ANNUAL REPORT

OF THE FRENCH MUTUAL FUND (FCP)

(FONDS COMMUN DE PLACEMENT)

CARMIGNAC CHINA NEW ECONOMY

(For the period ended

30 December 2022)

CARMIGNAC

RISK MANAGERS

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Statutory Auditor’s Certification

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French mutual fund (FCP)
CARMIGNAC CHINA NEW ECONOMY

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Statutory auditor's report on the annual financial statements

Financial year ended 30 December 2022

To the unitholders,

Opinion

Following our appointment by the management company, we have audited the annual financial statements of the CARMIGNAC CHINA NEW ECONOMY undertaking for collective investment, established as a French mutual fund (FCP), for the financial year ended 30 December 2022, as they are appended to this report.

In our opinion, the annual financial statements give, in accordance with French accounting rules and principles, a true and fair view of the financial position and assets and liabilities of the fund and of the results of its operations at the end of the financial year.

Basis for our opinion

Audit framework

We conducted our audit in accordance with the professional auditing standards applicable in France. We believe that the evidence gathered is pertinent and sufficient to serve as a basis for our opinion.

Our responsibilities in light of these standards are described in this report in the section entitled "Responsibilities of the statutory auditor in relation to auditing the annual financial statements".

Independence

We carried out our audit in accordance with the independence rules set out in the French Commercial Code and the Code of Ethics for Statutory Auditors, for the period from 1 January 2022 to the date on which our report was issued.

Justification of the evaluations

In accordance with the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code regarding the justification of our evaluations, we hereby inform you that our most important evaluations, in our professional opinion, were focused on the appropriateness of the accounting principles applied, particularly as regards financial instruments held in the portfolio, and on whether all accounts were presented as per the accounting standards applicable to undertakings for collective investment with variable capital.

The evaluations were made in the context of the audit of the annual financial statements, taken as a whole, and the formation of the opinion expressed herein. We offer no opinion on parts of these annual financial statements taken in isolation.

Verification of the management report drawn up by the management company

We have also carried out the specific verifications required by law in accordance with the professional auditing standards applicable in France.

We have no comment as to the fair presentation and conformity with the annual financial statements of the information given in the management report drawn up by the management company.

Responsibilities of the management company regarding the annual financial statements

The management company is required to prepare annual financial statements that present a true and fair image, in accordance with French accounting rules and principles, and to establish the internal control measures that it deems necessary for producing annual financial statements free of material misstatement, whether due to fraud or error.

When producing the annual financial statements, it is incumbent on the management company to assess the ability of the fund to continue operating, and where appropriate to include the necessary information on business continuity, and apply the going concern accounting policy unless there are plans to liquidate the fund or cease trading.

The annual financial statements were prepared by the management company.

Responsibilities of the statutory auditor when auditing the annual financial statements

We are required to produce a report on the annual financial statements. Our aim is to gain reasonable assurance that the annual financial statements taken as a whole are free of material misstatement. Reasonable assurance means a high level of assurance, albeit without any guarantee, that an audit carried out in accordance with industry standards could systematically detect every material misstatement. Misstatements may arise from fraud or error, and are considered to be material when one could reasonably expect them, either individually or cumulatively, to influence the financial decisions that readers make as a result.

As stipulated in Article L.823-10-1 of the French Commercial Code, our role as auditors is not to guarantee the viability or quality of management of your FCP.

A statutory auditor exercises its professional judgement throughout any audit performed in accordance with professional standards applicable in France. Furthermore:

- It identifies and evaluates the risk that the annual financial statements may include material misstatement, whether resulting from fraud or error, defines and implements auditing procedures in response to these risks, and gathers the items it deems sufficient and appropriate as a basis for its opinion. The risk of material misstatement not being detected is considerably higher when it is the result of fraud rather than error, since fraud may involve collusion, falsification, voluntary omissions, false declarations or the circumvention of the internal control system;

- It assesses the internal control system that is relevant for the audit in order to define audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the internal control system;
- It evaluates the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by the management company, as well as the related information in the annual financial statements;
- It evaluates the appropriateness of the management company's application of the going concern accounting principle and, based on the information gathered, the existence or absence of significant uncertainty linked to events or circumstances likely to cast doubt on the fund's ability to continue its operations. This evaluation is based on the information gathered prior to the date of its report; however, it should be noted that subsequent circumstances or events may cast doubt on the continuity of its operations. If it concludes that there is a material uncertainty, it draws readers' attention to the information provided in the annual financial statements regarding this uncertainty, or if such information is not provided or not relevant, it certifies the accounts with reservations, or refuses to certify them;
- It assesses the presentation of all of the annual financial statements and evaluates whether or not the annual financial statements depict the underlying operations and events fairly.

Paris La Défense

KPMG S.A.

Digital signature of
Isabelle Bousqule
KPMG on 18/04/2023 16:22:46

Isabelle Bousquié
Partner

2022 ANNUAL REPORT OF CARMIGNAC CHINA NEW ECONOMY

Features of the Fund

Allocation of distributable income

Distributable income	“F EUR Acc” and “I EUR Acc” UNITS
Allocation of net income	Accumulation (dividends are recorded on an accruals basis)
Allocation of net realised capital gains or losses	Accumulation (dividends are recorded on an accruals basis)

Countries in which the Fund is authorised for distribution

F EUR Acc units: Austria, Belgium, Switzerland, Germany, Spain, France, Italy, Luxembourg, Sweden.
I EUR Acc units: Austria, Belgium, Switzerland, Germany, Spain, France, Italy, Luxembourg, Sweden.

Investment objective

Carmignac China New Economy is an investment fund whose objective is to achieve a performance, net of fees, above that of the MSCI China Index over a recommended investment horizon of five years. The Fund primarily invests in equities issued by companies or issuers that have their registered office or carry out a significant part of their business in the Greater China region, which includes Mainland China, Hong Kong, Macao, Taiwan and Singapore (“Greater China”).

The reference to the “New Economy” reflects the portfolio manager's desire to invest in a privileged manner in sectors not explicitly linked to the purely exporting component of the economy or to traditional commodities. This involves being present mainly, but not solely, in sectors linked to consumption, low-carbon energy, technological innovation and the phenomena of urban migration and rising living standards.

Reference indicator

The Fund’s reference indicator is the MSCI China Index (USD), calculated with net dividends reinvested (Bloomberg code: NDEUCHF), reconverted into EUR (the “Reference Indicator”). The MSCI China is an index that represents the Chinese large and mid-cap company universe via H and B shares as well as equities listed on foreign markets (ex ADRs).

The Reference Indicator also includes large caps listed on the A market for up to 20% of their free float-adjusted market capitalisation. The weighting of these equities may vary on the decision of the administrator of the Reference Indicator. The Fund’s investment universe is at least partially inspired by this indicator in terms of allocation across different regions, sectors and market capitalisation levels. However, the Fund’s investment strategy is not dependent upon it. Therefore, the Fund’s positions and their weightings may deviate substantially from the composition of the Reference Indicator. There is no limit set on the level of such deviation.

The administrator of the reference indicator, MSCI Limited (http://www.msci.com), has not been entered in the register of administrators and benchmarks kept by ESMA since 1 January 2021, although this has no effect on the Fund's use of the reference indicator, in accordance with ESMA position 80-187-610. In accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016, the Management Company applies a reference indicator monitoring procedure that describes the measures to be taken in the event of a major change to an indicator or if the indicator is discontinued.

However, the Reference Indicator serves as one with which investors can compare the Fund's performance and risk profile over its recommended investment horizon.

Investment strategy

STRATEGIES USED

The Fund is managed on a discretionary basis and its investment strategy is implemented mainly through a portfolio of direct investments in Chinese equities. The investment strategy is applied without restriction in terms of allocation by sector, type or size of security.

In all cases, at least 75% of the assets will be invested directly or indirectly in equities issued by companies or issuers having their registered office or carrying out the bulk of their business in Greater China.

Stock selection is based on detailed financial analysis, meetings organised by companies, visits made to these companies and daily news. Depending on the situation, the criteria used for stock selection are the value of the assets, return, growth and quality of the management, in particular.

The allocation of the portfolio between the different asset classes (including investment funds) is based on fundamental analysis of the global macroeconomic environment and, more specifically, of Greater China and of its indicators (growth, inflation, deficits, etc.) and may vary according to the portfolio manager's expectations.

To achieve the investment objective, the portfolio manager may use futures instruments (derivatives) on equity, foreign exchange and fixed income markets.

Description of asset categories and financial contracts as well as their contribution to the investment objective being achieved

EQUITIES

At least 75% of the assets will be invested in equities issued by companies or issuers having their registered office or carrying out the bulk of their business in Greater China. At least 60% of the Fund's net assets will be permanently exposed, directly or indirectly, to equities and other securities giving or capable of giving direct or indirect access to capital or voting rights, including via other instruments. The net assets of the Fund may be invested in small, mid- and large caps (with a respective capitalisation of under 2 billion, of between 2 and 10 billion and greater than 10 billion euros or dollars) and in all sectors. Investment in small caps is limited to 30% of the Fund's net assets.

CURRENCIES

Net exposure to currencies other than the Fund's valuation currency, including the following; USD, CNH, CNY, SGD, GBP, HKD, or TWD, generated through derivatives, may reach 125% of the net assets and may differ from that of the Fund's Reference Indicator. The Fund will use currency derivatives mainly for hedging purposes, and marginally, for exposure or in relative terms.

DEBT SECURITIES AND MONEY MARKET INSTRUMENTS

Up to 25% of the Fund's net assets may be invested in (i) fixed or variable rate euro-denominated money-market instruments issued by public entities; or (ii) sovereign bonds issued by a Eurozone country, of at least investment grade according to the scale of the main rating agencies or of a rating deemed to be equivalent by the Management Company. No asset allocation constraints shall apply.

