

# CARMIGNAC PORTFOLIO MERGER ARBITRAGE PLUS I EUR ACC

LUXEMBOURG SICAV SUB-FUND

Recommended  
minimum investment  
horizon:

3 YEARS



LU2585801330

Monthly Factsheet - 31/10/2024

## INVESTMENT OBJECTIVE

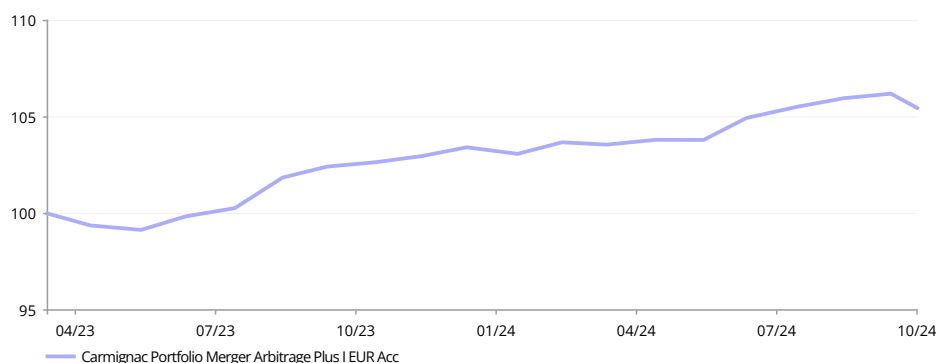
Carmignac Portfolio Merger Arbitrage Plus is a UCITS fund, following an alternative investment strategy that seeks to benefit from the price discontinuities ("arbitrage") of the shares related to merger and acquisition transactions. The Fund invests in officially announced M&A deals in the developed markets. The Fund seeks to achieve a positive absolute return over a 3-year investment horizon through capital growth.

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 SINCE LAUNCH (Basis 100 - Net of fees)



### CUMULATIVE AND ANNUALIZED PERFORMANCE (as of 31/10/2024 - Net of fees)

	Cumulative Performance (%)				Annualised Performance (%)
	Since 29/12/2023	1 Month	1 Year	Since 14/04/2023	Since 14/04/2023
I EUR Acc	2.23	-0.53	2.93	5.47	3.49

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024	-0.11	-0.05	1.05	-0.38	0.03	0.62	1.07	0.41	0.11	-0.53	—	—	2.23
2023	—	—	—	-0.19	-0.74	0.38	0.45	1.49	0.65	0.41	0.52	0.17	3.17

### VAR

Fund VaR 9.1%

### PERFORMANCE CONTRIBUTION

Equity Portfolio	1.1%
Equity Derivatives	-0.4%
Currency Derivatives	-1.1%
Mutual Fund	0.0%
<b>Total</b>	<b>-0.5%</b>

Gross monthly performance

F. Cretin-  
Fumeron

S. Dieudonné

## KEY FIGURES

Merger Arbitrage Exposure <sup>(1)</sup>	123.7%
Number of Strategies	39
Cash and Others	22.4%
Net Equity Exposure	93.3%

## 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 13:30 (CET/CEST)  
**Fund Inception Date:** 14/04/2023  
**Fund AUM:** 147M€ / 160M\$ <sup>(2)</sup>  
**Fund Currency:** EUR

## SHARE

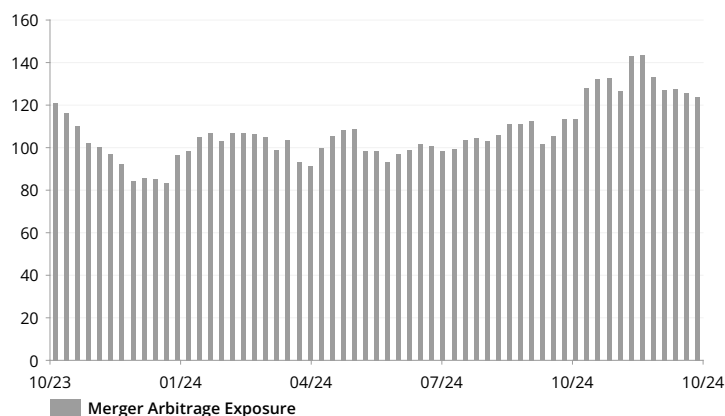
**Dividend Policy:** Accumulation  
**Date of 1st NAV:** 14/04/2023  
**Base Currency:** EUR  
**Share class AUM:** 145M€  
**NAV (share):** 105.47€  
**Morningstar Category™:** Alt - Event Driven

