

# CARMIGNAC PORTFOLIO EM DEBT A USD ACC HDG

LUXEMBOURG SICAV SUB-FUND



Recommended  
minimum investment  
horizon:

**3 YEARS**



LU2427320812

Monthly Factsheet - 28/03/2024

## INVESTMENT OBJECTIVE

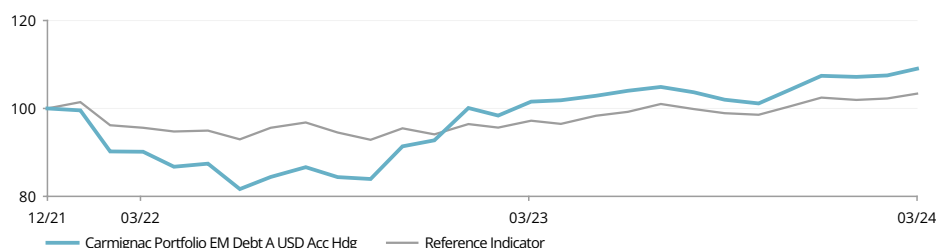
Carmignac Portfolio EM Debt promotes environmental and social characteristics investing in bonds and currencies across emerging markets through a flexible and conviction-driven approach. The Fund aims to generate positive risk-adjusted returns, over a minimum recommended investment period of three years, as well as outperform its reference indicator.

Fund Management analysis can be found on P.3

## 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 28/03/2024 - Net of fees)

|                      | Cumulative Performance (%) |                  | Annualised Performance (%) |
|----------------------|----------------------------|------------------|----------------------------|
|                      | 1 Year                     | Since 31/12/2021 | Since 31/12/2021           |
| <b>A USD Acc Hdg</b> | <b>7.38</b>                | <b>9.04</b>      | <b>3.94</b>                |
| Reference Indicator  | 6.33                       | 3.37             | 1.49                       |
| Category Average     | 9.09                       | -6.88            | -3.12                      |
| Ranking (Quartile)   | 3                          | 1                | 1                          |

Source: Morningstar for the category average and quartiles.

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

|                      | 2023         | 2022         |
|----------------------|--------------|--------------|
| <b>A USD Acc Hdg</b> | <b>15.82</b> | <b>-7.25</b> |
| Reference Indicator  | 8.89         | -5.90        |

### STATISTICS (%)

|                      | 1 Year | Launch |
|----------------------|--------|--------|
| Fund Volatility      | 5.4    | 12.9   |
| Indicator Volatility | 5.7    | 7.3    |
| Sharpe Ratio         | 1.3    | 0.3    |
| Beta                 | 0.8    | 1.2    |
| Alpha                | 0.0    | 0.0    |

Calculation : Weekly basis

### VAR

|               |      |
|---------------|------|
| Fund VaR      | 4.2% |
| Indicator VaR | 3.8% |



A. Adjriou



A. Alecci

## KEY FIGURES

|                               |      |
|-------------------------------|------|
| <b>Modified Duration</b>      | 3.9  |
| <b>Yield to Maturity</b>      | 6.9% |
| <b>Average Rating</b>         | BBB- |
| <b>Average Coupon</b>         | 5.4% |
| <b>Number of Bond Issuers</b> | 53   |
| <b>Number of Bonds</b>        | 77   |

## FUND

**SFDR Fund Classification:** Article 8  
**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:** 227M€ / 245M\$<sup>(1)</sup>  
**Fund Currency:** EUR

## SHARE

**Dividend Policy:** Accumulation  
**Date of 1st NAV:** 31/12/2021  
**Base Currency:** USD  
**Share class AUM:** 0.11M\$  
**NAV:** 109.04\$  
**Morningstar Category™:** Global Emerging Markets Bond

## FUND MANAGER(S)

Abdelak Adjriou since 11/08/2023  
 Alessandra Alecci since 11/09/2023

## REFERENCE INDICATOR<sup>(2)</sup>

50% JP Morgan GBI – Emerging Markets Global Diversified Composite Unhedged EUR Index (JGENVUEG) + 50% JPMorgan EMBI Global Diversified EUR hedged Index (JPEIDHEU).

