

# Carmignac Portfolio Patrimoine Europe F EUR Acc

Luxembourg SICAV sub-fund



M. Denham



K. Ney

FACT SHEET  
08/2022

Recommended  
minimum investment  
horizon:

3 years

Lower risk Potentially lower return				Higher risk Potentially higher return		
1	2	3	4*	5	6	7

## Investment Objective

European mixed fund with at least 40% of its assets permanently invested in fixed income, and a net equity exposure that can vary up to 50%. The Fund seeks to identify attractive sources of return in Europe while mitigating capital fluctuations, thanks to its bottom-up driven investment process and its flexible, active management. The Fund aims to outperform its reference indicator over 3 years minimum while implementing a socially responsible investment approach.

Fund Management analysis can be found on P.5



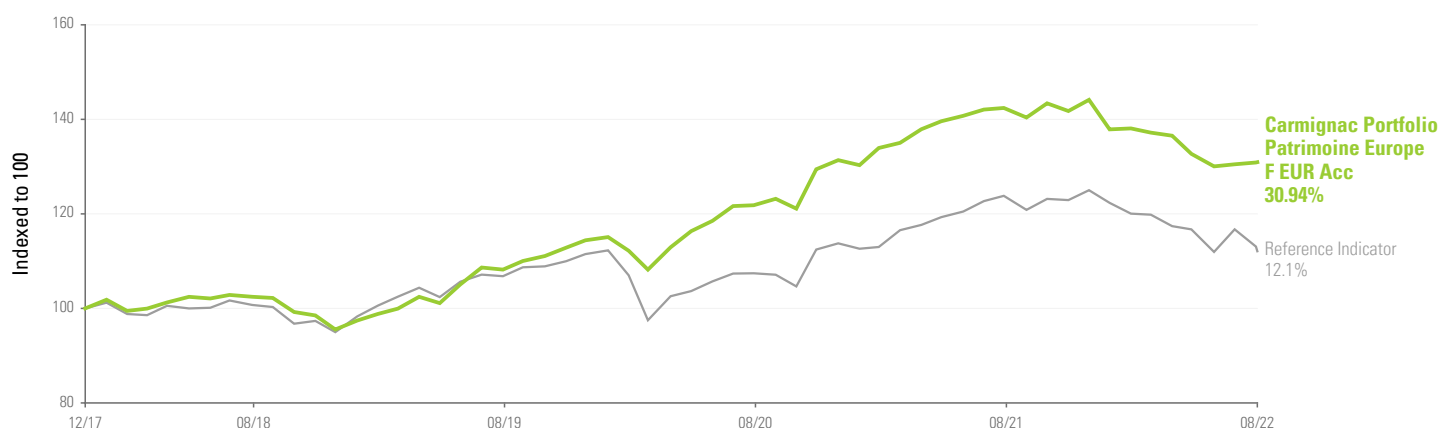
Equity Investment Rate: <b>32.73%</b>	Net Equity Exposure: <b>-3.80%</b>
Modified Duration: <b>-3.11</b>	Yield to Maturity: <b>1.01%</b>
Average Rating: <b>AA-</b>	

## PROFILE

- **Fund Inception Date:** 29/12/2017
- **Fund Manager:** Mark Denham since 02/01/2018, Keith Ney since 02/01/2018
- **Fund AUM:** 800M€ / 805M\$<sup>(1)</sup>
- **Domicile:** Luxembourg
- **Reference Indicator:** 40% STOXX Europe 600 (Reinvested Net Dividends) + 40% ICE BofA All Maturity All Euro Government (Coupons reinvested) + 20% ESTER capitalized. Quarterly Rebalanced.
- **Base Currency:** EUR
- **NAV:** 130.94€
- **Dividend Policy:** Accumulation
- **Fund Type:** UCITS
- **Legal Form:** SICAV
- **SICAV Name:** Carmignac Portfolio
- **Subscription/Redemption:** Daily
- **Order Placement Cut-Off Time:** Before 18:00 (CET/CEST)
- **SFDR Fund Classification:** Article 8
- **Morningstar Category™:** EUR Moderate Allocation

★★★★★  
Overall Morningstar Rating™  
08/2022

## Fund Performance vs. Comparator Benchmark Since Launch



## KEY POINTS



**A turnkey solution** : The Fund Managers work out the most optimal allocation among countries, sectors and asset classes.