## FUND MANAGER(S)

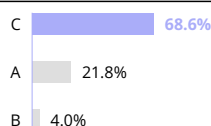
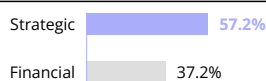
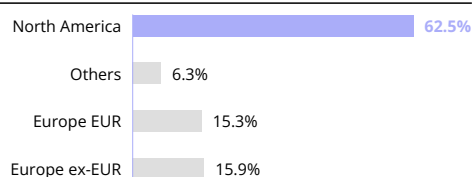
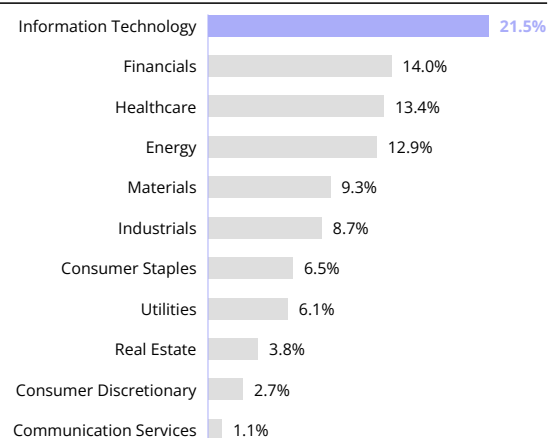
Fabienne Cretin-Fumeron since 14/04/2023  
 Stéphane Dieudonné since 14/04/2023

## OTHER ESG CHARACTERISTICS

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

**CARMIGNAC PORTFOLIO MERGER ARBITRAGE PLUS | EUR ACC****MERGER ARBITRAGE EXPOSURE (%) <sup>(1)</sup>****TOP TEN - MERGER ARBITRAGE**

Name	Country	Sector / Rating	%
HESS CORP	USA	Energy	6.8%
AXONICS INC	USA	Healthcare	5.1%
ENSTAR GROUP LTD	USA	Financials	5.1%
MARATHON OIL CORP	USA	Energy	5.0%
CATALENT INC	USA	Healthcare	4.9%
BALANCED COMMERCIAL PROPERTY TRUST LTD	United Kingdom	Real Estate	4.7%
NEOEN SA	France	Utilities	4.6%
DISCOVER FINANCIAL SERVICES	USA	Financials	4.3%
ENVESTNET INC	USA	Information Technology	4.1%
JUNIPER NETWORKS INC	USA	Information Technology	4.1%
<b>Total</b>			<b>48.8%</b>

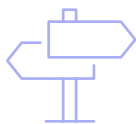
**MERGER ARBITRAGE RISK LEVEL****MERGER ARBITRAGE TYPE****MERGER ARBITRAGE NATURE****LONG GEOGRAPHICAL EXPOSURE****LONG SECTORIAL EXPOSURE****MAIN MERGERS & ACQUISITIONS OVER THE MONTH**

Target	Buyer	Sector	Size (M€)	Country
COVESTRO AG	ABU DHABI NATIONAL OIL CO	Materials	14622	Germany
ARCADIUM LITHIUM PLC	RIO TINTO PLC	Materials	6069	USA
ALTAIR ENGINEERING INC	SIEMENS AG	Information Technology	5948	USA
FUJI SOFT INC	BAIN CAPITAL PRIVATE EQUITY LP	Information Technology	3914	Japan
BARNES GROUP INC	APOLLO GLOBAL MANAGEMENT INC	Industrials	3230	USA

(1) Sum of all the long equity exposures from the portfolio, the short book is excluded.

