

# Carmignac Portfolio Flexible Bond A EUR Acc

Luxembourg SICAV sub-fund



G. Rigeade

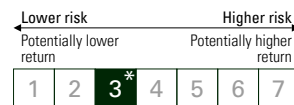


E. Ben zimra

**FACT SHEET**  
12/2021

Recommended  
minimum investment  
horizon:

**3** years



## Investment Objective

Carmignac Portfolio Flexible Bond is an international fixed income UCITS fund that implements interest rates and credit strategies across the globe while systematically hedging the currency risk. Its flexible and opportunistic style enables the Fund to implement a largely unconstrained, conviction-driven allocation strategy across global bond markets. The Fund aims to outperform its reference indicator over 3 years.

**Fund Management analysis can be found on P.4**

	Modified Duration: <b>2.53</b>	Yield to Maturity: <b>2.98%</b>
	Average Rating: <b>BBB</b>	

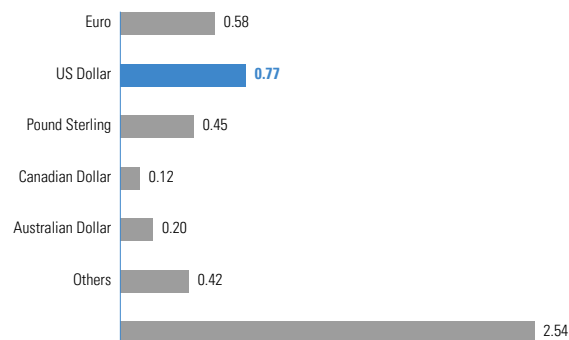
## PROFILE

- **Fund Inception Date:** 14/12/2007
- **Fund Manager:** Guillaume Rigeade since 09/07/2019, Eliezer Ben zimra since 09/07/2019
- **Fund AUM:** 1729M€ / 1966M\$<sup>(1)</sup>
- **Share class AUM:** 716M€
- **Domicile:** Luxembourg
- **Reference Indicator:** ICE BofA Euro Broad Market Index (coupons reinvested).
- **Base Currency:** EUR
- **NAV:** 1302.43€
- **Dividend Policy:** Accumulation
- **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)
- **SFDR Fund Classification:** Article 8
- **Morningstar Category™:** EUR Flexible Bond

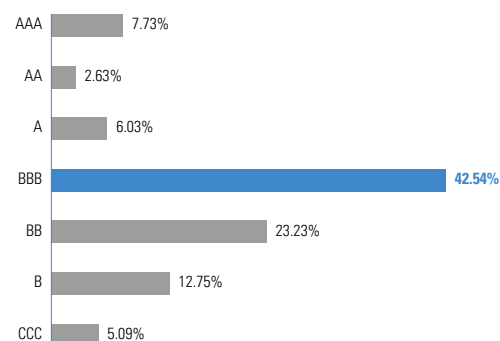
## Asset Allocation

	12/21	11/21	12/20
<b>Bonds</b>	<b>81.32%</b>	<b>81.28%</b>	<b>84.87%</b>
<b>Government Bonds</b>	<b>28.59%</b>	<b>29.06%</b>	<b>34.99%</b>
Developed Countries	16.43%	16.77%	30.04%
Emerging Markets	12.16%	12.29%	4.95%
<b>Corporate Bonds</b>	<b>27.22%</b>	<b>27.11%</b>	<b>26.26%</b>
High Yield	9.77%	9.93%	13.62%
Investment Grade	7.86%	7.96%	5.68%
Emerging Markets	9.59%	9.22%	6.95%
<b>Financials</b>	<b>20.56%</b>	<b>20.11%</b>	<b>16.39%</b>
Senior debt	10.73%	10.88%	4.36%
Subordinated debt	9.83%	9.24%	12.02%
<b>Supranational Bonds</b>	<b>0.61%</b>	<b>0.61%</b>	—
<b>ABS</b>	<b>4.34%</b>	<b>4.39%</b>	<b>7.24%</b>
<b>Cash, Cash Equivalents and Derivatives Operations</b>	<b>17.78%</b>	<b>17.80%</b>	<b>15.13%</b>
<b>Money Market</b>	<b>5.80%</b>	<b>5.86%</b>	—
<b>OPCVM Money Market</b>	<b>5.73%</b>	<b>2.29%</b>	<b>8.66%</b>
<b>Cash and Derivatives Operations</b>	<b>6.25%</b>	<b>9.65%</b>	<b>6.47%</b>