**A genuinely flexible strategy** aimed at limiting risks of potential losses while tracking down the best opportunities for returns.



**An all-weather Fund** that focuses on stock- and bond-picking in order to fulfill its mandate regardless of the overall market trend.



**An attractive addition to a portfolio as a diversification tool** thanks to its non-benchmarked, multi-asset-class approach.

Performance (%)	Cumulative Performance					Annualised Performance	
	Since 31/12/2021	1 Month	1 Year	3 Years	Since 02/01/2018	3 Years	Since 02/01/2018
Carmignac Portfolio Patrimoine Europe F EUR Acc	-9.24	0.34	-8.00	20.80	30.94	6.49	5.94
Reference Indicator	-10.31	-3.97	-9.20	4.62	12.10	1.51	2.47
Category Average	-10.69	-2.57	-10.00	2.14	1.77	0.71	0.38
Ranking (Quartile)	2	1	2	1	1	1	1

Until 31/12/2021, the reference indicator was 50% STOXX Europe 600, 50% BofA Merrill Lynch All Maturity All Euro Government Index. The performances are presented using the chaining method. Source: Morningstar for the category average and quartiles. Past performance is not necessarily indicative of future performance. Performances are net of fees (excluding possible entrance fees charged by the distributor).

\* For the share class Carmignac Portfolio Patrimoine Europe F EUR Acc. Risk Scale from the KIID (Key Investor Information Document). Risk 1 does not mean a risk-free investment. This indicator may change over time. (1) Exchange Rate EUR/USD as of 31/08/22.

# Hunting down the most attractive investment opportunities

## Fixed income: a wide modified duration range



The Fund Manager seeks to capture the most attractive opportunities in European fixed income markets. To achieve that, he implements interest rate (government bonds) and credit (corporate bonds) strategies with no country or sector constraints. The Fund's broad modified duration range gives the Fund Manager extensive leeway in his investment choices.

## Equities: flexible equity market exposure



Using both financial and non-financial criteria, the Fund Manager sifts through companies in search of those with the best long-term growth prospects – while ruling out companies involving major ESG risks or operating in controversial sectors. The 0 to 50% range of equity exposure gives him ample fund management flexibility.

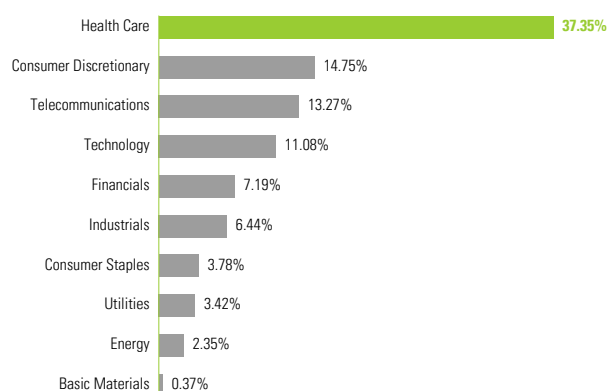
## Asset Allocation

	08/22	07/22	12/21
<b>Equities</b>	<b>32.73%</b>	<b>34.60%</b>	<b>39.58%</b>
<b>ex European Union</b>	<b>9.13%</b>	<b>9.75%</b>	<b>8.55%</b>
Europe	—	9.75%	—
<b>European Union</b>	<b>23.60%</b>	<b>24.85%</b>	<b>31.04%</b>
<b>Bonds</b>	<b>33.06%</b>	<b>29.72%</b>	<b>15.56%</b>
Developed Countries Government Bonds	21.94%	18.62%	8.63%
Developed Countries Corporate Bonds	4.10%	4.22%	3.00%
Emerging Markets Corporate Bonds	3.57%	3.68%	1.57%
ABS	3.44%	3.21%	2.35%
<b>Money Market</b>	<b>18.98%</b>	<b>28.06%</b>	—
<b>Cash, Cash Equivalents and Derivatives Operations</b>	<b>15.24%</b>	<b>7.62%</b>	<b>44.86%</b>

