# CARMIGNAC PORTFOLIO CREDIT A EUR ACC

LUXEMBOURG SICAV SUB-FUND

Recommended minimum investment horizon: 3 YEARS

LOWER RISK — HIGHER RISK

| 1 | 2 | 3* | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

LU1623762843

Monthly Factsheet - 30/09/2024

## INVESTMENT OBJECTIVE

Carmignac Portfolio Credit is an international fixed income UCITS that implements credit strategies across the globe. Its flexible and opportunistic style enables the Fund to implement an unconstrained and conviction-driven allocation. The fund aims to outperform its reference indicator over a minimum recommended investment period of 3 years.

**Fund management analysis can be found on P.3**

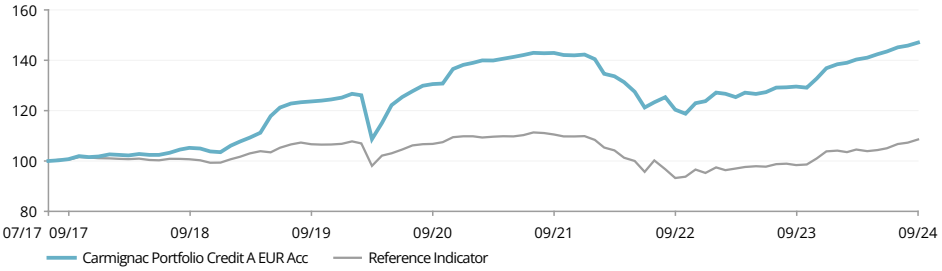
P. Verlé

A. Deneuville

## PERFORMANCE

Past performance is not necessarily indicative of future performance. Performances are net of fees (excluding possible entrance fees charged by the distributor).

### FUND PERFORMANCE VS. REFERENCE INDICATOR SINCE LAUNCH (Basis 100 - Net of fees)




### CUMULATIVE AND ANNUALIZED PERFORMANCE (as of 30/09/2024 - Net of fees)

| | Cumulative Performance (%) | | | | Annualised Performance (%) | | |
|---|---|---|---|---|---|---|---|
| | 1 Year | 3 Years | 5 Years | Since 31/07/2017 | 3 Years | 5 Years | Since 31/07/2017 |
| A EUR Acc | 13.49 | 2.89 | 18.92 | 47.04 | 0.95 | 3.52 | 5.52 |
| Reference Indicator | 10.35 | -1.78 | 1.78 | 8.55 | -0.60 | 0.35 | 1.15 |
| Category Average | 8.29 | 0.38 | 3.36 | 5.62 | 0.13 | 0.66 | 0.77 |
| Ranking (Quartile) | 1 | 2 | 1 | 1 | 2 | 1 | 1 |

Source: Morningstar for the category average and quartiles.

### ANNUAL PERFORMANCE (%) (Net of fees)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|
| A EUR Acc | 10.58 | -13.01 | 2.96 | 10.39 | 20.93 | 1.69 | 1.79 |
| Reference Indicator | 9.00 | -13.31 | 0.06 | 2.80 | 7.50 | -1.74 | 1.13 |

### STATISTICS (%)

| | 3 Years | 5 Years | Launch |
|---|---|---|---|
| Fund Volatility | 4.6 | 6.6 | 6.0 |
| Indicator Volatility | 4.8 | 5.2 | 4.5 |
| Sharpe Ratio | -0.2 | 0.4 | 0.8 |
| Beta | 0.6 | 0.8 | 0.8 |
| Alpha | 0.0 | -0.0 | -0.0 |

*Calculation : Weekly basis*

### VAR

| | |
|---|---|
| Fund VaR | 2.4% |
| Indicator VaR | 2.3% |

## KEY FIGURES

| | |
|---|---|
| **Modified Duration** | 3.9 |
| **Yield to Maturity** (1) | 6.6% |
| **Average Rating** | BBB- |
| **Average Coupon** | 6.3% |
| **Number of Bond Issuers** | 236 |
| **Number of Bonds** | 315 |

(1) Calculated at the fixed income bucket level.

