

CARMIGNAC PORTFOLIO GRANDCHILDREN: HARNESSING THE POWER OF TIME

Carmignac Portfolio Grandchildren, our sustainable investment fund focused on high-quality companies, turned 5 this year – an occasion to take a look back at its performance so far.

11/06/2024

89%

Cumulative 5-year return, compared with 87% for its reference indicator¹.

4 star rating

Overall Morningstar Rating

Top quartile

The fund ranks in the top quartile of its Morningstar category for its 5-year return².

TIME IS AN ALLY FOR?

INVESTORS

Anyone who invests in equities needs to have a **long-term view**. Data show that **investors who keep their holdings for long periods are less likely to experience losses, thanks largely to the effect of compounding**. The concept of compounding – generally thought of in terms of interest – is simple: when you place your money in an interest-bearing account, you earn interest not only on your initial investment, but also on the interest you accumulate along the way. Or in other words, the more time that passes, the more interest you'll earn on your interest.

BUSINESSES

We target only **high-quality companies with a track record of stable, high profit margins and that reinvest their earnings in future growth**. Time works to the benefit of these companies, as it lets them **reap the rewards of their capital investments and anchor their dominant position through innovation and R&D**. Over time, their capital investments have an effect similar to that of compounded interest.

Taking **Microsoft as an example**, the company introduced its Azure cloud computing service in October 2008 – right in the middle of the subprime crisis. Yet five years later, Azure generated \$1 billion in revenue for Microsoft and it's now the firm's largest revenue stream, bringing in \$70 billion in 2023. With Azure, Microsoft was able to diversify its business model and create additional growth drivers by reinvesting wisely.

Source: Bloomberg, May 2024.

OUR CARMIGNAC PORTFOLIO GRANDCHILDREN FUND

As a quality-focused investor, we must be able to identify promising businesses and then be patient as they grow and develop. To that end, we use a proprietary **investment process developed by Mark Denham over 20 years ago**. The process acts like a **compass**, guiding us so that we can ensure the companies we select consistently meet our criteria.

Despite the many challenges encountered over the past five years – including the biggest sector rotation in equity markets in a decade – **time has worked in our Fund's favour**. Not only have we outperformed global equities, but we've also made up for the decline in 2022. **Our success can be attributed primarily to our patience and disciplined approach, which is reflected in the positions we've taken in our main long-term convictions**. These companies have been in our portfolio for an average of over four years, **illustrating how strongly we believe in their potential**.

50% OF THE INVESTMENTS IN OUR PORTFOLIO HAVE BEEN THERE SINCE THE FUND WAS LAUNCHED IN 2019

The Fund's 10 largest holdings

	We've been investing since:
MICROSOFT	3 years & 8 months
NOVO NORDISK	Launch
PROCTER & GAMBLE	2 years & 3 months
COLGATE PALMOLIVE	2 years & 3 months
NVIDIA	Launch
S&P GLOBAL	2 years & 2 months
ASML	Launch
L'ORÉAL	Launch
THERMO FISHER	Launch
SAP	Launch

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.

Source: Carmignac, 31/05/2024.

EXAMPLES OF PORTFOLIO CONVICTIONS HELD SINCE 2019

Nvidia

This US-based company, initially known for its high-end graphics cards, has become a leading developer of artificial intelligence solutions.

Nvidia has gained **3,137%** since it's been in our portfolio.

Novo Nordisk

This Danish pharmaceutical company is a pioneer in its field and the world's leading developer of diabetes treatments. We were impressed by the firm's innovative approach to R&D, as very few companies have the explicit goal of curing the very disease that supplies most of their revenue. Yet that's exactly what Novo Nordisk has set out to do with its Wegovy weight-loss drug.

Novo Nordisk has gained **525%** since it's been in our portfolio.

We aim to select companies that are capable of responding to tomorrow's challenges. That's why we not only apply financial criteria, but also make sure our investments are aligned with the United Nations Sustainable Development Goals.

