

EXPLORING THE BENEFITS OF CARMIGNAC INVESTISSEMENT

02/07/2024

In this note, you will find?

The added value of Kristofer Barrett, the talented new Fund manager of Carmignac Investissement, the 35-year global equity flagship.

Why is now the right time to start investing in global equities with Carmignac Investissement for long-term gains?

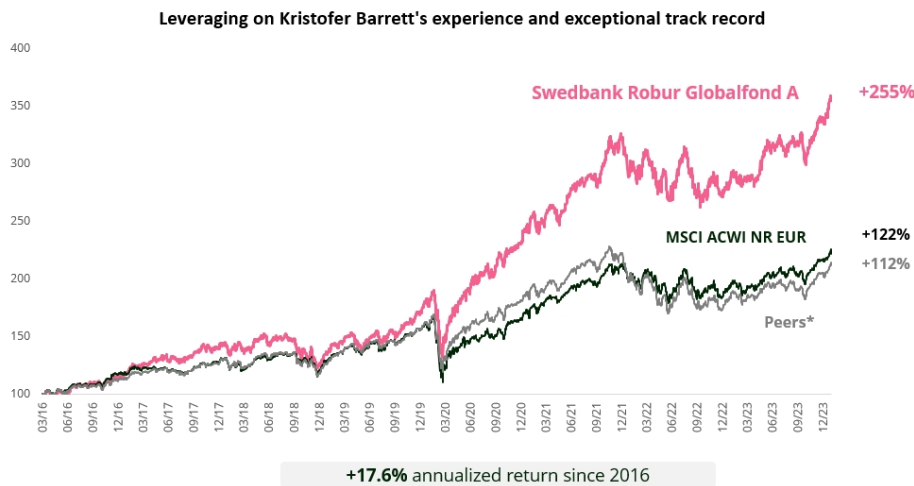
How the Fund has strategically adjusted its positioning to capitalize on the thriving tech and healthcare sectors while mitigating risks associated with stretched valuations.

WHY CARMIGNAC INVESTISSEMENT?

Carmignac Investissement: +12% annualized performance over 5 years*

The ability to identify thriving companies that capitalize on promising market dynamics and trends by leveraging on its global mandate, have contributed to the success of our EUR 4bn flagship strategy. However, complacency is not an option. The objective has always been to continuously evolve and reinforce the Fund's capacity to keep its mandate intact.. With this in mind, Kristofer Barrett took over the strategy in April 2024.

A talented Fund manager supported by a strong team



Source: Carmignac, 2024, Morningstar 2024; Swedbank Robur Globalfond (ISIN: SE0000542979, Morningstar Category: *EAA Fund Global Large-Cap Growth Equity. Kristofer Barrett was managing Swedbank Robur Global Fund from 31/03/2016 to 31/01/2024.

Carmignac Know-How: Kristofer has support from the team of equity experts specializing in various sectors and geographic regions, who have played a crucial role in the performance of Carmignac Investissement over the past years.

A singular approach

- The aim is to look at everything with an holistic viewpoint. It's important to look at where the companies are in the value chain, their competitive edge and their technology and their business model. The Fund favours innovative companies, with strong ownership structure/management offering indispensable products.
- Price matters: We own companies trading at a price below their intrinsic value while having the potential to grow over time. That is why we invest in them over the long term.
- An ability to invest in small & mid-caps that operate in niche businesses and excel in what they do.
- Unconstrained in term of sectors, regions or investment style. The objective is to make the most of the flexibility to excel across all market environments.

Participating in the global economy

Carmignac Investissement strategically capitalizes on its global reach, with a substantial allocation to emerging markets. Recently, the Fund has further enhanced its investment in undiscovered prospects in Asia, such as the artificial intelligence (AI) value chain in Taiwan and Korea, as well as the promising banking and consumer sectors in India.

WHY CARMIGNAC INVESTISSEMENT NOW?

The Long-Term Appeal of Equities: Start Small, Stay Involved, Seize Opportunities

On paper, there are always reasons not to enter the stock market (valuations, geopolitical risks, economic growth, etc.). However, investing in an equity fund remains a highly compelling long-term strategy. Yet, timing the market is a challenge. Therefore, starting small and gradually increasing exposure is the optimal approach to capture opportunities as they arise.

A context that continues to be conducive for equities

A soft landing of the US economy, ongoing inflation deceleration, and accommodative central banks should continue to fuel a favorable environment for equities. However, as the supportive economic scenario has been largely factored into the market, active management of the underlying performance drivers becomes essential.