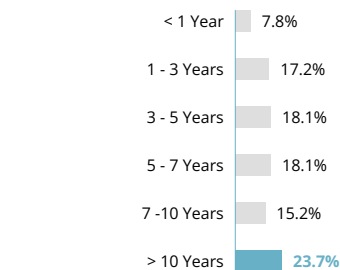
## OTHER ESG CHARACTERISTICS

Minimum % Taxonomy Alignment ..... 0%  
 Minimum % Sustainable Investments .... 10%  
 Principal Adverse Impact Indicators ..... Yes

ASSET ALLOCATION

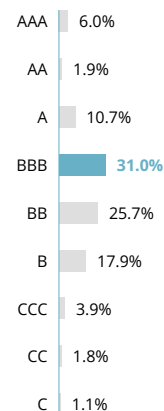
|  |              |
|--|--------------|
| <b>Bonds</b>   | <b>90.9%</b> |
| Developed Countries Government Bonds                     | 6.1%         |
| North America  | 2.2%         |
| Asia-Pacific   | 3.2%         |
| Europe   | 0.7%         |
| <b>Emerging Markets Government Bonds</b>                 | <b>53.6%</b> |
| Africa   | 18.1%        |
| Latin America  | 12.3%        |
| Asia   | 2.9%         |
| Eastern Europe   | 17.1%        |
| Middle East  | 3.2%         |
| <b>Developed Countries Corporate Bonds</b>               | <b>4.0%</b>  |
| Energy   | 2.0%         |
| Financials   | 2.0%         |
| Information Technology                                   | 0.1%         |
| <b>Emerging Markets Corporate Bonds</b>                  | <b>27.2%</b> |
| Consumer Discretionary                                   | 2.4%         |
| Energy   | 9.1%         |
| Financials   | 14.8%        |
| Industrials  | 0.4%         |
| Communication Services                                   | 0.3%         |
| Utilities  | 0.2%         |
| <b>Equities</b>  | <b>0.1%</b>  |
| <b>Cash, Cash Equivalents and Derivatives Operations</b> | <b>9.0%</b>  |

MATURITY BREAKDOWN



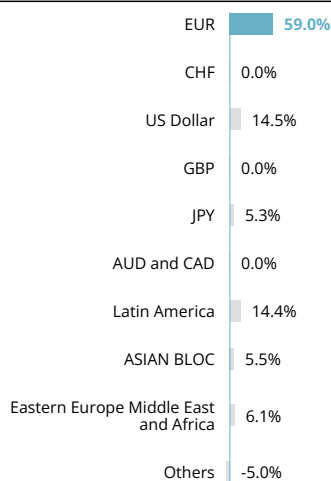
Maturity dates are based on the next call date when available.

RATING BREAKDOWN

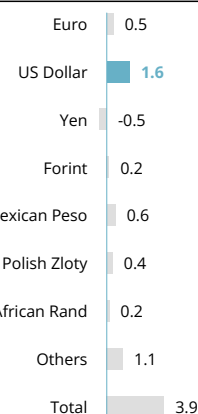


Rebased weights

NET CURRENCY EXPOSURE OF THE FUND



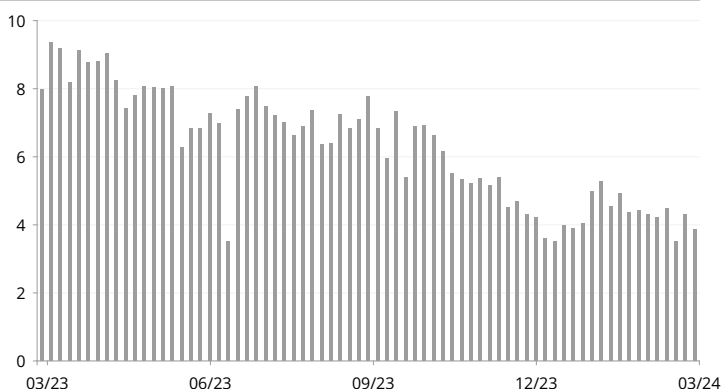
MODIFIED DURATION BY YIELD CURVE (IN BPS)