### FUND

**SFDR Fund Classification:** Article 6
**Domicile:** Luxembourg
**Fund Type:** UCITS
**Legal Form:** SICAV
**SICAV Name:** Carmignac Portfolio
**Fiscal Year End:** 31/12
**Subscription/Redemption:** Daily
**Order Placement Cut-Off Time:** Before 18:00 (CET/CEST)
**Fund Inception Date:** 31/07/2017
**Fund AUM:** 1542M€ / 1721M$ (2)
**Fund Currency:** EUR

### SHARE

**Dividend Policy:** Accumulation
**Date of 1st NAV:** 31/07/2017
**Base Currency:** EUR
**Share class AUM:** 712M€
**NAV (share):** 147.04€
**Morningstar Category™:** EUR Flexible Bond

★★★★

Overall Morningstar Rating ™

09/2024

### FUND MANAGER(S)

Pierre Verlé since 31/07/2017
Alexandre Deneuville since 31/07/2017

### REFERENCE INDICATOR

75% ICE BofA Euro Corporate Index + 25% ICE BofA Euro High Yield Index (coupons reinvested, Quarterly Rebalanced).

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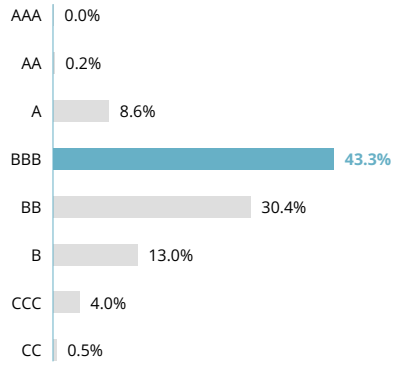
* For the share class Carmignac Portfolio Credit A EUR Acc. Risk Scale from the KID (Key Information Document). Risk 1 does not mean a risk-free investment. This indicator may change over time. (2) Exchange Rate EUR/USD as of 30/09/2024.

**MARKETING COMMUNICATION**
Please refer to the KID/prospectus of the fund before making any final investment decisions. For more information please visit www.carmignac.se

## ASSET ALLOCATION

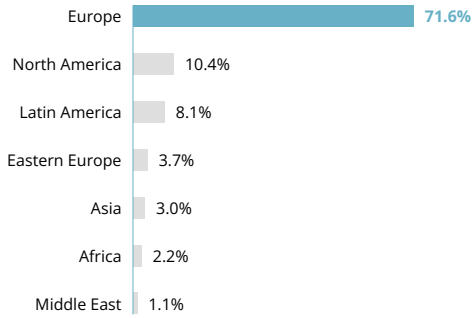
| | |
|---|---|
| Bonds | 99.7% |
| **Developed Countries Corporate Bonds** | **71.5%** |
| Consumer Discretionary | 4.5% |
| Consumer Staples | 1.1% |
| Energy | 14.5% |
| Financials | 39.2% |
| Healthcare | 1.7% |
| Industrials | 3.1% |
| Information Technology | 0.5% |
| Materials | 0.3% |
| Real Estate | 4.5% |
| Utilities | 2.1% |
| **Emerging Markets Corporate Bonds** | **17.6%** |
| Consumer Discretionary | 2.3% |
| Consumer Staples | 0.9% |
| Energy | 3.3% |
| Financials | 5.1% |
| Healthcare | 0.4% |
| Industrials | 2.6% |
| Materials | 0.8% |
| Real Estate | 0.9% |
| Communication Services | 0.2% |
| Utilities | 1.1% |
| **Collateralized Loan Obligation (CLO)** | **10.6%** |
| Equities | 2.4% |
| Credit Default Swap | -21.0% |
| Cash, Cash Equivalents and Derivatives Operations | -2.1% |