The decision to buy, hold or sell a security (particularly where the rating has changed) is not solely based on the rating criteria, but also reflects an internal analysis of the credit risks and market conditions carried out by the management company.

CASH BORROWING

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.

DERIVATIVES

In order to achieve its investment objective, the Fund may invest on a discretionary basis in futures traded on Eurozone and international – including emerging – markets, for exposure or hedging purposes. The other derivatives that may be used for hedging or exposure purposes are CFD (contracts for difference), OTC forwards, currency forwards, options (vanilla or barrier) and swaps involving one or more underlying risks/instruments in which the Fund manager may invest.

These derivatives allow the portfolio manager to hedge the Fund against equity, currency, interest rate and financial ETF risks, while respecting the portfolio's overall constraints, relating to the Fund's net asset limits for each category, unless any other restrictions apply.

SECURITIES WITH EMBEDDED DERIVATIVES

The Fund may invest in securities with embedded derivatives (in particular warrants, subscription certificates and P-Notes) traded on international regulated, organised or OTC markets. In all cases, the amounts invested in securities with embedded derivatives may not exceed 10% of the net assets.

UCIS AND OTHER INVESTMENT FUNDS

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, or foreign investment funds, provided that the foreign UCITS, AIFs or investment funds meet the criteria set out in 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.

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.

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 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 and securities lending/borrowing.

The expected proportion of assets under management that may 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.

Extra-financial characteristics

The fund has environmental (E) and social (S) characteristics, and promotes investment in companies that follow sound governance practices. It complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR). The main themes meeting the Fund’s socially responsible criteria are designed to identify companies with a long-term, sustainable business model and include healthcare, education, consumption, clean energy and sustainable or innovative technology.

In addition, the Fund aims to contribute to China’s carbon neutrality goal for 2060 and is committed to reducing its weighted average carbon intensity (measured in TCO_2e/€m of revenue; Scope 1 and 2 of the Greenhouse Gas Protocol) by 5% per year. From 2025, the Fund’s annual carbon intensity reduction threshold will be revised every 5 years.

The Fund applies an active voting policy and is actively involved in its investments. For further information, you can also visit our website: https://www.carmignac.fr/en_GB/sustainable-investment/sustainable-funds.

DETAILS OF THE IMPLEMENTATION OF THE EXTRA-FINANCIAL ANALYSIS IN THE FUND’S INVESTMENT STRATEGY:

Extra-financial criteria are taken into account in the screening of the Fund’s investment universe, portfolio construction and final security selection:
- First, the Fund applies a filter to rule out sectors that have a negative environmental or social impact, employing a strict exclusion policy. In addition, we apply standards-based exclusions of companies breaching international standards or having exposure to controversial sectors and/or activities.
- We then run positive screening to select companies that are providing solutions to environmental and social problems, and in particular those that are contributing to the improvement of communities’ quality of life and social, societal and environmental conditions. This positive screening is carried out combining (i) a “best in universe” approach that prioritises issuers with the highest extra-financial rating irrespective of their business sector, and (ii) a “best-efforts” approach consisting in favouring issuers that exhibit an improvement or strong prospects in terms of ESG practices and performance over time. This positive screening uses the START system (System for Tracking and Analysis of a Responsible Trajectory) developed by Carmignac which systematises the integration of environmental, social and governance criteria and provides a formal, structured and predictive analysis of each company.

The environmental (E) and social (S) approach employed by the portfolio managers reduces the initial list of possible investments by at least 20% of the Fund's investment universe.

The Fund’s carbon footprint is measured in tonnes of CO_2, aggregated in the portfolio according to data supplied by S&P Trucost. The analysis uses reported and estimated data from Scopes 1 and 2 of the Greenhouse Gas (GHG)

Protocol, excluding the Fund's cash holdings and companies for which data is unavailable. The Greenhouse Gas (GHG) Protocol establishes three emission scopes: scope 1 concerns direct emissions from the company's facilities, scope 2 indirect emissions related to the company's energy consumption, and scope 3 other indirect emissions. However, as standards for Scope 3 are not established and are not considered reliable enough to use, we have therefore chosen not to include it when calculating emissions at portfolio level.

EXAMPLES OF EXTRA-FINANCIAL CRITERIA (NON-EXHAUSTIVE LIST)

- Environmental: carbon emissions data, energy supply and suppliers, energy type and efficiency,
- Social: human capital policies, protection of client data and cybersecurity.
- Governance: regulation, company governance and conduct, employee satisfaction, staff turnover.

WARNING ON THE LIMITATIONS OF THE APPROACH

The fund's sustainability risk may differ from that of the reference indicator.
Due to the partial hedging of the carbon emissions of some companies, especially in the case of recent start-ups or stock-exchange listings, the calculation of the portfolio's carbon emissions may not be complete.

APPLICATION OF EXTRA-FINANCIAL ANALYSIS TO THE INVESTMENT UNIVERSE

The extra-financial analysis concerns at least 90% of the portfolio.

TAXONOMY

With regards to Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (referred to as the "Taxonomy Regulation"), the fund's investments make a contribution to the following environmental objectives: climate change mitigation and adaptation.

In addition, the fund has a carbon emission reduction target as described above.

The revenues of companies in which the fund invests are analysed as a key performance indicator to assess whether their activities are eligible for the Taxonomy Regulation. These companies are subject to an analysis of the minimum guarantees in place to ensure that their business activities comply with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights. In addition, the fund ensures that these activities do no significant harm to the environmental objectives.

The fund assesses whether a business activity makes a substantial contribution to climate change adaptation or to climate change mitigation when the issuing companies make the technical screening criteria or data necessary for this assessment available, or when these are not required. If these technical screening criteria are required but not yet made available by the issuing companies, the fund will not be able to properly carry out this assessment. In this case, the fund nevertheless undertakes an analysis of the minimum guarantees and ensures no significant harm is done to the environmental objectives.

The proportion of the fund's investments that contribute to the two environmental objectives mentioned above is currently low. The fund anticipates an increase in the proportion of investments aligned with the Taxonomy Regulation once it is in a position to identify more companies with business activities aligned with the environmental objectives defined in the Taxonomy Regulation, as companies make the technical screening criteria and data necessary for this analysis available to the fund.

Contracts constituting financial guarantees

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 exposure to global counterparty risk.

The financial guarantees shall primarily take the form of cash in the case of OTC derivatives transactions, and cash and government bonds/Treasury bills 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 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, it 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 of between 1% and 10%. The management company agrees this contractually with each counterparty.

Risk profile

The risk profile of the Fund is to be considered over an investment horizon of more than 5 years. Potential investors must be aware that the assets of the Fund are subject to the fluctuations of the international markets and to the risks inherent in investments in transferable securities in which the Fund invests.

a) Risk associated with investments in Greater China (including Mainland China, Hong Kong, Macao, Taiwan and Singapore): investments in Greater China are exposed to political and social risk (restrictive regulations that could be changed unilaterally, social unrest, etc.), economic risk due to the legal and regulatory environment being less developed than in Europe, and stock market risk (volatile and unstable market, risk of sudden suspension of trading, etc.). The fund is exposed to the risk associated with the RQFII licence and status, which was allocated to Carmignac Gestion in 2014 on behalf of funds managed by the group's management companies. Its status is subject to ongoing review by the Chinese authorities and may be revised, reduced or withdrawn at any time, which may affect the fund's NAV. The Fund is exposed to risk associated with investments made via the Hong Kong Shanghai Connect and Hong Kong Shenzhen Connect platforms, which make it possible to invest through the Hong Kong market in more than 500 stocks listed in Shanghai and Shenzhen. This system inherently involves higher counterparty and securities delivery risks.

b) 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.

c) Risk of capital loss: the portfolio 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.

d) Equity risk: as the Fund is exposed to equity market risk, the net asset value of the fund may decrease in the event of an equity market upturn or downturn.

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. Currency appreciations or depreciations may cause the net asset value to fall.

f) Interest rate risk: interest rate risk results in a decline in the net asset value in the event of a rise 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) 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.

h) Credit risk: credit risk is the risk that the issuer may default. Should the quality of issuers decline, for example in the event of a downgrade in their rating by the financial rating agencies, the value of the bonds may drop and lead to a fall in the Fund's net asset value.

i) Capitalisation risk: the Fund may be exposed to equity markets for small and mid-caps (with a capitalisation below 2 billion or between 2 and 10 billion euro or US dollars, respectively). 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.

j) 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.

k) Risk 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.

l) 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.

m) 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.

n) 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. (This risk is described earlier in section b) Extra-financial characteristics)

✓ 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 on the "Responsible Investment" page of the website 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 information on the START system on the "Responsible Investment" page of the website www.carmignac.com.

3) Engagement: The Management Company works with issuers on ESG-related matters to raise awareness and gain a better understanding of sustainability risks to portfolios. This engagement may concern a specific environmental, social or governance matter, a long-term impact, controversial behaviour or proxy voting decisions. For more information, please consult the engagement policy on the "Responsible Investment" page of the website 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:

Environmental: 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 consider the European Union's criteria regarding environmentally sustainable economic activities.

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.

As the Fund is mainly invested, directly or indirectly, in equities issued by companies or issuers that have their registered office or carry out a significant part of their business in Greater China (all caps), it is aimed at all types of investors, natural persons and legal entities, wishing to diversify their investments in these securities.

The minimum recommended investment period in the Fund is more than five years.