TOP TEN - BONDS

| Name  | Country            | Rating | %            |
|---|--------------------|--------|--------------|
| SOUTH AFRICA 8.00% 31/01/2030                             | South Africa       | BB     | 6.5%         |
| ASIAN INFRASTRUCTURE INVESTMENT BANK/THE 4.00% 18/01/2028 | Supranational      | AAA    | 3.2%         |
| DOMINICAN REPUBLIC 6.88% 29/01/2026                       | Dominican Republic | BB-    | 3.2%         |
| JAPAN 1.30% 20/03/2063                                    | Japan              | A      | 3.2%         |
| HUNGARY 3.00% 21/08/2030                                  | Hungary            | BBB    | 3.0%         |
| POLAND 6.00% 25/10/2033                                   | Poland             | A-     | 3.0%         |
| POLAND 1.25% 25/10/2030                                   | Poland             | A      | 3.0%         |
| PETROLEOS MEXICANOS 6.95% 28/07/2059                      | Mexico             | B+     | 2.6%         |
| UNITED STATES 1.50% 15/02/2053                            | USA                | AAA    | 2.2%         |
| COLOMBIA 4.12% 15/11/2050                                 | Colombia           | BBB    | 2.2%         |
| <b>Total</b>  |                    |        | <b>32.1%</b> |

MODIFIED DURATION - 1 YEAR PERIOD



MARKETING COMMUNICATION

Please refer to the KIID/KID/prospectus of the fund before making any final investment decisions. For more information please visit [www.carmignac.lu](http://www.carmignac.lu)

## FUND MANAGEMENT ANALYSIS



### MARKET ENVIRONMENT

At a global macroeconomic level, developed market central bank meetings held no big surprises in March, although the Bank of Japan did bring an end to its negative interest rate policy. However, the prospect of coordinated easing by the European Central Bank and the Federal Reserve seems to be receding as US growth and inflation figures remain higher than expected. Despite a dovish tone, the Federal Reserve has been forced to revise its growth forecasts upwards for the cycle ahead. The European Central Bank put out a reassuring measure by lowering its inflation forecasts, even though services inflation remains high at 4%. There were also a large number of central bank meetings in the emerging world. Most of these central banks adopted a slightly more hawkish tone. Although they cut interest rates further in Latin America, most of them are now scaling back their easing, or taking a break. Although the local debt index (expressed in euro) was flat in March, emerging market debt denominated in hard currencies continued to perform well, largely because spreads narrowed by 24 basis points. Highlights of the month included the Egyptian central bank raising its deposit rate by 600 basis points and letting its currency float freely, leading to devaluation and a sharp rise in the value of Egyptian external debt following the provision of multilateral support from the IMF, the World Bank and the EU.



### PERFORMANCE COMMENTARY

The Fund delivered a positive return in March, beating its reference indicator. Our selection of emerging market debt denominated in hard currencies continued to perform well, helped by an improvement in the fundamentals of high yield issuers. The main sources of performance were Argentina, Ecuador, Ukraine, Romania and Ghana. The contribution from emerging market debt denominated in local currency was smaller, with Mexico and Poland the pick of the bunch. In contrast, our long positioning on South African bonds weighed on monthly performance. Corporate bonds made a positive contribution but we are keeping a high level of hedging as spreads are historically narrow. Our low modified duration was beneficial too. Our currency strategies had a slightly negative impact on performance, especially through our long position on the yen. However, the Hungarian forint and Kazakh tenge added to the Fund's absolute return.



### OUTLOOK AND INVESTMENT STRATEGY

The latest macroeconomic indicators suggest that manufacturing activity has bottomed out in the United States, the Eurozone and China. This makes us all the more optimistic for commodities such as copper and oil, which should benefit emerging market debt and the currencies of emerging commodity-producing countries. We therefore have positive expectations for the Brazilian real as well as certain Asian currencies such as the won, as AI should lift the South Korean economy. We remain long on emerging market debt denominated in hard currencies, but have been taking profits on our best performing positions since the beginning of the year. High yield issuers' fundamentals improved, explaining the recent narrowing of spreads. These names continue to offer attractive yields. At a local debt level, emerging markets were less sensitive to variations in the interest rates of developed countries, although there were a few exceptions such as Chile and Colombia where inflation was higher than expected. We are particularly optimistic for Mexican local debt, and are anticipating further rate cuts from the country's central bank. We are also upbeat when it comes to Brazilian debt as we think the market's terminal rate is still too high. We still like Chinese bonds and are expecting more easing. In the current economic climate, our modified duration is close to 400 basis points, as it was the previous month, and we are protecting the portfolio with index hedges (CDS). We are still long on the yen too, as the Bank of Japan started its rate-hiking cycle in March and is battling to shore up its currency.