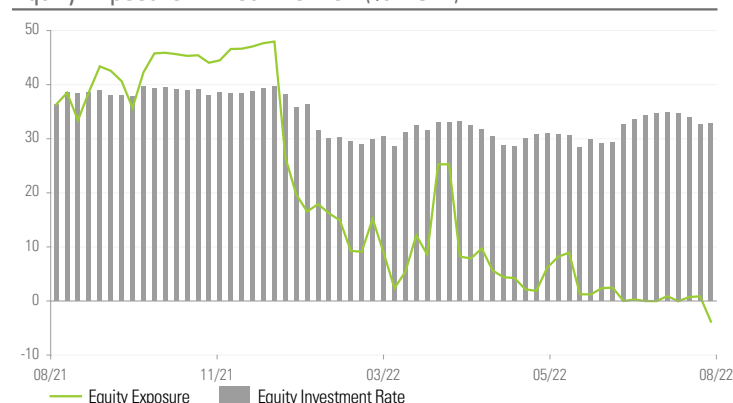
## Top Ten Holdings (Equity & Bonds)

Name	Country	Sector / Rating	%
GERMANY I/L 0.10% 15/04/2026	Germany	AAA	6.48%
FRANCE I/L 0.10% 25/07/2031	France	AA+	5.86%
GERMANY I/L 0.10% 15/04/2033	Germany	AAA	4.60%
NOVO NORDISK AS	Denmark	Health Care	3.15%
SAP SE	Germany	Technology	2.03%
ROCHE HOLDING	Switzerland	Health Care	1.96%
PROSUS NV 2.78% 19/10/2033	China	BBB-	1.86%
FRANCE I/L 0.70% 25/07/2030	France	AA+	1.78%
ARGENX SE	Belgium	Health Care	1.65%
GENMAB AS	Denmark	Health Care	1.49%
			<b>30.86%</b>

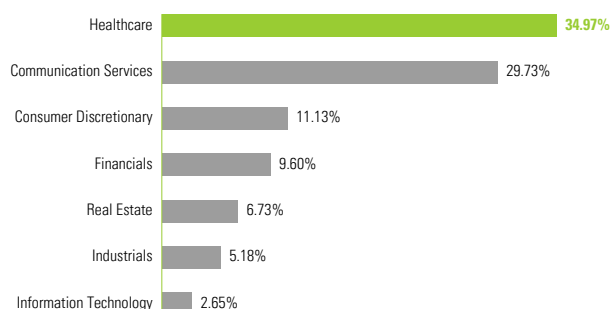
## Sector Breakdown



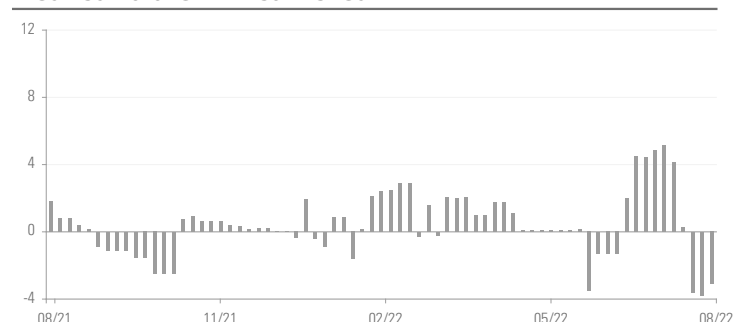
## Equity Exposure - 1 Year Horizon (% AUM) <sup>(1)</sup>