The amount that is appropriate to invest in this fund depends on the personal situation of each investor. To determine this amount, investors' personal wealth, their cash requirements now and five years from now as well as their degree of risk aversion must all be taken into account. It is recommended that investors seek professional advice with a view to diversifying their investments and deciding 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.

Investment policy

Minimum recommended investment horizon: 5 YEARS

LOWER RISK — HIGHER RISK: 1 2 3 4 5 6* 7

Fund commentary

In 2022, the Fund posted an annual performance of -3.5% (I EUR Acc units – ISIN FR0013467024) compared with -16.8% for its reference indicator (MSCI China Index (USD) net dividends reinvested, converted into EUR, Bloomberg code NDEUCHF).

Many significant events had a severe impact on the Chinese financial market in 2022. Firstly, Russia's invasion of Ukraine in February and the personal ties between Xi Jinping and Vladimir Putin left investors concerned about potential sanctions against China. Secondly, long lockdowns in many major cities, most notably Shanghai, and poor management of supplies by local governments in the spring severely eroded China's image and shook the confidence of Chinese and foreign investors and entrepreneurs. Thirdly, staff riots and an exodus of workers from the Foxconn factory in Zhengzhou did serious damage to the status as "Factory of the World" China has enjoyed in recent decades. Chinese society, and especially the young, had had enough of endless lockdown, deteriorating economic conditions and the human tragedies caused by administrative errors. This led to large-scale demonstrations in the autumn. The 20th National Congress of the Chinese Communist Party took place against this backdrop of social and geopolitical tension. The concentration of power dealt a crushing blow to the Chinese equity markets. In parallel, the risk of ADRs (Chinese companies listed on the US markets) being withdrawn from US stock exchanges seemed to rise when the United States announced the Semiconductor Act, which seeks to drastically curtail the development of the semiconductor industry in China. Plenty of investors decided to throw in the towel by liquidating Chinese assets.

The fourth quarter marked a turning point for the Chinese stock market because the government decided to plot a new course and improve policies on a number of fronts. In the first instance, an array of measures to support the property market were announced and implemented. Next, the government opted to end Covid lockdowns and gradually open borders. On the regulatory front, after three years of toughening regulations to combat the tech giants, the Chinese government was satisfied with the results of the changes that had been made. After all, China needs these internet companies to digitise the economy. The new Politburo team seems pragmatic and determined to focus on economic development once more. Lastly, the conclusions reached by the US regulatory authorities PCAOB (Public Company Accounting Oversight Board) and SEC (Security Exchange Commission) significantly reduced the risk of ADRs being withdrawn from US markets in the next two to three years.
In this context, the negative performance was mainly due to our positioning in favour of growth stocks and New Economy sectors in the first half of the year. Fund performance was also adversely affected by the weakness of certain individual securities, including:

- Our investments in the healthcare sector through Kindstar and Microtech, which were penalised by negative sentiment about the biotech industry among local investors.
- Our domestic Chinese equities (A-shares) such as Wolong Electric, Sungrow and Longshine, which were affected by higher production costs in the wake of the surge in commodity prices after Russia's invasion of Ukraine.

However, the fund proved resilient and ended the year above its reference indicator, thanks to a rally for its main conviction plays in the last quarter. In particular, the fund used the selloff on the Chinese market after the party congress as an opportunity to significantly reduce exposure to domestic securities (A-shares) and, conversely, to add to holdings in ADRs and securities listed in Hong Kong. The weighting of the consumer spending sector was increased to around 40% of the fund, divided among securities in the hotel industry (e.g. Huazhu), travel (Ctrip and Toncheng), and catering (Jiumaojiu and Helens International). The fund also added to existing consumer goods positions such as MINISO, ANTA and Haier Smart Home. Exposure to ADRs was increased to around 50% of the fund. Alibaba became one of the largest positions for the first time since the fund's inception. Exposure to securities well-positioned to benefit from reopening, such as Beike (real estate) and Fulltruck (logistics) was also raised. Other existing conviction plays such as Chindata and New Oriental continued to perform well.

Despite the rally since October 2022, we remain optimistic about the Chinese market because global investors are still largely underweight on China and valuations remain reasonable, with better profit growth momentum than other major markets.

At Carmignac, we employ a unique and selective management style focused on our own convictions, rather than the biggest names on the MSCI China index. We are maintaining our convictions plays on China's new economy: 1) Industrial and technological innovation; 2) Ecological transition; 3) Healthcare and 4) New spending habits.

Source: Carmignac, Bloomberg, 31/12/2022

Table showing the annual performance of the different Carmignac China New Economy units over 2022

Units	ISIN	Currency	Performance 2022	Reference indicator*
F EUR ACC	FR0014002E46	EUR	-3.8%	-16.8%
I EUR ACC	FR0013467024	EUR	-3.5%	-16.8%

**MSCI China Index (USD), net dividends reinvested, converted into EUR.*
Past performance is not an indication of future results. Performance is shown net of fees (excluding any entry charges applied by the distributor).

Main changes to the portfolio during the year

Holding	Movement ("Accounting currency")	
	Acquisitions	Disposals
JD.COM INC-ADR	15,409,816.34	22,725,817.44
MEITUAN-CLASS B	18,857,292.80	16,265,451.59
XPENG INC – ADR	15,416,364.27	16,946,754.07
ALIBABA GROUP HOLDING LTD ADR	15,256,743.51	14,809,797.03
NEW ORIENTAL EDUCATIO-SP ADR	10,015,123.55	13,850,033.13
TRIP.COM GROUP LTD-ADR	10,832,632.77	11,410,966.68
H WORLD GROUP LIMITED	11,091,847.93	10,250,919.85
WUXI BIOLOGICS CAYMAN INC	8,199,606.62	13,019,075.27
NIO INC - ADR	7,585,313.97	11,913,602.25
SUNGROW POWER SUPPLY CO LT-A	6,099,896.16	11,893,443.66

Transparency of securities financing transactions and the reuse of financial instruments pursuant to the SFTR in the fund's currency of account (EUR)

The fund took no part in any trades covered by the SFTR during the year.

Regulatory information

Policy for the selection of intermediaries

"In its capacity as management company, Carmignac Gestion selects service providers whose execution policy guarantees the best possible result when executing orders transmitted on behalf of its UCITS or its clients. It also selects service providers to aid in making investment decisions and to execute orders. In both cases, Carmignac Gestion has defined a policy for selecting and evaluating intermediaries according to certain criteria. You can find the updated version of this policy at **www.carmignac.com**". You will also find a report on intermediary fees on this website.

Extra-financial characteristics

As at 30 December 2022, the financial product was classified under Article 8 of the EU SFDR.
The required regulatory information is included in the appendix to this report.

Overall risk calculation method

The Fund's overall risk is calculated using the commitment method.

Remuneration policy

Carmignac Gestion SA's remuneration policy is designed to comply with European and national remuneration and governance rules as set out in the UCITS Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 and 2014/91/EU of 23 July 2014, the ESMA guideline of 14 October 2016 (ESMA/2016/575), and the AIFM Directive 2011/61/EU of the European Parliament and of the Council.

It promotes sound and effective risk management without excessive risk taking. In particular, it ties employees to the risks they take to ensure that Identified Staff are fully committed to the Company's long-term performance.

The remuneration policy was approved by the Board of Directors of the management company. The principles of this policy are re-evaluated at least once a year by the remuneration and nominations committee and Board of Directors, and are adjusted to fit the changing regulatory framework. Details of the remuneration policy, including a description of how 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 remuneration policy is available free of charge upon request.

VARIABLE PART: DETERMINATION AND CALCULATION

Variable remuneration depends on both the individual success of the employee and the performance of the Company as a whole.

The variable remuneration budget is determined on the basis of Carmignac Gestion SA's results over the previous financial year, while ensuring that capital remains at a sufficient level. It is then distributed between the various departments according to the assessment of their performance, and within each department according to employees' individual performance appraisals.

The amount of the variable portion allocated to each employee reflects their performance and the achievement of targets set by the Company.

These targets may be quantitative and/or qualitative and are linked to the employee's position. They take into account individual behaviour to avoid short-term risk taking. They give particular consideration to the sustainability of action taken by the employee and its long-term benefits for the company, the employee's personal involvement and the completion of assigned tasks.

2021 FINANCIAL YEAR

The implementation of the remuneration policy for 2021 has been assessed internally and independently to check compliance with the remuneration policies and procedures adopted by Carmignac Gestion's Board of Directors.

2022 FINANCIAL YEAR

The annual report produced by Carmignac Gestion's Board of Directors is available on the Carmignac website (www.carmignac.com).

2022	
Number of employees	176
Fixed salaries paid in 2022	€13,051,217.29
Total variable remuneration paid in 2022	€37,578,333.26
Total remuneration paid in 2022	€50,629,550.55
> of which risk takers	€37,123,257.99
> of which non-risk takers	€13,506,292.56

Gearing

Gross gearing used by the AIF: 288.53%
Net gearing used by the AIF: 169.97%

Substantial changes during the year

- As of 1 January 2022, the portfolio has undergone the following changes:
  - Performance fee calculation method brought into line with the ESMA guidelines.
  - Performance fee rate changed from 10% to 20% for F units (10% for I units, provided that the performance is positive).

BNP S.A. became the depositary for the portfolio on 1 October 2022 following an intra-group merger.