Mark Denham
Head of Equities, Fund Manager



*The Sustainable Finance Disclosure Regulation (SFDR) 2019/2088 is a European regulation that requires asset managers to classify their funds as either 'Article 8' funds, which promote environmental and social characteristics, 'Article 9' funds, which make sustainable investments with measurable objectives, or 'Article 6' funds, which do not necessarily have a sustainability objective. For more information please refer to <https://eur-lex.europa.eu/eli/reg/2019/2088/oj>.

The reference to a ranking or prize, is no guarantee of the future results of the UCIS or the manager. For more information on the methodology: [Label ISR](#), [Towards Sustainability](#) and [Mainstreet Partners](#).

CARMIGNAC PORTFOLIO GRANDCHILDREN A EUR ACC

(ISIN: LU1966631001)

SFDR - Fund Classification** :

Article 9



Recommended minimum investment horizon



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. **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. **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.

*Risk Scale from the KID (Key Information Document). Risk 1 does not mean a risk-free investment. This indicator may change over time. **The Sustainable Finance Disclosure Regulation (SFDR) 2019/2088 is a European regulation that requires asset managers to classify their funds as either 'Article 8' funds, which promote environmental and social characteristics, 'Article 9' funds, which make sustainable investments with measurable objectives, or 'Article 6' funds, which do not necessarily have a sustainability objective. For more information please refer to <https://eur-lex.europa.eu/eli/reg/2019/2088/oj>.

FEES

Entry costs : 4,00% 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.

Exit costs : We do not charge an exit fee for this product.

Management fees and other administrative or operating costs : 1,70% of the value of your investment per year. This estimate is based on actual costs over the past year.

Performance fees : 20,00% 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.

Transaction Cost : 0,26% 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.

PERFORMANCE (ISIN: LU1966631001)

Calendar Year Performance (as %)	2019	2020	2021	2022	2023
Carmignac Portfolio Grandchildren	+15.5 %	+20.3 %	+28.4 %	-24.2 %	+23.0 %
Indicateur de référence	+15.5 %	+6.3 %	+31.1 %	-12.8 %	+19.6 %

Annualised Performance	3 Years	5 Years	Since launch
Carmignac Portfolio Grandchildren	+7.4 %	+13.3 %	+14.2 %
Indicateur de référence	+10.5 %	+13.1 %	+13.9 %

Source: Carmignac at 28 Jun 2024.

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

Marketing communication. Please refer to the KID, prospectus of the fund before making any final investment decisions.

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The risks, fees and ongoing charges are described in the KID (Key Information Document). The KID must be made available to the subscriber prior to subscription. The subscriber must read the KID. Investors may lose some or all their capital, as the capital in the funds are not guaranteed. The Funds present a risk of loss of capital.

The Funds' prospectus, KIDs, NAVs and annual reports are available at www.carmignac.com, or upon request to the Management. **Carmignac Portfolio Grandchildren is a sub-fund of Carmignac Portfolio SICAV, an investment company under Luxembourg law, conforming to the UCITS Directive.**

In France, Luxembourg, Sweden: The risks, fees and ongoing charges are described in the KID (Key Information Document). The KID must be made available to the subscriber prior to subscription. The subscriber must read the KID. Investors may lose some or all their capital, as the capital in the funds are not guaranteed. The Funds present a risk of loss of capital. The Funds' prospectus, KIDs, NAV and annual reports are available at www.carmignac.com, or upon request to the Management.

In Switzerland: the prospectus, KIDs and annual report are available at 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, Montrouge, Nyon Branch / Switzerland, Route de Signy 35, 1260 Nyon. Past performance is not necessarily indicative of future performance. Performances are net of fees (excluding possible entrance fees charged by the distributor). The return may increase or decrease as a result of currency fluctuations, for the shares which are not currency-hedged.

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