## Modified duration by yield curve (in bps)



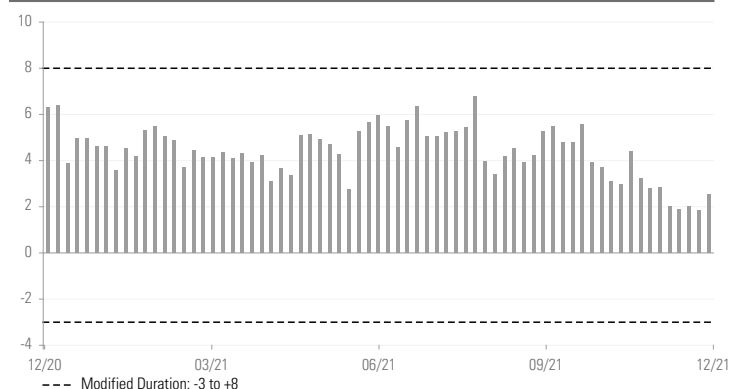
## Rating Breakdown



## Modified duration by maturity bucket (in bps)

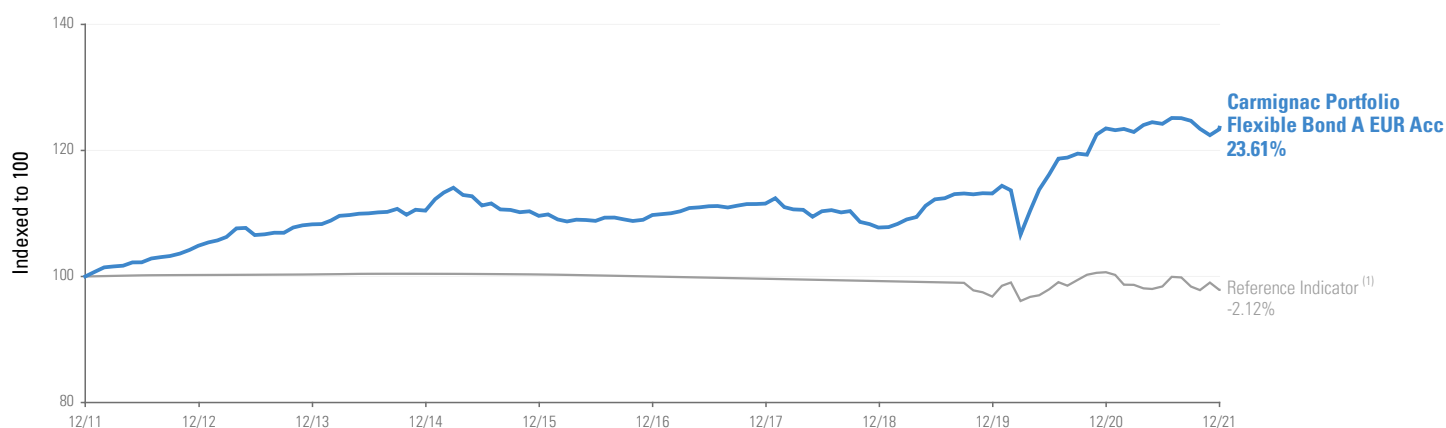


## Modified Duration - 1 Year Period



\* For the share class Carmignac Portfolio Flexible Bond A 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 31/12/21.