CARMIGNAC CHINA NEW ECONOMY BALANCE SHEET

ASSETS IN EUR

	30/12/2022	31/12/2021
NET FIXED ASSETS	**0.00**	**0.00**
DEPOSITS	**0.00**	**0.00**
FINANCIAL INSTRUMENTS	**88,663,950.08**	**147,842,445.03**
Equities and similar securities	**86,940,530.12**	**147,481,964.41**
Traded on a regulated or similar market	86,940,530.12	147,481,964.41
Not traded on a regulated or similar market	0.00	0.00
Bonds and similar securities	**0.00**	**0.00**
Traded on a regulated or similar market	0.00	0.00
Not traded on a regulated or similar market	0.00	0.00
Debt securities	**0.00**	**0.00**
Traded on a regulated or similar market	0.00	0.00
Transferable debt securities	0.00	0.00
Other debt securities	0.00	0.00
Not traded on a regulated or similar market	0.00	0.00
Undertakings for collective investment	**0.00**	**0.00**
Retail UCITS and AIFs aimed at non-professional investors and equivalent funds of other countries	0.00	0.00
Other funds aimed at non-professional investors and equivalent funds of other EU member states	0.00	0.00
Professional investment funds and equivalent funds of other EU member states and listed securitisation funds	0.00	0.00
Other professional investment funds and equivalent funds of other EU member states and unlisted securitisation funds	0.00	0.00
Other non-European funds	0.00	0.00
Temporary transactions on securities	**0.00**	**0.00**
Receivables on securities received under a repurchase agreement (*pension*)	0.00	0.00
Receivables on securities lent	0.00	0.00
Securities borrowed	0.00	0.00
Securities transferred under a repurchase agreement (*pension*)	0.00	0.00
Other temporary transactions	0.00	0.00
Forward financial instruments	**1,723,419.96**	**360,480.62**
Transactions on a regulated or similar market	122,657.14	124,806.01
Other transactions	1,600,762.82	235,674.61
Other financial instruments	**0.00**	**0.00**
RECEIVABLES	**90,577,064.27**	**46,934,105.56**
Currency forward exchange contracts	89,046,920.10	44,336,616.55
Other	1,530,144.17	2,597,489.01
FINANCIAL ACCOUNTS	**7,829,124.60**	**2,486,792.18**
Cash	7,829,124.60	2,486,792.18
TOTAL ASSETS	**187,070,138.95**	**197,263,342.77**

CARMIGNAC CHINA NEW ECONOMY BALANCE SHEET

LIABILITIES AND OWNER'S EQUITY IN EUR

	30/12/2022	31/12/2021
EQUITY		
Share capital	135,362,927.29	147,896,550.82
Non-distributed prior net capital gains and losses (a)	0.00	0.00
Retained earnings (a)	0.00	0.00
Net capital gains and losses for the financial year (a,b)	-40,406,501.82	3,378,926.75
Profit/(loss) for the financial year (a,b)	-410,760.00	-924,979.83
TOTAL EQUITY*	**94,545,665.47**	**150,350,497.74**
**Amount corresponding to the net assets*		
FINANCIAL INSTRUMENTS	**145,912.84**	**466,508.97**
Sales of financial instruments	0.00	0.00
Temporary transactions on securities	0.00	0.00
Payables on securities transferred under a repurchase agreement (*pension*)	0.00	0.00
Payables on securities borrowed	0.00	0.00
Other temporary transactions	0.00	0.00
Forward financial instruments	145,912.84	466,508.97
Transactions on a regulated or similar market	122,657.10	124,806.01
Other transactions	23,255.74	341,702.96
PAYABLES	**91,445,065.30**	**45,934,175.71**
Currency forward exchange contracts	89,167,609.22	44,057,341.01
Other	2,277,456.08	1,876,834.70
FINANCIAL ACCOUNTS	**933,495.34**	**512,160.35**
Short-term bank loans	933,495.34	512,160.35
Borrowings	0.00	0.00
TOTAL LIABILITIES	**187,070,138.95**	**197,263,342.77**

(a) Including accruals and deferrals

(b) Less interim dividends paid for the financial year

OFF-BALANCE SHEET OF CARMIGNAC CHINA NEW ECONOMY

	30/12/2022	31/12/2021
HEDGING TRANSACTIONS		
Commitment on regulated or similar markets		
Futures contracts		
NQ USA NASDAQ 0323	10,534,265.64	0.00
CN FTSE CHINA 0122	0.00	11,154,407.32
Commitment on OTC markets		
Other commitments		
OTHER TRANSACTIONS		
Commitment on regulated or similar markets		
Futures contracts		
DAX 30 IND FU 0323	3,147,300.00	0.00
Commitment on OTC markets		
Contracts for difference		
JPX GDS HOLDINGS 123	0.00	4,596,026.49
JPX KINGSOFT 1230	0.00	961,869.06
JPX JOYY INC 1230	0.00	1,954,704.45
JPX WENCAN GROUP 123	224,260.10	3,520,008.80
002271 JPM	1,674,735.41	0.00
TCOM JP MORGAN 1230	3,206,057.44	0.00
CFDIKJ	4,373,667.87	0.00
JP MORGAN AG	4,546,751.90	0.00
JP MORGAN AG	3,034,977.94	0.00
Other commitments		

INCOME STATEMENT OF CARMIGNAC CHINA NEW ECONOMY

	30/12/2022	31/12/2021
Income from financial transactions		
Income from deposits and financial accounts	12,780.39	1,872.81
Income from equities and similar securities	601,119.63	1,392,930.82
Income from bonds and similar securities	0.00	0.00
Income from debt securities	0.00	0.00
Income from temporary purchases and sales of securities	19.78	0.00
Income from financial futures	0.00	0.00
Other financial income	0.00	0.00
TOTAL (1)	**613,919.80**	**1,394,803.63**
Payables on financial transactions		
Payables on temporary purchases and sales of securities	191.71	59.29
Payables on financial futures	0.00	0.00
Payables on financial debts	53,799.15	73,800.18
Other payables	0.00	0.00
TOTAL (2)	**53,990.86**	**73,859.47**
PROFIT/(LOSS) ON FINANCIAL TRANSACTIONS (1 - 2)	**559,928.94**	**1,320,944.16**
Other income (3)	0.00	0.00
Management fee and depreciation allowance (4)	1,065,331.09	2,111,988.36
Net profit/(loss) for the financial year (L. 214-17-1) (1 - 2 + 3 - 4)	**-505,402.15**	**-791,044.20**
Income equalisation for the financial year (5)	94,642.15	-133,935.63
Interim dividends on income paid for the financial year (6)	0.00	0.00
PROFIT/(LOSS) (1 - 2 + 3 - 4 + 5 - 6)	**-410,760.00**	**-924,979.83**

NOTES TO THE FINANCIAL STATEMENTS OF CARMIGNAC CHINA NEW ECONOMY

Accounting methods and rules

The annual financial statements are drawn up in the form required by ANC Regulation 2014-01, as amended.

The general principles of accounting apply:
- a true and fair view, comparability, going concern,
- lawfulness and fairness,
- prudence,
- consistent practice from one financial year to the next.

Income from fixed income securities is recorded on the basis of accrued interest.

Purchases and sales of securities are recorded exclusive of costs.
The accounting currency of the portfolio is the euro.
There are 12 months in the financial year.

Asset valuation rules

Financial instruments are recorded in the financial statements using the historical cost method and are entered on the balance sheet at their current value as determined by the last-known market value or, where a market does not exist, by any external means or by using financial models.
Differences between the current values used to calculate the net asset value and the historical costs of transferable securities when first included in the portfolio are recorded in “valuation differentials” accounts.
Securities that are not denominated in the currency of the portfolio are valued in accordance with the principle described below; the valuation is then converted into the currency of the portfolio on the basis of the exchange rate prevailing on the valuation day.

DEPOSITS:

Deposits with a residual maturity of less than or equal to three months are valued using the straight-line method.

EQUITIES, BONDS AND OTHER SECURITIES TRADED ON A REGULATED OR SIMILAR MARKET:

For the calculation of the net asset value, equities and other securities traded on a regulated or similar market are valued on the basis of the last market price of the day.
Bonds and other similar securities are valued at the closing price supplied by various financial service providers. Interest accrued on bonds and other similar securities is calculated up to the date of the net asset value.

EQUITIES, BONDS AND OTHER SECURITIES NOT TRADED ON A REGULATED OR SIMILAR MARKET:

Securities not traded on a regulated market are valued by the management company using methods based on the market value and the yield, while taking account of recent prices observed for significant transactions.

TRANSFERABLE DEBT SECURITIES:

Transferable debt securities and similar securities that are not traded in large volumes are valued on the basis of an actuarial method, the reference rate (as defined below) being increased, where applicable, by a differential representative of the intrinsic characteristics of the issuer:

- Transferable debt securities with a maturity of less than or equal to one year: Interbank rate in euro (Euribor);
- Transferable debt securities with a maturity exceeding one year: valued using rates for French Treasury bills (BTAN and OAT) with similar maturity dates for the longer durations.

Transferable debt securities with a residual maturity of less than three months may be valued using the straight-line method.

French treasury bills are valued on the basis of market prices, as published daily by the Bank of France or by treasury bill specialists.

FUNDS HELD:

Units or shares of UCIs will be valued at their last-known net asset value.

TEMPORARY TRANSACTIONS ON SECURITIES:

Securities received under repurchase agreements are recorded as an asset under the heading "Receivables on securities received under a repurchase agreement (*pension*)" at the contract amount, plus any accrued interest receivable.

Securities transferred under a repurchase agreement are recorded as securities purchased at their current value. The payables on securities transferred under a repurchase agreement are recorded as securities sold at the value determined in the contract, plus any accrued interest payable.

Securities lent are valued at their current value and are recorded as an asset under the heading "Receivables on securities lent" at their current value, plus any accrued interest receivable.

Securities borrowed are recorded as an asset under the heading "Securities borrowed" at the contract amount and as a liability under the heading "Payables on securities borrowed" at the contract amount, plus any accrued interest payable.