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## GLOSSARY

**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.

**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).

**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/net 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 net 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).

**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>

**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 estimated rate of return offered by a bond in the event it is held until maturity by the investor. Note that the yield shown does not take into account the FX carry and fees and expenses of the Fund.

## 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>.

**Principal Adverse Impacts (PAI):** Negative, material, or potentially material effects on sustainability factors that result from, worsen, or are directly related to investment choices or advice performed by a legal entity. Examples include GHG emissions and carbon footprint.

**Sustainable Investments:** The SFDR defines sustainable investment as 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.

**Taxonomy Alignment:** In the context of an individual company, taxonomy alignment is defined as the proportion of a company's revenue that comes from activities that meet certain environmental criteria. In the context of an individual fund or portfolio, alignment is defined as the portfolio-weight weighted average taxonomy alignment of included companies. For more information, please follow this link: [https://ec.europa.eu/info/sites/default/files/business\\_economy\\_euro/banking\\_and\\_finance/documents/sustainable-finance-taxonomy-faq\\_en.pdf](https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/sustainable-finance-taxonomy-faq_en.pdf)

## CHARACTERISTICS

| Share Class    | Date of 1st NAV | Bloomberg  | ISIN         | Management Fee | Entry costs <sup>(1)</sup> | Exit costs <sup>(2)</sup> | Management fees and other administrative or operating costs <sup>(3)</sup> | Transaction costs <sup>(4)</sup> | Performance fees <sup>(5)</sup> | Minimum Initial Subscription <sup>(6)</sup> | Single Year Performance (%) |                   |                   |                   |                   |
|----------------|-----------------|------------|--------------|----------------|----------------------------|---------------------------|--|----------------------------------|---------------------------------|---|-----------------------------|-------------------|-------------------|-------------------|-------------------|
|                |                 |            |              |                |                            |                           |  |                                  |                                 |   | 28.03.23-28.03.24           | 28.03.22-28.03.23 | 26.03.21-28.03.22 | 27.03.20-26.03.21 | 28.03.19-27.03.20 |
| A EUR Acc      | 31/07/2017      | CAUEMAE LX | LU1623763221 | Max. 1.2%      | Max. 2%                    | —                         | 1.4%   | 0.57%                            | 20%                             | —   | 6.4                         | 14.3              | -10.6             | 27.9              | 3.1               |
| F EUR Acc      | 04/01/2021      | CAUEMFE LX | LU2277146382 | Max. 0.65%     | —                          | —                         | 0.85%  | 0.57%                            | 20%                             | —   | 6.8                         | 14.8              | -10.6             | —                 | —                 |
| F USD Ydis Hdg | 28/05/2021      | EMEDEDH LX | LU2346238343 | Max. 0.65%     | —                          | —                         | 0.85%  | 0.71%                            | 20%                             | —   | 8.4                         | 16.8              | —                 | —                 | —                 |
| A USD Acc Hdg  | 31/12/2021      | CAPEDAH LX | LU2427320812 | Max. 1.2%      | Max. 2%                    | —                         | 1.39%  | 0.71%                            | 20%                             | —   | 8.0                         | 16.6              | —                 | —                 | —                 |
| F USD Acc Hdg  | 31/12/2021      | CAPEDFH LX | LU2427320903 | Max. 0.65%     | —                          | —                         | 0.9%   | 0.94%                            | 20%                             | —   | 8.4                         | 17.1              | —                 | —                 | —                 |

(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](http://www.carmignac.com).

## MARKETING COMMUNICATION

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## MAIN RISKS OF THE FUND

**EMERGING MARKETS:** Operating conditions and supervision in "emerging" markets may deviate from the standards prevailing on the large international exchanges and have an impact on prices of listed instruments in which the Fund may invest. **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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