions guaranteeing minimum environmental and social safeguards.

Moreover, the exclusion process ensuring compliance with the do no significant harm principle, lack of significant harm, and monitoring of adverse impacts apply to all fund assets.

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?

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: www.carmignac.com, in the "Funds" and "Responsible Investment" sections.

MANAGEMENT REGULATIONS OF THE FCP CARMIGNAC ABSOLUTE RETURN EUROPE

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 FCP'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 nominal value.
- be systematically hedged against risk, either partially or completely, as described in the prospectus. This hedging is taken out via financial instruments that minimise the impact of hedging transactions on the FCP'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 Fund 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 Fund 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 (“gates”) in exceptional circumstances and if deemed necessary to protect the interests of unitholders. The management company has provided for a cap on redemptions from a threshold of 5% corresponding to the ratio between net redemptions of subscriptions and the fund’s net assets. The implementation of this mechanism is not systematic and the management company reserves the right to meet redemption requests fully or partially above this threshold. The redemption cap mechanism may be applied for a maximum duration of twenty (20) net asset values over three (3) months. Unitholders cannot cancel or rescind any portion of an order not executed on a net asset value date, which will be automatically carried forward to the next net asset value date.

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 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

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 instruments and deposits in which the Fund's assets may be invested, as well as the investment rules, are described in the prospectus.

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 FCP'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

The net income for the financial year is equal to the amount of interest, arrears, dividends, premiums and prizes, directors' fees as well as all proceeds generated by the securities held in the portfolio of the Fund, plus income generated by temporary cash holdings, less management fees and borrowing costs.

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	DIS UNITS
Allocation of net income	Accumulation (dividends are recorded on an accruals basis)	Distributed or carried forward as decided by the management company
Allocation of net realised capital gains or losses	Accumulation (dividends are recorded on an accruals basis)	Distributed or carried forward as decided by the management company

Payment of distributable income is made annually within five months of the financial year-end.
Payment of distributable income payable quarterly is made within one month of the end of each calendar quarter.

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.

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 – RCS: 662 042 449 RCS Paris – postal address: 9, rue du Débarcadère, 93500 Pantin, France *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 (www.carmignac.com) 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 Section 6 of the “Regulatory Information” page on the website www.carmignac.com or please contact the management company of the UCITS: 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, KID and the last annual and semi-annual reports are available on the website of the management company (www.carmignac.com) or 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 is available on the website of the management company (www.carmignac.com) or 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									

Information aimed to Irish Shareholders

Facilities Agent

The following entities were appointed in order to cover article 92 of Directive 2009/65/EC regarding the facility agent duties.

Point A)
BNP Paribas Securities Services, Société en commandite par actions, 9, rue du Débarcadère, 93500 Pantin, France

Point B to E)
CARMIGNAC GESTION, Société Anonyme, 24 Place Vendôme 75001 Paris, France

Point F)
PricewaterhouseCoopers, Société coopérative, Global Fund Distribution ("PwC GFD"), 2, rue Gerhard Mercator B.P. 1443 L-1014 Luxembourg

Taxation

The Directors of the Management Company intend to conduct the affairs of the Fund so that it does not become resident in Ireland for taxation purposes. Accordingly, provided the Fund does not exercise a trade within Ireland or carry on a trade in Ireland through a branch or agency, the Fund will not be subject to Irish tax on its income and gains other than on certain Irish source income and gains.

Irish pension funds within the meaning of Section 774, 784 and 785 of the Taxes Consolidation Act, 1997.
On the basis that the pension funds are wholly approved under the aforementioned sections, they are exempt from Irish income tax in respect of income derived from their investments or deposits. Similarly, all gains arising to these approved Irish pension funds are exempt from capital gains tax in Ireland under Section 608 of the Taxes Consolidation Act, 1997 (as amended).

Other Irish unitholders

Subject to personal circumstances, unitholders resident in Ireland for taxation purposes will be liable to Irish income tax or corporation tax in respect of any income distributions of the Fund (whether or not distributed or reinvested in new units).