FORWARD FINANCIAL INSTRUMENTS:

Forward financial instruments traded on a regulated or similar market:

Forward financial instruments traded on regulated markets are valued at the settlement price of that day.

Forward financial instruments not traded on a regulated or similar market:

Swaps:

Interest rate and/or currency swaps are valued at their market value by discounting future interest payments at the interest rate and/or currency exchange rate prevailing on the market. This price is adjusted to reflect issuer risk.

Index swaps are valued using an actuarial method on the basis of a reference rate provided by the counterparty.

Other swaps are valued at their market value or at a value estimated according to the terms and conditions determined by the management company.

Off-balance sheet commitments:
Futures contracts are recorded at their market value as off-balance sheet commitments on the basis of the price used in the portfolio.
Options are converted into the underlying equivalent.
Swap commitments are recorded at their nominal value or, where there is no nominal value, at an equivalent amount.

Financial instruments

NAME	Description
DAX 30 IND FU 0323	Future on DAX 30 INDEX PERFORMANCE
NQ USA NASDAQ 0323	Future on NDX NASDAQ 100 INDEX
JPX WENCAN GROUP 123	Contract for difference on shares
002271 JPM	Contract for difference on shares
TCOM JP MORGAN 1230	Contract for difference on shares
CFDIKJ	Contract for difference on shares
JP MORGAN AG	Contract for difference on shares

Management fees

Management fees and operating costs cover all the charges relating to the UCI: investment, administrative, accounting, custody, distribution, audit fees, etc.
These fees are recorded in the UCI's income statement.
Management fees do not include transaction fees. Please refer to the prospectus for further details on the charges actually invoiced to the UCI.

They are recorded on a pro-rata basis each time the net asset value is calculated.

FINANCIAL MANAGEMENT FEE:

FR0013467024 – I EUR Acc: 0.85% inclusive of tax
FR0014002E46 – F EUR Acc: 1.15% inclusive of tax

ADMINISTRATIVE FEES NOT APPLIED BY THE MANAGEMENT COMPANY:

FR0013467024 – I EUR Acc and FR0014002E46 – F EUR Acc: 0.15% inclusive of tax.

Performance fee:

F EUR Acc A maximum of 20% of the fund's outperformance relative to the reference indicator (1);
I EUR Acc A maximum of 10% of the Fund's outperformance relative to the Reference Indicator provided that the Fund's performance is positive (1).

(1) The performance fees are based on a comparison between the performance over the financial year of each fund unit and the fund's Reference Indicator (the MSCI China Index (USD) net dividends reinvested, calculated in dollars by MSCI and converted into euro). If the fund's performance since the start of the financial year is positive for the I EUR Acc unit class, it exceeds the performance of the Reference Indicator for the F EUR Acc and I EUR Acc unit classes and if there is no past underperformance still to be offset, a daily provision is established of up to 20% of this outperformance for the F EUR Acc unit class and up to 10% for the I EUR Acc unit class. In the event of underperformance in relation to the Reference Indicator, a daily amount corresponding to 20% for F EUR Acc units and 10% for I EUR Acc units of this underperformance is deducted from the provision made since the beginning of the year.

The applicable rate for the performance fee is 10% for I units and 20% for F units. Any underperformance of the unit class against the Reference Indicator over the five-year reference period or since launch (whichever period is shorter) is made up before a performance fee becomes payable. If another year of underperformance occurred within this first five-year period and it was not made up at the end of this first period, a new period of a maximum of five years begins from this new year of underperformance. The fund's performance is represented by its gross assets, net of all fees, before provision of the performance fee and taking into account subscriptions and redemptions. The performance fee may also be payable if the F EUR Acc unit class has outperformed the Reference Indicator but posted a negative performance. If the fund is eligible for the booking of a performance fee, then:

o 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;

o 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 performance fee is paid to the management company in full at the end of the financial year.

Allocation of distributable income

DEFINITION OF DISTRIBUTABLE INCOME

Distributable income is made up of:

NET INCOME:

The net income for the financial year is equal to the amount of interest, arrears, premiums and prizes, dividends, director's fees and any other income relating to the securities constituting the portfolio, plus income generated by temporary cash holdings and minus the amount of management fees and interest charges on loans.
This is increased by retained earnings, plus or minus the balance of the income equalisation accounts.

CAPITAL GAINS AND LOSSES:

Realised capital gains, net of fees, minus realised capital losses, net of fees, 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.

ALLOCATION OF DISTRIBUTABLE INCOME:

Unit(s)	Allocation of net income	Allocation of net realised capital gains or losses
F EUR Acc unit class	Accumulation	Accumulation
I EUR Acc units	Accumulation	Accumulation

CHANGES IN NET ASSETS OF CARMIGNAC CHINA NEW ECONOMY

	30/12/2022	31/12/2021
NET ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR	**150,350,497.74**	**167,530,562.59**
Subscriptions (including subscription fees paid to the Fund)	40,064,275.73	128,433,392.08
Redemptions (after deduction of redemption fees paid to the Fund)	-84,971,496.69	-77,518,879.44
Realised gains on deposits and financial instruments	21,241,667.25	70,667,248.82
Realised losses on deposits and financial instruments	-80,775,555.52	-65,128,732.55
Realised gains on forward financial instruments	41,385,680.35	12,868,681.78
Realised losses on forward financial instruments	-41,950,044.73	-22,001,039.55
Transaction fees	-870,727.14	-1,604,077.17
Foreign exchange differences	6,913,389.84	15,006,417.66
Changes in the valuation differential of deposits and financial instruments	42,187,708.46	-77,130,809.94
Valuation differential for the financial year N	*-4,163,832.17*	*-46,351,540.63*
Valuation differential for the financial year N-1	*46,351,540.63*	*-30,779,269.31*
Changes in the valuation differential of forward financial instruments	1,475,672.33	18,777.66
Valuation differential for the financial year N	*1,494,449.99*	*18,777.66*
Valuation differential for the financial year N-1	*-18,777.66*	*0.00*
Dividends paid in the previous financial year on net capital gains and losses	0.00	0.00
Dividends paid in the previous financial year on income	0.00	0.00
Net profit/(loss) for the financial year prior to the income equalisation account	-505,402.15	-791,044.20
Interim dividend(s) paid during the financial year on net capital gains and losses	0.00	0.00
Interim dividend(s) paid during the financial year on income	0.00	0.00
Other items	0.00	0.00
NET ASSETS AT THE END OF THE FINANCIAL YEAR	**94,545,665.47**	**150,350,497.74**

BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC STRUCTURE OF CARMIGNAC CHINA NEW ECONOMY

	Amount	%
ASSETS		
BONDS AND SIMILAR SECURITIES		
TOTAL BONDS AND SIMILAR SECURITIES	**0.00**	**0.00**
DEBT SECURITIES		
TOTAL DEBT SECURITIES	**0.00**	**0.00**
LIABILITIES		
SALES OF FINANCIAL INSTRUMENTS		
TOTAL SALES OF FINANCIAL INSTRUMENTS	**0.00**	**0.00**
OFF-BALANCE SHEET		
HEDGING TRANSACTIONS		
Equities	10,534,265.64	11.14
TOTAL HEDGING TRANSACTIONS	**10,534,265.64**	**11.14**
OTHER TRANSACTIONS		
Equities	20,207,750.66	21.37
TOTAL OTHER TRANSACTIONS	**20,207,750.66**	**21.37**

BREAKDOWN BY INTEREST RATES OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS OF CARMIGNAC CHINA NEW ECONOMY

	Fixed rate	%	Variable rate	%	Adjustable rate	%	Other	%
ASSETS								
Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bonds and similar securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary transactions on securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	0.00	0.00	0.00	0.00	0.00	0.00	7,829,124.60	8.28
LIABILITIES								
Temporary transactions on securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	0.00	0.00	0.00	0.00	0.00	0.00	933,495.34	0.99
OFF-BALANCE SHEET								
Hedging transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

BREAKDOWN BY RESIDUAL MATURITY OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS OF CARMIGNAC CHINA NEW ECONOMY(*)

	< 3 months	%	[3 months – 1 year]	%	[1–3 years]	%	[3–5 years]	%	>5 years	%
ASSETS										
Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bonds and similar securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary transactions on securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	7,829,124.60	8.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LIABILITIES										
Temporary transactions on securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	933,495.34	0.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OFF-BALANCE SHEET										
Hedging transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

(*) Positions in interest rate futures are shown according to the maturity of the underlying instrument.