**MARKETING COMMUNICATION**Please refer to the 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

- After a few months of relative calm, and in the run-up to the US presidential elections, the 3rd quarter saw a return to volatility in merger arbitrage discounts.
- The main news of the month was the US court's decision to block Tapestry's acquisition of Capri (Michael Kors, Versace, Jimmy Choo) because of concerns that the merger would weaken competition.
- While the financial markets were hoping for a decision in favour of the two fashion companies, the ruling was a success for the US competition authority, the FTC, and its head, Lina Khan.
- Another setback came as a surprise to the merger arbitrage market in Asia with the withdrawal of Sinopharm Common Wealth's bid for minority stakes in China Traditional Chinese Medicine following the failure to obtain the conditions required to initiate the offer.
- These two setbacks have increased pressure on merger arb spreads in general, but more particularly on deals such as Catalent and Surmodics, which are the subject of an in-depth review by the US administration.
- The HFRX Merger Arbitrage index fell by 0.97% over the month (-1.87% YTD).
- Against this volatile backdrop, around twenty deals came to an end and only 16 were announced.
- The biggest deal announced this month was the acquisition of German chemical company Covestro by Abu Dhabi's state-owned oil company, after several months of rumours. This is the biggest acquisition of a European company by a Gulf country.



### PERFORMANCE COMMENTARY

- We were not invested in China Traditional Chinese Medicine and were relatively little invested in Capri, which meant that we were relatively less affected by the renewed volatility seen in October.
- The fund posted a negative performance over the month.
- Main contributors to performance: Nuvei, Concentric, Aaron's and Neoem.
- Main detractors from performance: Capri, Catalent, Hess and Discover Financial.



### OUTLOOK AND INVESTMENT STRATEGY

- The fund's investment rate is 123%, down on the previous month.
- With 39 positions in the portfolio, diversification remains satisfactory
- 2024 marked the resumption of the M&A cycle, driven in particular by falling interest rates, the energy transition affecting many sectors of the economy, the return of private equity funds and the change in stock market regulations in Japan.
- The risk premium offered by the Merger Arbitrage strategy continues to provide attractive returns for investors, especially in an environment where deal failure rates remain low.

### MARKETING COMMUNICATION

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## PORTFOLIO ESG SUMMARY

This financial product is classified Article 8 of the Sustainable Finance Disclosure Regulation ("SFDR"). The binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product are :

- ESG analysis applied to at least 90% of the equity holding in the Long portfolio;
- The Long Equity investment universe is actively reduced.

### PORTFOLIO ESG COVERAGE

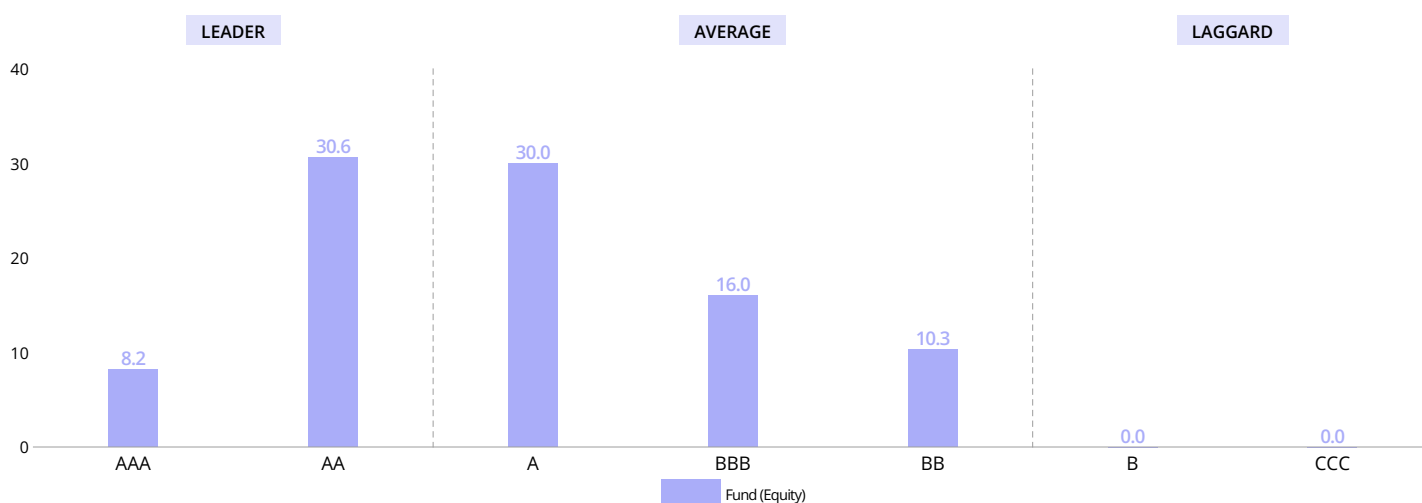
Number of issuers in the portfolio	33
Number of issuers rated	33
Coverage Rate	100.0%