## RATING BREAKDOWN




*Rebased weights*

## GEOGRAPHIC BREAKDOWN

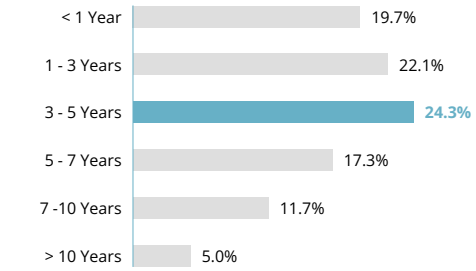



*Rebased weights*

## TOP TEN - BONDS

| Name | Country | Rating | % |
|---|---|---|---|
| TOTALENERGIES 17/07/2036 | France | Investment Grade | 2.1% |
| ENI TV 13/07/2029 | Italy | Investment Grade | 1.5% |
| PARATUS ENERGY SERVICES 9.50% 27/12/2026 | United Kingdom | High Yield | 1.4% |
| TELEFONICA EUROPE 07/06/2031 | Spain | Investment Grade | 1.3% |
| BORR IHC LTD / BORR FINANCE 10.00% 15/11/2025 | Mexico | High Yield | 1.3% |
| BP CAPITAL MARKETS 22/03/2029 | USA | Investment Grade | 1.2% |
| BORR IHC LTD / BORR FINANCE 10.38% 15/11/2026 | Mexico | High Yield | 1.2% |
| IWG US FINANCE 6.50% 28/03/2030 | Switzerland | Investment Grade | 1.0% |
| BNP PARIBAS 06/12/2029 | France | Investment Grade | 1.0% |
| FINNAIR OYJ 4.75% 24/02/2029 | Finland | High Yield | 1.0% |
| **Total** | | | **13.1%** |

## MATURITY BREAKDOWN




*Maturity dates are based on the next call date when available.*

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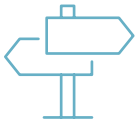
# FUND MANAGEMENT ANALYSIS



## MARKET ENVIRONMENT

- The US Federal Reserve delivered a more dovish message than expected at its September meeting, cutting its key rate by -0.5%.
- Growth data nevertheless exceeded expectations across the Atlantic, both in terms of unemployment, which declined to 4.2%, and consumer resilience, with retail sales accelerating by +0.1%.
- Headline inflation continued to slow to +2.5% year-on-year on the back of falling commodity prices, while core inflation remained stable at +3.2%.
- For its part, the European Central Bank cut its key rate by -25bp against a backdrop of disappointing economic data, both in terms of leading indicators and the zone's future growth prospects.
- Among other central banks, the Bank of Japan opted for a pause in its rate hike cycle, while the Brazilian central bank raised its key rate by a quarter point.

## PERFORMANCE COMMENTARY

- The Fund delivered a positive absolute performance in September, slightly down on its benchmark in an environment of sharply contracting interest rates.
- Our stock selection once again made a positive contribution to the Fund's performance, particularly the main investment themes, such as financial bonds and the energy sector.
- On the other hand, our credit index hedging strategies made a negative contribution following the tightening of credit spreads in the second half of September.
- Finally, we continue to benefit from our collateralized loan obligations (CLOs), which are performing steadily.

## OUTLOOK AND INVESTMENT STRATEGY

- We continue to focus on our core investment themes through a selection of high-yield bonds, energy, financials and our selection of CLOs (collateralized loan obligations).
- Furthermore, in this volatile environment, we are maintaining our credit hedging strategies at over 20%, to protect the portfolio against the risk of further market disruptions, while focusing on alpha.
- Indeed, after years of weakness due to abundant liquidity and a low cost of capital, default rates are set to return to more normal levels, which we see as a catalyst that should create real idiosyncratic opportunities.
- Finally, the portfolio's high carry (over 6.5%) and attractive credit valuations should mitigate short-term volatility and help generate mediu
- to long-term returns.



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# GLOSSARY

**Active Management:** An investment management approach where a manager aims to beat the market through research, analysis and their own judgement.

**Bottom up investing:** Investment based on analysis of individual companies, whereby that company's history, management, and potential are considered more important than general market or sector trends (as opposed to top down investing).

**Credit cycle:** A credit cycle describes the different phases of access to credit by borrowers. It alternates between periods of easily accessible funds to borrow due to low interest rates and periods of contraction where lending rules are more restrictive and interest rates are higher.

**Forward financial instruments:** A forward contract is a customized contract between two parties to buy or sell an asset at a specified price on a future date. A forward contract can be used for hedging or speculation, although its non-standardized nature makes it particularly apt for hedging. Unlike standard futures contracts, a forward contract can be customized to any commodity, amount and delivery date. A forward contract settlement can occur on a cash or delivery basis.