## Fund Performance vs. Reference Indicator over 10 Years



Performance (%)	Cumulative Performance					Annualised Performance		
	1 Month	1 Year	3 Years	5 Years	10 Years	3 Years	5 Years	10 Years
<b>Carmignac Portfolio Flexible Bond A EUR Acc</b>	<b>0.97</b>	<b>0.01</b>	<b>14.70</b>	<b>12.63</b>	<b>23.61</b>	<b>4.67</b>	<b>2.40</b>	<b>2.14</b>
Reference Indicator <sup>(1)</sup>	-1.16	-2.80	-1.40	-2.11	-2.12	-0.47	-0.43	-0.21
Category Average	0.23	0.49	7.44	6.45	33.89	2.42	1.26	2.96
Ranking (Quartile)	1	3	1	1	3	1	1	3

(1) Reference Indicator: ICE BofA Euro Broad Market Index (coupons reinvested). On 30/09/2019 the composition of the reference indicator changed: the ICE BofA ML Euro Broad Market Index coupons reinvested replaces the EONCAPL7. Performances are presented using the chaining method. The Fund's name was changed from Carmignac Portfolio Capital Plus to Carmignac Portfolio Unconstrained Euro Fixed Income. 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).

## Statistics (%)

	1 Year	3 Years
Fund Volatility	1.79	4.47
Indicator Volatility	2.87	3.01
Sharpe Ratio	0.28	1.09

## VaR

Fund VaR 5.16%

## Monthly Gross Performance Contribution

Bond Portfolio	0.24%
Bond Derivatives	0.66%
Currency Derivatives	0.27%
Mutual Fund	-0.00%
<b>Total</b>	<b>1.17%</b>

Share Class	Date of 1st NAV	Bloomberg	ISIN	SEDOL	CUSIP	WKN	Fixed Management Fee	Maximum Subscription Fee <sup>(2)</sup>	Minimum Initial Subscription <sup>(3)</sup>	Single Year Performance (%)					Cumulative Performance (%)		
										31.12.20	31.12.19	31.12.18	29.12.17	30.12.16	3 Years	5 Years	10 Years
										-	-	-	-	-			
A EUR Acc	14/12/2007	CARCSHP LX	LU0336084032	B3K7RF5	L1455N146	A0M9A2	1%	1%	—	0.01	9.22	4.99	-3.38	1.66	14.70	12.63	23.61
A EUR Ydis	15/11/2013	CARCAEY LX	LU0992631050	BGP6SP5	L1455N294	A1W94Z	1%	1%	—	0.01	9.22	4.97	-3.39	1.81	14.69	12.79	—
A CHF Acc Hdg	19/07/2012	CARCSHA LX	LU0807689665	BH899W2	L15064105	A1J2R1	1%	1%	—	-0.15	8.80	4.50	-3.87	1.20	13.54	10.44	—
A USD Acc Hdg	19/07/2012	CARCSHU LX	LU0807689749	BH899X3	L15064113	A1J2R2	1%	1%	—	0.50	10.58	7.66	-0.87	3.45	19.69	22.72	—
F EUR Acc	15/11/2013	CARCFEA LX	LU0992631217	BGP6SQ6	L1455N310	A1W940	0.55%	1%	—	0.15	9.65	5.42	-2.96	2.01	15.79	14.59	—
F CHF Acc Hdg	15/11/2013	CARCFCH LX	LU0992631308	BH899Y4	L1455N328	A116MQ	0.55%	—	—	0.01	9.24	4.92	-3.43	1.64	14.66	12.51	—
Income A EUR	20/11/2015	CACPAED LX	LU1299302684	BYNYZD4	L1506T175	A2AA96	1%	1%	—	-0.06	9.32	4.97	-3.38	1.44	14.71	12.41	—

Variable Management Charge: 10% of the outperformance of the Fund relative to its reference indicator in the case of a positive performance. (2) Entry charges paid to distributors. No redemption fees. (3) 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