The attention of individuals resident or ordinarily resident in Ireland for tax purposes is drawn to Chapter 1 of Part 33 of the Taxes Consolidation Act 1997 (as amended), which may render them liable to income tax in respect of undistributed income or profits of the Fund. These provisions are aimed at preventing the avoidance of income tax by individuals through a transaction resulting in the transfer of assets or income to persons resident or domiciled abroad and may render them liable to income or corporation tax in respect of undistributed income or profits of the Fund on an annual basis.

On the basis that the Fund is regarded as a tax transparent entity, for the purposes of the Taxes Consolidation Act 1997 (as amended), the income and gains in relation to the Fund shall be treated as arising, or as the case may be, accruing to each unit holder of the Fund in proportion to the value of the units beneficially owned by the unit holder, as if the income and gains had arisen or accrued to the unit holders without passing through the hands of the Fund.

However, in practice, the holding of units in the Fund may constitute a 'material interest' in an offshore fund located in a qualifying jurisdiction for the purposes of Chapter 4 (Sections 747B to 747E) of Part 27 of the Taxes Consolidation Act, 1997 (as amended). This Chapter provides that if a unitholder resident or ordinarily resident in Ireland for taxation purposes holds a 'material interest' in an offshore fund and that fund is located in a 'qualifying jurisdiction' (including a Member State of the European Communities, a Member State of the European Economic Area or a member of the OECD with which Ireland has a double taxation treaty) then, dividends or other distributions and any gain (calculated without the benefit of indexation relief) accruing to the unitholder upon the disposal of the interest will be charged to tax currently at the rate of 41%.

To the extent that the holding of units in the Fund constitutes a material interest in an offshore fund, income received by the Fund accruing to an unitholder that is a company that is resident in Ireland or any gain (calculated without the benefit of indexation relief) accruing to such unitholder upon the disposal of their interest in the Fund will generally be taxed under Case III (in the case of dividend) and Case IV (in the case of gains) of Schedule D at the rate of 25% (where the payments are not taken into account in computing the profits or gains of a trade carried on by the company). Where any computation would produce a loss, the gain shall be treated as nil and no loss shall be treated as occurring on such disposal. An Irish resident corporate unitholder whose units are held in connection with a trade will be taxable on any income or gains as part of that trade under Case I of Schule D at the rate of 12.5%.

To the extent that the holding of units in the Fund constitutes a material interest in an offshore fund located in a qualifying jurisdiction, the holding of units at the end of a period of 8 years from acquisition (and thereafter on each 8 year anniversary) may constitute a deemed disposal and reacquisition at market value by the unitholder of the relevant units. This shall apply to units acquired on or after 1 January 2001. The tax payable on the deemed disposal will be equivalent to that of a disposal of a 'material interest' in an offshore fund (i.e. the appropriate gain is subject to tax currently at the rate of 41% for individual unitholders and at 12.5% or 25% for corporate unitholders. To the extent that any tax arises on such a deemed disposal, such tax will be taken into account to ensure that any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant units does not exceed the tax that would have been payable had the deemed disposal not taken place. Where the Fund is regarded as a tax transparent entity, the deemed disposal rules would not apply.

To the extent that the holding of units in the Fund constitutes a material interest in an offshore fund, an offshore fund may be considered a Personal Portfolio Investment Undertaking ("PPIU") in relation to a specific unitholder where that unitholder has influence over the selection of some or all of the property held by the offshore fund, either directly or through persons acting on behalf of or connected with the unitholder. Any gain arising on a chargeable event in relation to an offshore fund which is a PPIU in respect of an individual will be taxed at the rate of 60%. A higher tax rate of 80% may apply where the individual fails to meet the necessary filing requirements under Chapter 4 of Part 27 of the Taxes Consolidation Act, 1997. Specific exemptions apply where the property invested has been clearly identified in the offshore fund's marketing and promotional literature and the investment is widely marketed to the public. Further restrictions may be required in the case of investments in land or unquoted units deriving their value from land. Where the Fund is regarded as a tax transparent entity, the PPIU rules would not apply.

Attention is drawn to the fact that the above rules may not be relevant to particular types of unitholders (such as financial institutions), which may be subject to special rules. Unitholders should seek their own professional advice as to the tax consequences before investing in units in the Fund. Taxation law and practice, and the levels of taxation may change from time to time.