BREAKDOWN BY LISTING CURRENCY OR VALUATION CURRENCY OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS OF CARMIGNAC CHINA NEW ECONOMY

	Currency 1 HKD		Currency 2 USD		Currency 3 CNH		Currency N OTHER(S)	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equities and similar securities	48,153,656.15	50.93	35,555,092.46	37.61	0.00	0.00	3,231,781.51	3.42
Bonds and similar securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UCIs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary transactions on securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Receivables	0.00	0.00	43,779,892.20	46.31	27,728,309.96	29.33	61,100.86	0.06
Financial accounts	10,246.63	0.01	144,705.72	0.15	0.00	0.00	86.59	0.00
LIABILITIES								
Sales of financial instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary transactions on securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Payables	0.00	0.00	32,370,548.45	34.24	51,966,899.78	54.96	0.00	0.00
Financial accounts	0.00	0.00	933,495.34	0.99	0.00	0.00	0.00	0.00
OFF-BALANCE SHEET								
Hedging transactions	0.00	0.00	10,534,265.64	11.14	0.00	0.00	0.00	0.00
Other transactions	4,373,667.87	4.63	10,787,787.28	11.41	0.00	0.00	1,898,995.51	2.01

RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE OF CARMIGNAC CHINA NEW ECONOMY

	Nature of the debit/credit	30/12/2022
RECEIVABLES		
	Forward currency purchases	42,949,365.14
	Funds receivable on forward currency sales	46,097,554.96
	Sales with deferred settlement	61,100.86
	Subscriptions receivable	263,724.75
	Guarantee deposits in cash	1,205,318.56
TOTAL RECEIVABLES		**90,577,064.27**
PAYABLES		
	Forward currency sales	45,916,253.09
	Funds payable on forward currency purchases	43,251,356.13
	Purchases with deferred settlement	288,708.18
	Fixed management fee	77,480.12
	Performance fees	1,267.78
	Collateral	1,910,000.00
TOTAL PAYABLES		**91,445,065.30**
TOTAL RECEIVABLES AND PAYABLES		**-868,001.03**

NUMBER OF SHARES ISSUED OR REDEEMED OF CARMIGNAC CHINA NEW ECONOMY

	In units	In euro
F EUR Acc unit class		
Units subscribed during the financial year	286,815.315	15,607,435.97
Units redeemed during the financial year	-400,866.755	-21,160,900.05
Net balance of subscriptions/redemptions	-114,051.440	-5,553,464.08
Number of units outstanding at the end of the financial year	144,263.031	
I EUR Acc units		
Units subscribed during the financial year	204,687.014	24,456,839.76
Units redeemed during the financial year	-535,104.741	-63,810,596.64
Net balance of subscriptions/redemptions	-330,417.727	-39,353,756.88
Number of units outstanding at the end of the financial year	649,953.361	

SUBSCRIPTION AND/OR REDEMPTION FEES OF CARMIGNAC CHINA NEW ECONOMY

	In euro
F EUR Acc unit class	
Total fees paid to the Fund	0.00
Subscription fees paid to the Fund	0.00
Redemption fees paid to the Fund	0.00
I EUR Acc units	
Total fees paid to the Fund	0.00
Subscription fees paid to the Fund	0.00
Redemption fees paid to the Fund	0.00

MANAGEMENT FEES OF CARMIGNAC CHINA NEW ECONOMY

	30/12/2022
F EUR Acc unit class	
Guarantee fees	0.00
Fixed management fees	131,565.32
Percentage of fixed management fees	1.25
Performance fee provisions	0.00
Percentage of fixed management fee provisions	0.00
Performance fees paid to the Fund	0.00
Percentage of fixed management fees paid to the Fund	0.00
Trailer fees	0.00
I EUR Acc units	
Guarantee fees	0.00
Fixed management fees	800,370.80
Percentage of fixed management fees	0.95
Performance fee provisions	0.00
Percentage of fixed management fee provisions	0.00
Performance fees paid to the Fund	0.00
Percentage of fixed management fees paid to the Fund	0.00
Trailer fees	0.00

COMMITMENTS RECEIVED AND GIVEN BY CARMIGNAC CHINA NEW ECONOMY

Guarantees received by the Fund

None.

Other commitments received and/or given:

None.

MARKET VALUE OF SECURITIES SUBJECT TO A TEMPORARY PURCHASE TRANSACTION OF CARMIGNAC CHINA NEW ECONOMY

	30/12/2022
Securities held under repurchase agreements (*pension*)	0.00
Securities borrowed	0.00

MARKET VALUE OF SECURITIES USED AS COLLATERAL OF CARMIGNAC CHINA NEW ECONOMY

	30/12/2022
Financial instruments given as a guarantee and kept as their original entry	0.00
Financial instruments received as a guarantee and not entered on the balance sheet	0.00

GROUP FINANCIAL INSTRUMENTS HELD IN THE PORTFOLIO OF CARMIGNAC CHINA NEW ECONOMY

	ISIN	Name	30/12/2022
Equities			0.00
Bonds			0.00
Transferable debt securities			0.00
UCIs			0.00
Forward financial instruments			0.00
Total group securities			**0.00**

ALLOCATION OF DISTRIBUTABLE INCOME RELATING TO INCOME OF CARMIGNAC CHINA NEW ECONOMY

	30/12/2022	31/12/2021
Amounts to be allocated		
Retained earnings	0.00	0.00
Income	-410,760.00	-924,979.83
Total	**-410,760.00**	**-924,979.83**

	30/12/2022	31/12/2021
F EUR Acc unit class		
Allocation		
Distribution	0.00	0.00
Retained earnings for the financial year	0.00	0.00
Accumulation	-59,777.77	-64,935.02
Total	**-59,777.77**	**-64,935.02**

	30/12/2022	31/12/2021
I EUR Acc units		
Allocation		
Distribution	0.00	0.00
Retained earnings for the financial year	0.00	0.00
Accumulation	-350,982.23	-860,044.81
Total	**-350,982.23**	**-860,044.81**

ALLOCATION OF DISTRIBUTABLE INCOME RELATING TO CAPITAL GAINS AND LOSSES OF CARMIGNAC CHINA NEW ECONOMY

	30/12/2022	31/12/2021
Amounts to be allocated		
Non-distributed prior net capital gains and losses	0.00	0.00
Net capital gains and losses for the financial year	-40,406,501.82	3,378,926.75
Interim dividends paid on net capital gains and losses in the financial year	0.00	0.00
Total	**-40,406,501.82**	**3,378,926.75**

	30/12/2022	31/12/2021
F EUR Acc unit class		
Allocation		
Distribution	0.00	0.00
Non-distributed net capital gains and losses	0.00	0.00
Accumulation	-3,777,083.63	-2,870,196.92
Total	**-3,777,083.63**	**-2,870,196.92**

	30/12/2022	31/12/2021
I EUR Acc units		
Allocation		
Distribution	0.00	0.00
Non-distributed net capital gains and losses	0.00	0.00
Accumulation	-36,629,418.19	6,249,123.67
Total	**-36,629,418.19**	**6,249,123.67**

OVERVIEW OF RESULTS AND OTHER SIGNIFICANT ITEMS FOR THE LAST FIVE FINANCIAL YEARS OF CARMIGNAC CHINA NEW ECONOMY

	31/12/2020	31/12/2021	30/12/2022
Total net assets in EUR	**167,530,562.59**	**150,350,497.74**	**94,545,665.47**
F EUR Acc units in EUR			
Net assets	0.00	16,411,090.05	8,821,342.58
Number of units	0.00	258,314.471	144,263.031
Net asset value per unit	0.00	63.53	61.14
Accumulation per unit on net capital gains or losses	0.00	-11.11	-26.18
Accumulation per unit on income	0.00	-0.25	-0.41
I EUR Acc units in EUR			
Net assets	167,530,562.59	133,939,407.69	85,724,322.89
Number of units	866,406.323	980,371.088	649,953.361
Net asset value per unit	193.36	136.62	131.89
Accumulation per unit on net capital gains or losses	65.65	6.37	-56.35
Accumulation per unit on income	-9.97	-0.87	-0.54

LIST OF SECURITIES OF CARMIGNAC CHINA NEW ECONOMY AS AT 30 DECEMBER 2022

Name of securities	Currency	Quantity or nominal amount	Current value	% of net assets
Equities and similar securities				
Equities and similar securities traded on a regulated or similar market				
CHINA				
CONTEMPORARY AMPEREX TECHN-A	CNY	210	11,135.73	0.01
COUNTRY GARDEN SERVICES HOLD	HKD	467,715	1,091,541.82	1.16
DIDI GLOBAL INC	USD	789,034	2,351,021.90	2.49
HAIER SMART HOME CO LTD-H	HKD	1,351,292	4,315,127.79	4.56
HANG ZHOU GREAT STAR INDUS-A	CNY	32,100	82,119.10	0.09
HELENS INTERNATIONAL HOLDING	HKD	2,977,705	5,297,765.04	5.60
LONGSHINE TECHNOLOGY GROUP-A	CNY	21,536	63,802.20	0.07
MEITUAN-CLASS B	HKD	174,354	3,656,685.75	3.87
MICROTECH MEDICAL HANGZHOU-H	HKD	2,577,677	3,017,143.26	3.19
MIDEA GROUP CO LTD-A	CNY	568	3,965.71	0.00
NARI TECHNOLOGY DEVELOPMENT CO	CNY	27,329	89,878.64	0.09
NEW ORIENTAL EDUCATIO-SP ADR	USD	40,210	1,311,887.75	1.39
NINGBO ORIENT WIRES & CABL-A	CNY	7,770	71,037.19	0.08
RIANLON CORP-A	CNY	42,500	312,597.72	0.33
SHANGHAI BAOLONG AUTOMOTIV-A	CNY	1,659	10,576.71	0.01
SHENZHEN ENVICOOL TECHNOLO-A	CNY	29,691	133,303.75	0.14
SUNGROW POWER SUPPLY CO LT-A	CNY	10,896	164,191.93	0.18
SUOF HOME COLL CO LTD	CNY	862,425	2,110,960.48	2.23
TONGCHENG TRAVEL	HKD	1,512,646	3,410,324.54	3.60
WUXI BIOLOGICS CAYMAN INC	HKD	149,511	1,074,237.03	1.14
WUXI LEAD INTELLIGENT EQUI-A	CNY	10,936	59,329.04	0.06
ZHEJIANG DINGLI MACHINERY -A	CNY	18,433	118,883.31	0.13
TOTAL CHINA			**28,757,516.39**	**30.42**
HONG KONG				
CHINA EDUCATION GROUP HOLDINGS LTD	HKD	3,868,951	4,691,129.50	4.97
CHINA RESOURCES POWER HOLDINGS CO LTD	HKD	563,827	1,080,293.03	1.14
TOTAL HONG KONG			**5,771,422.53**	**6.11**
CAYMAN ISLANDS				
ALIBABA GROUP HOLDING LTD	HKD	369,153	3,822,331.28	4.04
ANTA SPORTS PRODUCTS LIMITED	HKD	390,009	4,789,752.60	5.06
CHINDATA GROUP HOLDINGS-ADR	USD	882,496	6,590,295.73	6.97
EHANG HOLDINGS LTD-SPS ADR	USD	86,990	699,343.36	0.74
EVER SUNSHINE LIFESTYLE SERV	HKD	2,486,078	1,310,213.56	1.39
FULL TRUCK ALLIANCE -SPN ADR	USD	575,502	4,313,905.83	4.57
H WORLD GROUP LIMITED	USD	70,389	2,797,752.52	2.95
JD.COM INC - CL A	HKD	50,889	1,345,253.25	1.42
JINKOSOLAR HOLDINGS ADR	USD	641	24,552.90	0.02
KANZHUN LTD	USD	208,033	3,970,608.77	4.20