Source: Carmignac

### ESG SCORE

Carmignac Portfolio Merger Arbitrage Plus I EUR Acc	A
Source: MSCI ESG	

### MSCI ESG SCORE PORTFOLIO



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. Portfolio ESG Coverage: 87.2%

### TOP 5 ESG RATED PORTFOLIO HOLDINGS

Company	Weight	ESG Rating
LA BANQUE POSTALE SA	3.4%	AAA
DISCOVER FINANCIAL SERVICES	4.3%	AA
ENVESTNET INC	4.1%	AA
JUNIPER NETWORKS INC	4.1%	AA
ARVIDA GROUP LTD	0.5%	AA

Source: MSCI ESG

## GLOSSARY

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

**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).

**Merger Arbitrage Exposure:** The Merger Arbitrage Exposure level refers to the equity long book of the portfolio, the short book used as coverage is excluded from this calculation.

**Merger Arbitrage Risk:** The risk level of each deal from the equity long book of the portfolio is assessed to determine the risk of deal failure. Ratings are based on our in-house methodology and rated between A and C, where A is the least risky and C is the highest risk.

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

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

## 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 2023. <https://www.msci.com/documents/1296102/34424357/MSCI+ESG+Fund+Ratings+Methodology.pdf>

**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 (%)				
											31.10.23-31.10.24	31.10.22-31.10.23	29.10.21-31.10.22	30.10.20-29.10.21	31.10.19-30.10.20
F EUR Acc	14/04/2023	CARMERF LX	LU2585801173	Max. 1%	—	—	1.25%	0.84%	20%	—	2.9	—	—	—	—
A EUR Acc	14/04/2023	CARARBA LX	LU2585801256	Max. 1.5%	Max. 1%	—	1.8%	0.84%	20%	—	2.4	—	—	—	—
I EUR Acc	14/04/2023	CRPTFIE LX	LU2585801330	Max. 1%	—	—	1.11%	0.84%	20%	EUR 10000000	2.9	—	—	—	—
F USD Acc Hdg	14/04/2023	CAPMAFU LX	LU2601233948	Max. 1%	—	—	1.25%	0.98%	20%	—	4.1	—	—	—	—
I USD Acc Hdg	14/04/2023	CAPMAIU LX	LU2601234086	Max. 1%	—	—	1.11%	0.98%	20%	USD 10000000	4.3	—	—	—	—
F GBP Acc Hdg	14/04/2023	CAPMAFG LX	LU2601234169	Max. 1%	—	—	1.25%	0.99%	20%	—	3.8	—	—	—	—
I GBP Acc Hdg	14/04/2023	CAPMAIG LX	LU2601234326	Max. 1%	—	—	1.11%	0.99%	20%	GBP 10000000	3.9	—	—	—	—

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

## 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.

**ARBITRAGE RISK:** Arbitrage seeks to benefit from such price differences (e.g. in markets, sectors, securities, currencies). If arbitrage performs unfavorably, an investment may lose its value and generate a loss for the Sub-Fund. **RISK ASSOCIATED WITH THE LONG/SHORT STRATEGY:** This risk is linked to long and/or short positions designed to adjust net market exposure. The fund may suffer high losses if its long and short positions undergo simultaneous unfavourable development in opposite directions. **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.

**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 € 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

### MARKETING COMMUNICATION

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