## Sector Breakdown

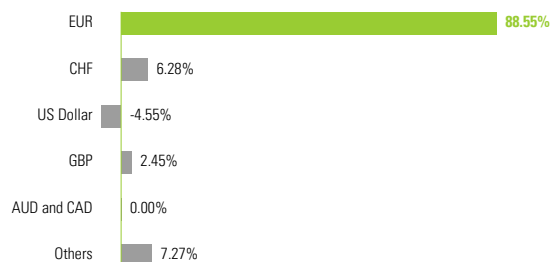


## Modified Duration - 1 Year Period



(1) Equity Exposure Rate = Equity Investment Rate + Equity Derivatives Exposure.

## Net Currency Exposure of the Fund



## Statistics (%)

	1 Year	3 Years
Fund Volatility	6.68	8.17
Comparator Benchmark Volatility	9.26	10.70
Sharpe Ratio	-1.16	0.84
Beta	0.62	0.58
Alpha	0.01	0.10

## VaR

Fund VaR	3.00%
Comparator Benchmark VaR	5.58%

## Monthly Gross Performance Contribution

Equity Portfolio	-2.11%
Bond Portfolio	-0.83%
Equity Derivatives	1.48%
Bond Derivatives	2.40%
Currency Derivatives	-0.19%
<b>Total</b>	<b>0.74%</b>

Share Class	Date of 1st NAV	Bloomberg	ISIN	SEDOL	CUSIP	WKN	Management Fee	Ongoing Charge <sup>(1)</sup>	Performance fee	Minimum Initial Subscription <sup>(2)</sup>	Single Year Performance (%)				
											31.08.21-31.08.22	31.08.20-31.08.21	30.08.19-31.08.20	31.08.18-30.08.19	31.08.17-31.08.18
A EUR Acc	29/12/2017	CARPEAE LX	LU1744628287			A2N692	1.5%	1.79%	Yes	—	-8.53	16.34	11.43	5.15	—
F EUR Acc	02/01/2018	CRPPEFE LX	LU1744630424			A2N693	0.85%	1.15%	Yes	—	-8.00	17.30	11.94	5.69	—

Variable Management Charge: 20% of the outperformance once performance since the start of the year exceeds that of the reference indicator and if no past underperformance still needs to be offset. (1) Ongoing charges are based on the expenses for the last financial year ended. They may vary from year to year and do not include performance fees or transaction costs. (2) Please refer to the prospectus for the minimum subsequent subscription amounts. The prospectus is available on the website: [www.carmignac.com](http://www.carmignac.com).