Performance drivers have been renewed

- Since the beginning of the year, the Fund posted a performance of +21% vs +15% for its reference indicator*.
- Since taking over the strategy in April 2024, Kristofer has revamped the portfolio, selling 12 stocks and acquiring 31 new companies out of a total of 72 stocks.

A more robust portfolio construction

When Kristofer took over the strategy, markets were already at a high level, prompting him to carefully reshuffle the portfolio that would thrive in these market conditions. In recent weeks, we have strategically reduced the Beta of our portfolio, increased the average market capitalization, and improved the financial metrics such as balance sheet and growth rate. This has resulted in a more robust portfolio that is better equipped to withstand more challenging market conditions.

WHAT ARE THE MAIN PERFORMANCE DRIVERS?

The Life Care Value Chain

The health care sector is experiencing a significant breakthrough with the success of Obesity drugs. To capitalize on this momentum, we are diversifying across the value chain.

Cencora, a US drug distributor with an oligopoly position, is poised to benefit from the increasing demand for weight-loss drugs. Furthermore, investing in selected managed care organizations in the US (Centene/ UnitedHealth/ Elevance) provides direct exposure to the growing healthcare spend in the country.

Source: Carmignac, June 2024.

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The AI Value Chain

A sustainable demand

Booming demand for AI has led, once again, to several large technology companies reaching all-time high valuations. Demand remains robust, with a combined capex of around \$200bn this year from Amazon, Meta, Google, and Microsoft. Additionally, nations like Saudi Arabia, Singapore, Germany, UK, and India are investing heavily to be at the forefront of AI's potential, supporting the AI hardware ecosystem.

Investment strategy

However, such optimism around booming demand has started to be reflected in prices. Therefore, we have rebalanced our exposure by diversifying across the value chain and targeting niche companies with high return potential. Our objective is to identify sustainable business models that can deliver consistent returns over time.

Investment examples

- In the AI industry, while Nvidia receives a lot of attention, it's important not to overlook the crucial role played by TSMC. As one of the world's most indispensable companies, TSMC produces semiconductors for Nvidia, which are then sold to major players like Microsoft and OpenAI.
- TSMC relies on a network of subcontractors to support its operations. For example, Applied Materials manufactures machines used in the production of AI processors.
- Moving further along the AI value chain, companies like SK Hynix and Samsung Electronics dominate the global market for "high bandwidth memory" chips, which are essential components for training AI systems like OpenAI's ChatGPT.
- Meanwhile, Broadcom is addressing a significant challenge in AI infrastructure development: the need to connect thousands of servers across multiple data centers to create a robust network capable of handling AI workloads. Additionally, establishing internal networks within each server is also crucial.

Source: Carmignac, June 2024.

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CARMIGNAC INVESTISSEMENT A EUR ACC

(ISIN: FR0010148981)

SFDR - Fund Classification** :

Article **8**



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. **INTEREST RATE:** Interest rate risk results in a decline in the net asset value in the event of changes in interest rates. **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 : 1,50% of the value of your investment per year. This estimate is based on actual costs over the past year.

Performance fees : 20,00% max. of the outperformance once performance since the start of the year exceeds that of the reference indicator and if no past underperformance still needs to be offset. 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 : 1,09% 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: FR0010148981)

Calendar Year Performance (as %)	2014	2015	2016	2017	2018
Carmignac Investissement	+10.4 %	+1.3 %	+2.1 %	+4.8 %	-14.2 %
Indicateur de référence	+18.6 %	+8.8 %	+11.1 %	+8.9 %	-4.8 %

Calendar Year Performance (as %)	2019	2020	2021	2022	2023
Carmignac Investissement	+24.7 %	+33.7 %	+4.0 %	-18.3 %	+18.9 %
Indicateur de référence	+28.9 %	+6.7 %	+27.5 %	-13.0 %	+18.1 %

Annualised Performance	3 Years	5 Years	10 Years
Carmignac Investissement	+3.5 %	+11.6 %	+7.7 %
Indicateur de référence	+9.1 %	+12.1 %	+11.1 %

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).

Carmignac Investissement

A Fund geared for a changing world

Scheduled Payments Simulator

Calculate your savings with Carmignac Investissement

Marketing communication. Please refer to the KID/KIID, prospectus of the fund before making any final investment decisions. This document is intended for professional clients.

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The Funds' prospectus, KIDs, NAVs and annual reports are available at www.carmignac.com, or upon request to the Management Company. Carmignac Portfolio refers to the sub-funds of Carmignac Portfolio SICAV, an investment company under Luxembourg law, conforming to the UCITS Directive. The French investment funds (fonds communs de placement or FCP) are common funds in contractual form conforming to the UCITS or AIFM Directive under French law.

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