LIST OF SECURITIES OF CARMIGNAC CHINA NEW ECONOMY AS AT 30 DECEMBER 2022

Name of securities	Currency	Quantity or nominal amount	Current value	% of net assets
KE HOLDINGS INC	USD	309,782	4,052,055.96	4.29
KINDSTAR GLOBALGENE TECHNOLO	HKD	10,063,543	3,455,252.25	3.66
MINISO GROUP HOLDING LTD-ADR	USD	705,120	7,089,189.60	7.50
NEW HORIZON HEALTH LTD	HKD	311,931	659,073.76	0.70
POP MART INTERNATIONAL GROUP	HKD	2,159,176	5,137,531.69	5.43
ZHIHU INC - ADR	USD	1,932,936	2,354,478.14	2.49
TOTAL CAYMAN ISLANDS			**52,411,591.20**	**55.43**
TOTAL Equities and similar securities traded on a regulated or similar market			**86,940,530.12**	**91.96**
TOTAL equities and similar securities			**86,940,530.12**	**91.96**
Forward financial instruments				
Futures				
Futures on regulated or similar markets				
DAX 30 IND FU 0323	EUR	9	19,800.00	0.02
NQ USA NASDAQ 0323	USD	-51	-102,857.09	-0.11
TOTAL Futures on regulated or similar markets			**-83,057.09**	**-0.09**
TOTAL futures			**-83,057.09**	**-0.09**
Other forward financial instruments				
CFDs				
002271 JPM	CNY	370,128	33,923.74	0.04
CFDIKJ	HKD	1,747,338	258,184.00	0.27
JP MORGAN AG	USD	619,327	113,237.65	0.12
JP MORGAN AG	USD	238,336	986,865.65	1.05
JPX WENCAN GROUP 123	CNY	28,901	-23,255.74	-0.03
TCOM JP MORGAN 1230	USD	99,467	208,551.78	0.22
TOTAL CFD			**1,577,507.08**	**1.67**
TOTAL other forward financial instruments			**1,577,507.08**	**1.67**
TOTAL Forward financial instruments			**1,494,449.99**	**1.58**
Margin calls				
MARGIN CALL B.P.S.S.	EUR	-19,800.01	-19,800.01	-0.02
MARGIN CALL B.P.S.S.	USD	109,774.28	102,857.14	0.10
TOTAL margin calls			**83,057.13**	**0.08**
Receivables			**90,577,064.27**	**95.81**
Payables			**-91,445,065.30**	**-96.72**
Financial accounts			**6,895,629.26**	**7.29**
Net assets			**94,545,665.47**	**100.00**

F EUR Acc unit class	**EUR**	**144,263.031**	**61.14**
I EUR Acc units	**EUR**	**649,953.361**	**131.89**

ANNEX IV

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

Product name: CARMIGNAC CHINA NEW ECONOMY
Legal entity identifier: 969500ANCCOTF7PD0L63

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective**: ___%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a 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 made **sustainable investments with a social objective:** ___%	☒ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

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 via a strategy based on four pillars: 1) ESG integration, 2) negative screening, 3) active stewardship, and 4) reduction of the carbon intensity, to promote the environmental and social characteristics.

The fund aims to contribute to China’s carbon neutrality goal for 2060 and is committed to reducing its carbon intensity by 5% per year (base rate: 530.2 tCO_2e/€m of revenue at 30 December 2022).

No failures to achieve the environmental and social characteristics promoted were identified during the year.

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

How did the sustainability indicators perform?

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

1) **Coverage rate of ESG analysis:** ESG integration, through ESG rating via Carmignac’s proprietary “START” (System for Tracking and Analysis of a Responsible Trajectory) platform, is applied to at least 90% of securities. As at 30 December 2022, the ESG analysis coverage rate was 100%.

2) **Reduction of the investment universe**: negative screening and exclusions of unsustainable activities and practices, reflected in low ESG scores from START, MSCI and ISS (“Institutional Shareholder Services”) ESG, are carried out based on the following indicators: (a) practices that are harmful to society and to the environment, (b) controversies concerning the OECD Guidelines and the UN Global Compact principles, (c) controversial weapons, (d) thermal coal production, (e) energy producers that have not set a target for alignment with the Paris Agreement, (f) companies involved in tobacco production and (g) companies involved in adult entertainment. The fund also applies exclusions linked to the gambling and conventional weapons sectors, as well as oil and gas extraction. As at 30 December 2022, the investment universe of the portfolio was reduced by 21.69%.

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. In 2022, we engaged with 81 companies at Carmignac level, and 6 companies at the level of Carmignac China New Economy including Daqo New Energy.

4) **Carbon emissions reduction target:** The fund aims to contribute to China’s carbon neutrality goal for 2060 and is committed to reducing its carbon intensity by 5% per year (base rate: 530.2 tCO_2e/€m of revenue at 30 December 2022). As at 30 December 2022, the carbon intensity of the Carmignac China New Economy fund was 47.3% lower than that of the same fund a year earlier. We therefore exercised 100% of our voting rights for the companies in which we had holdings.

   Moreover, as regards monitoring principal adverse impacts (“PAI”), and in accordance with Annex 1 to Commission Delegated Regulation (EU) 2022/1288, the fund monitors 14 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 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.

Please find below performance data with respect to principal adverse impact indicators for 2022, based on average quarter-end data, for the portfolio's equity and bond components:

PAI indicators	Based on data provided by the company	Fund	Hedging
Scope 1 GHG	Scope 1 GHG emissions	**2265**	98%
Scope 2 GHG	Scope 2 GHG emissions	**2,032.5**	98%
Scope 3 GHG	From 1 January 2023, Scope 3 GHG emissions	**27,855**	98%
Total GHG	Total GHG emissions	**32,155**	98%
Carbon footprint	Carbon footprint	**356.735**	98%
GHG intensity level	GHG intensity of companies	**933.4875**	98%
Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	**2%**	98%
Share of non-renewable energy consumption	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	**71%**	98%
Share of non-renewable energy production	Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	**77%**	98%
Energy consumption intensity per high impact climate sector – Total	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – Total	**0.1775**	98%
Energy consumption intensity per high impact climate sector – NACE Sector A	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector A (Agriculture, forestry and fishing)	**N/A**	98%
Energy consumption intensity per high impact climate sector – NACE Sector B	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector B (Mining and quarrying)	**N/A**	98%
Energy consumption intensity per high impact climate sector – NACE Sector C	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector C (Manufacturing)	**0.16**	98%
Energy consumption intensity per high impact climate sector – NACE Sector D	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector D (Electricity, gas, steam and air conditioning supply)	**3.5725**	98%
Energy consumption intensity per high impact climate sector – NACE Sector E	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector E (water supply, sewerage, waste management and remediation activities)	**N/A**	98%
Energy consumption intensity per high impact climate sector – NACE Sector F	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector F (Construction)	**0.28**	98%
Energy consumption intensity per high impact climate sector – NACE Sector G	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector G (Wholesale and retail trade; repair of motor vehicles and motorcycles)	**0.0325**	98%
Energy consumption intensity per high impact climate sector – NACE Sector H	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector H (Transportation and storage)	**0.235**	98%

Energy consumption intensity per high impact climate sector –NACE Sector L	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – NACE Sector L (Real estate activities)	**0.01**	98%
Biodiversity	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	**0%**	98%
Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	**14.595**	98%
Hazardous waste	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	**0.405**	98%
Water usage and recycling	Average amount of water consumed and recovered by the investee companies (in cubic metres) per million EUR of revenue	**1,497.065**	98%
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	**0%**	98%
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	**82%**	98%
Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	**82%**	98%
Board gender diversity	Average ratio of female to male board members in investee companies	**17%**	98%
Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	**0%**	98%
Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual).	**44.34**	98%

...and compared to previous periods?

N/A.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

N/A.

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.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

N/A.

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

N/A.

Were 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 no 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.

How did this financial product consider principal adverse impacts on sustainability factors?

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 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.
As part of its PAI strategy, Carmignac identifies companies that are performing worse than the benchmark on PAI indicators. Our third-party data provider Impact Cubed allows us to track the impact of Carmignac China New Economy for each PAI indicator.

Identifying companies that are performing worse than the index in terms of PAI allows us to engage in dialogue to ensure that they are committed to reducing their impact. We identified the MINISO group and Anta Sports as two of the main contributors to the underperformance of the Carmignac China New Economy portfolio as regards the process of monitoring UNGC/OECD compliance. Identifying these two entities will enable us to engage with them to ensure that appropriate measures are being taken to reduce their impact.