## PORTFOLIO ESG SUMMARY

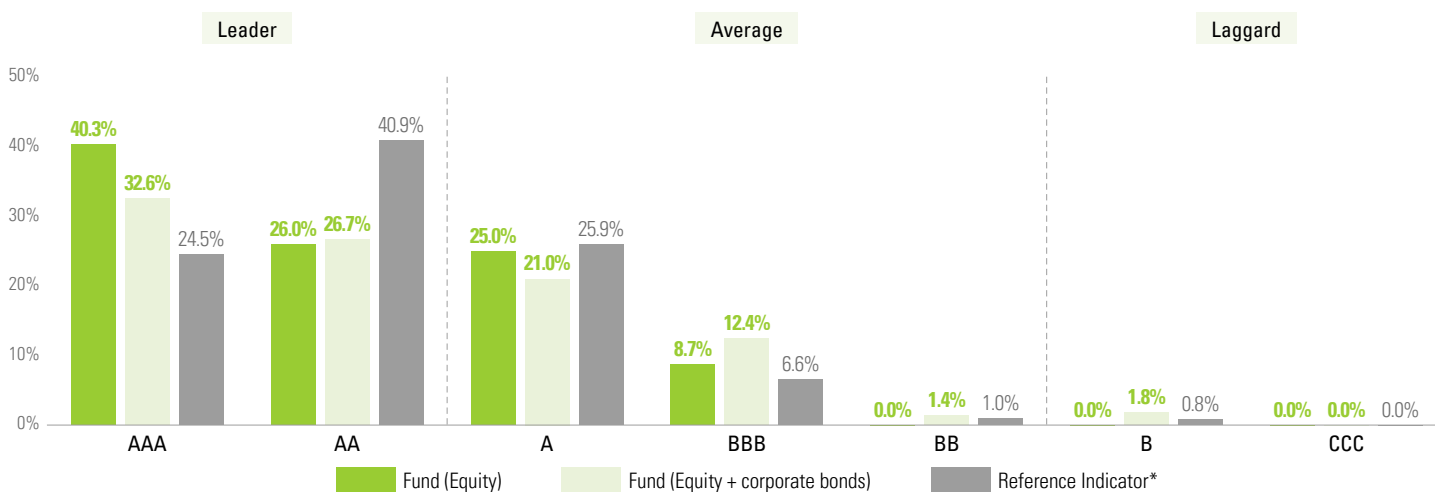


ESG Score - Portfolio ESG Coverage: 95.9%

Carmignac Portfolio Patrimoine Europe F EUR Acc	Reference Indicator*
AA	AAA

Source MSCI ESG

## MSCI ESG Score Portfolio vs Reference Indicator



Source: MSCI ESG Score. ESG Leaders represent companies rated AAA and AA by MSCI. ESG Average represent companies rated A, BBB, and BB by MSCI. ESG Laggards represent companies rated B and CCC by MSCI.

## Carbon Emission Intensity (T CO2E/USD mn Revenues) converted to Euro



Source: S&P Trucost, 31/08/22. The reference indicator of each Fund is hypothetically invested with identical assets under management as the respective Carmignac equity funds and calculated for total carbon emissions and per million Euro of revenues.

**Carbon emission figures** are based on S&P Trucost data. The analysis is conducted using estimated or declared data measuring Scope 1 and Scope 2 carbon emissions, excluding cash and holdings for which carbon emissions are not available. To determine carbon intensity, the amount of carbon emissions in tonnes of CO2 is calculated and expressed per million dollar of revenues (converted to Euro). This is a normalized measure of a portfolio's contribution to climate change that enables comparisons with a reference indicator, between multiple portfolios and over time, regardless of portfolio size.

Please refer to the glossary for more information on the calculation methodology

## Top 5 ESG Rated Portfolio Holdings

Company	Weight	ESG Rating
NOVO NORDISK A/S	3.15%	AAA
SAP SE	2.03%	AAA
PUMA SE	1.33%	AAA
ASML HOLDING NV	1.27%	AAA
LONZA GROUP AG	1.25%	AAA

## Top 5 Active Weights and ESG Scores

Company	Weight	ESG Score
ARGENX SE	2.10%	BBB
NOVO NORDISK A/S	2.04%	AAA
PROSUS NV	1.95%	AA
ORPEA SA	1.62%	BBB
SAP SE	1.56%	AAA

\* Reference Indicator: 40% STOXX Europe 600 (Reinvested Net Dividends) + 40% ICE BofA All Maturity All Euro Government (Coupons reinvested) + 20% ESTER capitalized. Quarterly Rebalanced. Equity and corporate bond components of the fund portfolio are used for this analysis. The reference to a ranking or prize, is no guarantee of the future results of the UCIS or the manager.

MARKETING COMMUNICATION

## FUND MANAGEMENT ANALYSIS

### Market environment



Central bankers' determination to keep inflation under control, despite the risks to growth, shook the markets in August. Yet, following the rebound in mid-June, the markets were already anticipating a return to accommodative monetary policies in the wake of lacklustre economic figures. This will not happen. The prospect of a prolonged tightening of US monetary policy, coupled with the expected slowdown in worldwide growth, led to a decline in risk assets and significant pressure on yields in developed countries. For the first time in almost a decade, real long-term risk-free rates in Europe have turned positive again as investors price in the fact that the ECB will tighten monetary policy at all costs. The uncertainties surrounding growth are even greater in Europe, where, after six months of war in Ukraine, the energy crisis continues to intensify. The gas supply issue will be pivotal over the coming months, and could lead Europe into a deeper than expected recession. It is the new thorn in the side of European markets.