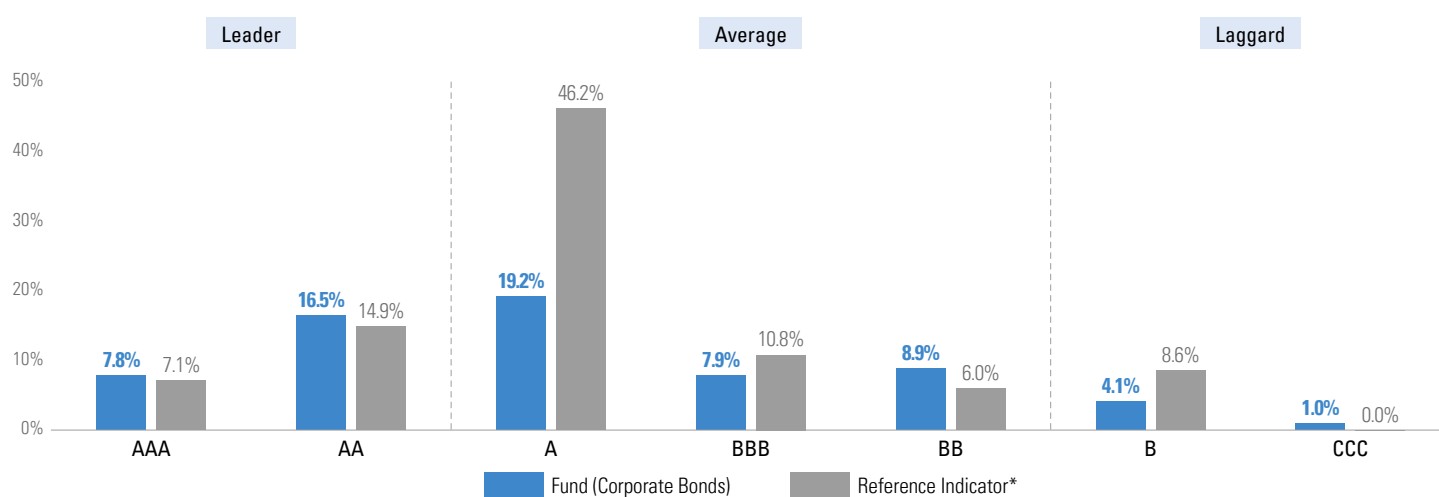


ESG Score - Portfolio ESG Coverage: 65.3%

Carmignac Portfolio Flexible Bond A EUR Acc	Reference Indicator*
A	A

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.

## Top 5 ESG Rated Portfolio Holdings

Company	Weight	ESG Rating
ALLIANZ FINAN ZC 22/08/2026	1.38%	AAA
SOCIETE GENER 0.88% 01/07/2026	0.71%	AAA
BANCO BILBAO 6.00% 15/01/2026	0.47%	AAA
INTESA SANPAO 6.25% 16/05/2024	0.32%	AAA
ENEL SPA 8.75% 24/09/2023	0.23%	AAA

## Top 5 Active Weights and ESG Scores

Company	Weight	ESG Score
ALLIANZ FINAN ZC 22/08/2026	0.87%	AAA
NATWEST GROUP 3.75% 01/11/2024	0.80%	AA
PERSHING SQUA 3.25% 01/07/2031	0.79%	
LA BANQUE POS 3.88% 20/05/2026	0.70%	
PEMEX 4.75% 26/02/2029	0.68%	

\* Reference Indicator: ICE BofA Euro Broad Market Index (coupons reinvested). The reference to a ranking or prize, is no guarantee of the future results of the UCIS or the manager.

## FUND MANAGEMENT ANALYSIS

---

### Market environment



Intervention by the US and European central banks set the tone for the month. The Federal Reserve announced slower, but nonetheless high, growth for the coming years along with inflation that, far from being temporary, will probably become a more lasting feature of the US economy. This explains a quicker-than-expected tapering of its asset buying, to go with further rate hikes over the next two years. The ECB has said that it wants to reduce its bond buying, setting a timeline for the PEPP's withdrawal, and focus more on a more traditional method: the APP. However, it insisted that it is not looking to raise interest rates in 2022. Although the health situation has deteriorated with the spread of the Omicron variant, its apparently lower mortality rate has kept up investors' morale. These conditions have pushed core yields upwards, an additional factor being the low volume of bond redemptions at the end of the year. "Risky" bonds held up well.

### Performance commentary



The Fund fared much better than its reference indicator. We had decided to keep modified duration only slightly positive, with short positions on the European and US yield curve. This short positioning on core debt raised both absolute and relative performance. As core yields surged, our "risky" bond assets managed to generate a return. Our emerging market investments, high yield corporate bonds and subordinated financial bonds all rallied. Our long positions on the short end of several Anglosphere yield curves, such as those of the United Kingdom and Canada, also boosted monthly performance.