**High yield:** A loan or bond rated below investment grade because of its higher default risk. The return on these securities is generally higher.

**Investment grade:** A loan or bond that rating agencies have rated AAA to BBB-, generally indicating relatively low default risk.

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

**Non-benchmarked:** Portfolio construction is a result of Fund manager views and market analysis with no bias to any benchmark.

**SFDR Fund Classification:** Sustainable Finance Disclosure Regulation (SFDR) 2019/2088. 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. In addition to not promoting environmental or social characteristics, "Article 6" funds have no sustainable objectives. For more information, please refer to https://eur-lex.europa.eu/eli/reg/2019/2088/oj

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

**UCITS:** Undertakings for Collective Investments in Transferable Securities.
UCITS funds are authorised funds that can be sold in any country in the EU. UCITS III regulations allow funds to invest in a wider range of financial instruments, including derivatives.

**Yield to Maturity:** Yield to Maturity (YTM) is the estimated annual rate of return expected on a bond if held until maturity and assuming all payments made as scheduled and reinvested at this rate. For perpetual bonds, the next call date is used for computation. Note that the yield shown does not take into account the FX carry and fees and expenses of the portfolio. The portfolio’s YTM is the weighted average individual bonds holdings' YTMs within the portfolio.

# CHARACTERISTICS

| Share Class | Date of 1st NAV | Bloomberg | ISIN | Management Fee | Entry costs (1) | Exit costs (2) | Management fees and other administrative or operating costs (3) | Transaction costs (4) | Performance fees (5) | Minimum Initial Subscription (6) | Single Year Performance (%) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | 29.09.23-30.09.24 | 30.09.22-29.09.23 | 30.09.21-30.09.22 | 30.09.20-30.09.21 | 30.09.19-30.09.20 |
| A EUR Acc | 31/07/2017 | CARUCAE LX | LU1623762843 | Max. 1% | Max. 2% | — | 1.2% | 0.43% | 20% | — | 13.5 | 7.6 | -15.8 | 9.5 | 5.6 |
| F EUR Acc | 02/01/2019 | CARUFEA LX | LU1932489690 | Max. 0.6% | — | — | 0.8% | 0.43% | 20% | — | 13.9 | 7.9 | -15.4 | 9.9 | 5.9 |

(1) of the amount you pay in when entering this investment. This is the most you will be charged. Carmignac Gestion doesn't charge any entry fee. The person selling you the product will inform you of the actual charge.
(2) We do not charge an exit fee for this product.
(3) of the value of your investment per year. This estimate is based on actual costs over the past year.
(4) of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the investments underlying the product. The actual amount varies depending on the quantity we buy and sell.
(5) when the share class overperforms the Reference indicator during the performance period. It will be payable also in case the share class has overperformed the reference indicator but had a negative performance. Underperformance is clawed back for 5 years. The actual amount will vary depending on how well your investment performs. The aggregated cost estimation above includes the average over the last 5 years, or since the product creation if it is less than 5 years.
(6) Please refer to the prospectus for the minimum subsequent subscription amounts. The prospectus is available on the website: www.carmignac.com.

# MAIN RISKS OF THE FUND

**CREDIT:** Credit risk is the risk that the issuer may default. **INTEREST RATE:** Interest rate risk results in a decline in the net asset value in the event of changes in interest rates. **LIQUIDITY:** Temporary market distortions may have an impact on the pricing conditions under which the Fund might be caused to liquidate, initiate or modify its positions. **DISCRETIONARY MANAGEMENT:** Anticipations of financial market changes made by the Management Company have a direct effect on the Fund's performance, which depends on the stocks selected.

**The Fund presents a risk of loss of capital.**

# IMPORTANT LEGAL INFORMATION

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Investment management company approved by the AMF
Public limited company with share capital of € 13,500,000 - RCS Paris B 349 501 676
**CARMIGNAC GESTION Luxembourg**, - City Link - 7, rue de la Chapelle - L-1325 Luxembourg - Tel : (+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 - RCS Luxembourg B 67 549

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