### Performance commentary



In this difficult environment for risk assets, the fund posted a positive performance, significantly outperforming its reference indicator. Our extremely cautious stance on risk assets has more than contained the sharp decline of recent weeks. On equities, our negligible net exposure in August mitigated the approximately 5% decline in European equities. On the credit side, our hedges, as well as our selection of collateralised loan obligations (CLOs), contributed positively to performance over the month. Lastly, active management of the Fund's modified duration over the period, and in particular the decision to be short European interest rates (Italy and Germany) before the Jackson Hole meeting, enabled the Fund to outperform its reference indicator.

### Outlook and Investment strategy



The economic and political landscape in Europe is looking increasingly uncertain. While recession seems the most likely outcome, peak inflation is still ahead of us and will largely depend on the trajectory of gas prices. A stagflationary environment with persistent inflation and low growth seems inevitable in Europe. For this reason, we are remaining extremely cautious with very low equity exposure, negative modified duration, credit market hedges and a high cash component. It goes without saying that we are in an extreme phase of the economic cycle, which is forcing the Fund to remain tactical and, like central bankers, dependent on economic data.

## GLOSSARY

**Active Weight:** Represents the absolute value of the difference between the weight of a holding in the manager's portfolio and the same holding in the benchmark index.

**Alpha:** Alpha measures the performance of a portfolio compared to its reference indicator. Negative alpha means the fund performed less well than its reference indicator (e.g. if the indicator increased by 10% in one year and the fund increased by only 6%, its alpha is -4). Positive alpha means the fund performed better than its reference indicator (e.g. if the indicator increased by 6% in one year and the fund increased by 10%, its alpha is 4).

**Beta:** Beta measures the relationship between the fluctuations of the net asset values of the fund and the fluctuations of the levels of its reference indicator. Beta of less than 1 indicates that the fund "cushions" the fluctuations of its index (beta = 0.6 means that the fund increases by 6% if the index increases by 10% and decreases by 6% if the index falls by 10%). Beta higher than 1 indicates that the fund "magnifies" the fluctuations of its reference indicator (beta = 1.4 means that the fund increases by 14% when the index increases by 10% but also decreases by 14% when the index decreases by 10%). Beta of less than 0 indicates that the fund reacts inversely to the fluctuations of its reference indicator (beta = -0.6 means that the fund falls by 6% when the index increases by 10% and vice versa).

**Capitalisation:** A company's stock market value at any given moment. It is obtained by multiplying the number of shares of a company by its stock exchange price.

**Modified duration:** A bond's modified duration measures the risk attached to a given change in the interest rate. Modified duration of +2 means that for an instantaneous 1% rate increase, the portfolio's value would drop by 2%.

**Net asset value:** Price of all units (in an FCP) or shares (in a SICAV).

**Rating:** The rating measures the creditworthiness of a borrower (bond issuer). Ratings are published by rating agencies and offer the investor reliable information on the risk profile associated with a debt security.

**Sharpe ratio:** The Sharpe ratio measures the excess return over the risk-free rate divided by the standard deviation of this return. It thus shows the marginal return per unit of risk. When it is positive, the higher the Sharpe ratio, the more risk-taking is rewarded. A negative Sharpe ratio does not necessarily mean that the portfolio posted a negative performance, but rather that it performed worse than a risk-free investment.

**SICAV:** Société d'Investissement à Capital Variable (Open-ended investment company with variable capital)

**VaR:** Value at Risk (VaR) represents an investor's maximum potential loss on the value of a financial asset portfolio, based on a holding period (20 days) and confidence interval (99%). This potential loss is expressed as a percentage of the portfolio's total assets. It is calculated on the basis of a sample of historical data (over a two-year period).