### Outlook and Investment strategy



Against a backdrop of persistent inflation and upward pressure on core yields, we are keeping modified duration low. We are still short on US and European core bonds, mostly medium-dated issues. We remain positioned on the long end of the US yield curve to counterbalance the main risks to the portfolio. Our strongest convictions can be seen in three distinct themes, which give the portfolio some interesting sources of carry: emerging market investments, high yield corporate bonds with a preference for the energy sector, and European subordinated financial bonds. We remain positioned on the short end of several Anglosphere yield curves. It is also worth noting that more than 20% of our assets are currently held in liquid assets and money market paper, and can be redirected if opportunities arise.

## GLOSSARY

**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.

**Duration:** A bond's duration is the period beyond which interest rate variations will no longer affect its return. The duration is like a discounted average lifetime of all flows (interest and capital).

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

**ESG score Calculation:** Only the Equity portion 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 April 2020.

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

**FCP:** Fonds commun de placement (French common fund).

**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.

**Investment/exposure rate:** The investment rate constitutes the volume of assets invested expressed as a percentage of the portfolio. Adding the impact of the derivatives to this investment rate results in the exposure rate, which corresponds to the real percentage of asset exposure to a certain risk. Derivatives can be used to increase the underlying asset's exposure (stimulation) or reduce it (hedging).

**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.

## Main risks of the fund

**Interest rate:** Interest rate risk results in a decline in the net asset value in the event of changes in interest rates. **Credit:** Credit risk is the risk that the issuer may default.

**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.

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

## Important legal information

Source: Carmignac on 31/12/21. Copyright: The data published in this presentation are the exclusive property of their owners, as mentioned on each page. From 01/01/2013 the equity index reference indicators are calculated net dividends reinvested. This document may not be reproduced, in whole or in part, without prior authorisation from the management company. This document does not constitute a subscription offer, nor does it constitute investment advice. Access to the Fund may be subject to restrictions with regard to certain persons or countries. The Fund is not registered in North America, in South America, in Asia nor is it registered in Japan. The Funds are registered in Singapore as restricted foreign scheme (for professional clients only). The Fund has not been registered under the US Securities Act of 1933. The Fund may not be offered or sold, directly or indirectly, for the benefit or on behalf of a U.S. person, according to the definition of the US Regulation S and/or FATCA. The Fund presents a risk of loss of capital. The risks and fees are described in the KIID (Key Investor Information Document). The Fund's prospectus, KIIDs and annual reports are available at [www.carmignac.com](http://www.carmignac.com), or upon request to the Management Company. The KIID must be made available to the subscriber prior to subscription. The Management Company can cease promotion in your country anytime. Investors have access to a summary of their rights in English on the following link at section 6: [https://www.carmignac.com/en\\_US/article-page/regulatory-information-1788](https://www.carmignac.com/en_US/article-page/regulatory-information-1788) - In Switzerland, the Fund's respective prospectuses, KIIDs and annual reports are available at [www.carmignac.ch](http://www.carmignac.ch), or through our representative in Switzerland, CACEIS (Switzerland) S.A., Route de Signy 35, CH-1260 Nyon. The paying agent is CACEIS Bank, Paris, succursale de Nyon/Suisse, Route de Signy 35, 1260 Nyon. - In the United Kingdom, the Funds' respective prospectuses, KIIDs and annual reports are available at [www.carmignac.co.uk](http://www.carmignac.co.uk), or upon request to the Management Company, or for the French Funds, at the offices of the Facilities Agent at BNP PARIBAS SECURITIES SERVICES, operating through its branch in London: 55 Moorgate, London EC2R. This material was prepared by Carmignac Gestion and/or Carmignac Gestion Luxembourg and is being distributed in the UK by Carmignac Gestion Luxembourg UK Branch (Registered in England and Wales with number FC031103, CSSF agreement of 10/06/2013). Reference to certain securities and financial instruments is for illustrative purposes to highlight stocks that are or have been included in the portfolios of funds in the Carmignac range. This is not intended to promote direct investment in those instruments, nor does it constitute investment advice. The Management Company is not subject to prohibition on trading in these instruments prior to issuing any communication. The portfolios of Carmignac funds may change without previous notice.

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 - 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 - RC Luxembourg B 67 549

MARKETING COMMUNICATION