What were the top investments of this financial product?

The list includes investments constituting **the financial product's largest holdings** over the reference period, namely:

Please find below the top 15 investments for 2022 based on average month-end data:

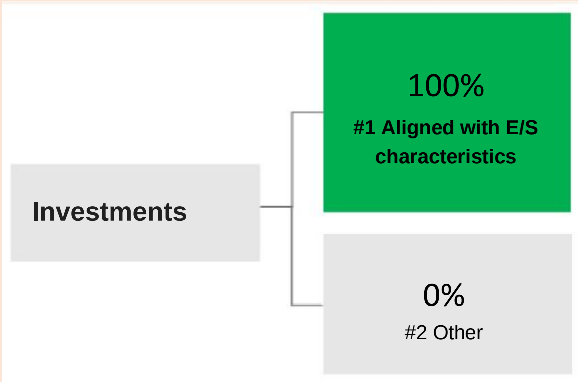
Largest investments	Sector	% Assets	Country
MINISO GROUP	Consumer discretionary	5.41%	China
CHINDATA GROUP HOLDINGS-ADR	IT	3.94%	China
ANTA SPORTS PRODUCTS	Consumer discretionary	2.90%	China
LONGSHINE TECHNOLOGY GROUP	IT	2.88%	China
JOINN LABORATORIES	Healthcare	2.78%	China
KINDSTAR GLOBALGENE TECHNOLO	Healthcare	2.58%	China
JD.COM INC	Consumer discretionary	2.51%	China
NEW ORIENTAL EDUCATION & TEC	Consumer discretionary	2.39%	China
EHANG HOLDINGS LTD-SPS ADR	Industry	2.33%	China
MICROTECH MEDICAL HANGZHOU	Healthcare	2.25%	China
WOLONG ELECTRIC GROUP CO L	Industry	2.17%	China
SHENZHEN ENVICOOL TECHNOLO	Industry	1.98%	China
TONGCHENG TRAVEL HLDGS	Consumer discretionary	1.84%	China
WUXI BIOLOGICS CAYMAN INC	Healthcare	1.81%	China
HELENS INTERNATIONAL	Consumer discretionary	1.80%	China

What was the proportion of sustainability-related investments?

N/A.

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



#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.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments

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.

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. As at 30 December 2022, ESG analysis covered 100% of the securities in the portfolio (excluding cash and derivatives).

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

In which economic sectors were the investments made?

Please find below the main economic sectors in which investments were made in 2022, based on average month-end data:

Economic sectors	% Assets
Consumer discretionary	44.07%
Industry	20.10%
Information technology	13.74%
Healthcare	11.87%
Property	3.28%
Materials	2.54%
Utilities	1.51%
Telecoms	1.32%
Finance	1.29%
Non-cyclical consumer spending	0.27%

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

The fund aims to contribute to China's carbon neutrality goal for 2060 and is committed to reducing its carbon intensity by 5% per year (base rate: 530.2 tCO_2e/€m of revenue at 30 December 2022). Alignment with the EU Taxonomy is not its objective. As at 30 December 2022, its alignment with the EU Taxonomy was 0.53%.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?[1]

☐ Yes:

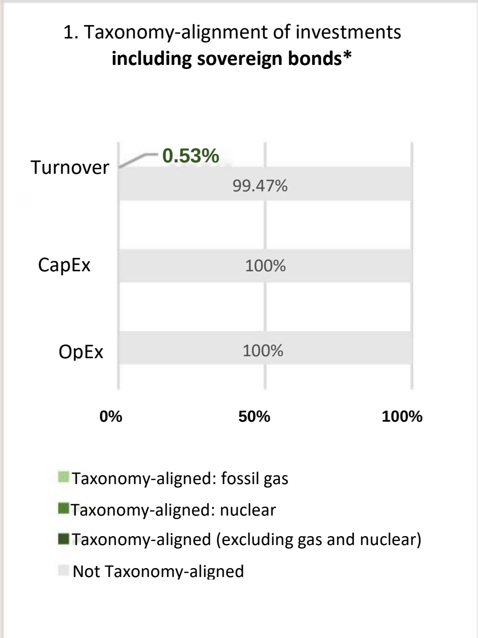
☐ In fossil gas ☐ In nuclear energy

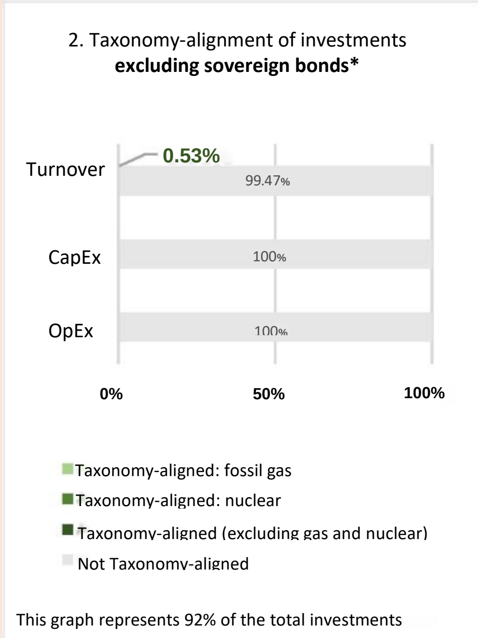
☒ No:

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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





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

What was the share of investments made in transitional and enabling activities?

N/A

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

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 was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

N/A

What was the share of socially sustainable investments?

N/A

What investments were included under “other”, what was their purpose and were 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 derivatives or listed 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.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Carmignac took the actions listed below in 2022 to support the investment process through compliance with environmental and social characteristics:

Pillar 1: ESG integration

- Addition of extra social indicators (employee and consumer satisfaction data) to the exclusive START ESG rating process, in order to keep analysts informed of material aspects that may affect the investment thesis.
- Improved capacity to monitor green, social, sustainable and sustainability-linked bonds to facilitate monitoring and future reporting in the Global Portfolio Monitoring system with a dashboard for portfolio managers on fund positions.
- Development of proprietary sovereign ESG rating models (Impact and Global) in the START interface to improve the efficiency and knowledge of the portfolio management team.
- Integration of PAI monitoring and introduction of a policy describing how information on environmental, social and human rights indicators is to be integrated into the investment rationale.
- Enhanced transparency and automated monitoring of the universe reduction process.

Pillar 2: Exclusions

- Automation of the quarterly list review process to identify companies that may be subject to strict sector or controversy exclusions, or the universe reduction process, if applicable.

Pillar 3: Voting and engagement

- Introduction of a “key vote” approach to prioritise companies identified for more targeted voting recommendations and potential engagement linked to voting decisions, in particular “Say on climate” votes.
- Development of a quarterly responsible management newsletter to publicly demonstrate to clients how we promote active stewardship.
- Continuation of our quarterly company engagement plan, with almost 58% of engagement efforts linked to environmental, social or governance themes.

With regard to engagement specifically, we have a fiduciary duty to fully exercise our shareholder rights and engage with the companies in which we invest. Dialogue is maintained by the financial analysts, portfolio managers and ESG team. We believe that our engagement allows us to better understand how companies manage their extra-financial risks and considerably improve their ESG profile while delivering long-term value creation for our clients, society and the environment. Each interaction covers one of the following five topics: 1) ESG risks, 2) an ESG theme, 3) a desired impact, 4) controversial behaviour, or 5) a voting decision at a general meeting. Carmignac may collaborate with other shareholders and bondholders when doing so would help influence the actions and governance of companies held in the portfolio. Carmignac has introduced and maintains policies and guidelines to ensure the company correctly identifies, foresees and manages any situation constituting a potential or confirmed conflict of interest. For more information on our engagement policies, please visit the website.

Our fiduciary responsibility involves the full exercise of our rights as shareholders and engagement with the companies in which we are invested. Dialogue is maintained by financial analysts, portfolio managers and ESG team. We believe that our engagement leads to a better understanding of how companies manage their extra-financial risks and significantly improve their ESG profile while delivering long-term value creation for our clients, society and the environment. Our engagement may concern one of five considerations: 1) ESG risks, 2) an ESG theme, 3) a desired impact, 4) controversial behaviour, or 5) a voting decision at a General Meeting. Carmignac may collaborate with other shareholders and bondholders when doing so would help influence the actions and governance of companies held in the portfolio. In order to ensure that the company correctly identifies, foresees and manages any potential or confirmed conflict of interest situation, Carmignac has put in place and maintains policies and guidelines. For more information on our engagement policies, please visit the website.

In 2022, we engaged with 81 companies at Carmignac level, and 6 companies at the level of Carmignac China New Economy including Daqo New Energy, which makes polysilicon (a key component of photovoltaic panels). Our discussions covered governance and the capital structure. We acquired a stake in the company to gain exposure to the solar industry value chain; this segment is key if China is to reach its goal of carbon neutrality by 2060. With the uptick in activity, the company has added substantial cash flows to its balance sheet. We communicated with the management team at the company to suggest solutions (share buyback or dividend programme) that would improve the capital structure and management of available cash flows, thereby boosting the company’s profitability and profit growth while reducing the cost of capital. This benefits all company shareholders, including minority shareholders like us. The company responded favourably to our request and has announced share buyback plans (USD 120 million on 1 June 2022 and USD 700 million on 7 November 2022).

How did this financial product perform compared to the reference sustainable benchmark?

N/A.

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

How does the reference benchmark differ from a broad market index?

N/A.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?

N/A.

How did this financial product perform compared with the reference benchmark?

N/A.

How did this financial product perform compared with the broad market index?

N/A.

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Portfolio management company (AMF authorisation no. GP 97-08 of 13/03/1997).
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