**Volatility:** Range of price variation of a security, fund, market or index, which enables the measurement of risk over a given period. It is determined using the standard deviation obtained by calculating the square root of the variance. The variance is obtained by calculating the average deviation from the mean, which is then squared. The greater the volatility, the greater the risk.

**Yield to Maturity:** Yield to maturity corresponds to the concept of actuarial yield. It is, at the time of calculation, the rate of return offered by a bond in the event it is held until maturity by the investor.

## ESG DEFINITIONS & METHODOLOGY

**ESG:** E for Environment, S for Social, G for Governance

**ESG score Calculation:** Only the Equity and Corporate Bond holdings of the fund considered. Overall Fund Rating calculated using MSCI Fund ESG Quality Score methodology: excluding cash and non ESG-rated holdings, performing a weighted average of the normalized weights of the holdings and the Industry-Adjusted Score of the holdings, multiplied by (1+Adjustment%) which consists of the weight of positively trending ESG ratings minus the weight of ESG Laggards minus the weight of negatively trending ESG ratings. For a detailed explanation see "MSCI ESG Fund Ratings Methodology", Section 2.3. Updated June 2021.

<https://www.msci.com/documents/1296102/15388113/MSCI+ESG+Fund+Ratings+Exec+Summary+Methodology.pdf/ec622acc-42a7-158f-6a47-ed7aa4503d4f?t=1562690846881>.

**S&P Trucost methodology:** Trucost uses company disclosed emissions where available. In the instance it is not available, they use their proprietary EEIO model. The model uses the revenue breakdown of the company by industry sector to estimate the carbon emissions. For further information, please visit: [www.spglobal.com/spdji/en/documents/additional-material/faq-trucost.pdf](http://www.spglobal.com/spdji/en/documents/additional-material/faq-trucost.pdf). Although S&P Trucost does report Scope 3 emissions where available, such emissions are commonly considered to be poorly defined and inconsistently calculated by companies. As a result, we have chosen not to include them in our portfolio emission calculations.

To calculate the portfolio carbon emissions, the companies' carbon intensities (tonnes of CO2e /USD mn revenues) are weighted according to their portfolio weightings (normalized for holdings for which carbon emissions are not available), and then summed.

**Scope 1:** Greenhouse gas emissions generated from burning fossil fuels and production processes which are owned or controlled by the company.

**Scope 2:** Greenhouse gas emissions from consumption of purchased electricity, heat or steam by the company.

**Scope 3:** Other indirect Greenhouse gas emissions, such as from the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. T&D losses) not covered in Scope 2, outsourced activities, waste disposal, etc.

**SFDR Articles - Fund Classification:** Sustainable Finance Disclosure Regulation, an EU Act that requires asset managers to classify funds into categories: "Article 8" funds promote environmental and social characteristics, "Article 9" funds have sustainable investments as a measurable objective.

## Main risks of the fund

**Equity:** The Fund may be affected by stock price variations, the scale of which is dependent on external factors, stock trading volumes or market capitalization. **Interest rate:** Interest rate risk results in a decline in the net asset value in the event of changes in interest rates. **Currency:** Currency risk is linked to exposure to a currency other than the Fund's valuation currency, either through direct investment or the use of forward financial instruments. **Credit:** Credit risk is the risk that the issuer may default. The Fund presents a risk of loss of capital.

## Important legal information

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**CARMIGNAC GESTION**, 24, place Vendôme - F-75001 Paris - Tél : (+33) 01 42 86 53 35

Investment management company approved by the AMF

Public limited company with share capital of € 15,000,000 - RCS Paris B 349 501 676

**CARMIGNAC GESTION Luxembourg** - City Link - 7, rue de la Chapelle - L-1325 Luxembourg - Tél : (+352) 46 70 60 1

Subsidiary of Carmignac Gestion - Investment fund management company approved by the CSSF

Public limited company with share capital of € 23,000,000 - RC Luxembourg B 67 549

## MARKETING COMMUNICATION

