FLASH NOTE

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A complex continent like Europe requires a differentiating approach

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Carmignac Portfolio Patrimoine Europe

Complexity as a gateway to opportunity

Europe is often described as a complex, ageing region. But it also offers plenty of opportunities for asset managers like us.

The right tools for every different market environment

You need a wide array of tools to manage risk effectively and adjust swiftly to market movements.

Socially responsible investment as a cornerstone of our approach

Uncovering attractive long-term opportunities means taking a demanding approach to companies' fundamentals as well as ESG characteristics.

A complex continent well-suited to active investing

Europe is often described as a complex region because it's so heterogeneous. Some people also equate Europe with an "ageing" economy. Weak secular growth and extremely low bond yields haven't exactly helped make the continent attractive to investors either. And yet Europe hosts ample opportunities for anyone who takes the trouble to hunt them down. The continent not only boasts acknowledged market leaders in healthcare and luxury goods; it also contains a number of choice names nestled in sectors ranging from manufacturing to tech, and from consumer goods to finance. Based on years of experience with European markets, our Fund managers – Keith Ney and Mark Denham – have developed an investment process geared to unearthing companies with attractive long-term growth prospects, and to managing the volatility inherent in European equities.

A wide array of tools to be able to handle all market conditions

Such a complex region calls for tools that are varied enough to enable asset managers to gain exposure to available opportunities – or protect against adverse market movements. Keith and Mark can set the Fund's equity allocation anywhere between 0% and 50%, and their strategy also has a wide duration range (–4 to +10). Events in 2020 highlighted the benefits of the flexibility they have in managing Carmignac Portfolio Patrimoine Europe. To deal with such an unprecedented market environment, Keith and Mark combined risk management, shrewd stock- and bond-picking and a top-down approach so as to generate returns while keeping volatility down to a minimum.

A multi-asset Fund with a strong SRI focus

Though managers of equity funds increasingly take ESG (environmental, social and governance) factors into account, this has long been a tricky issue for multi-asset funds. Bolstered by Mark Denham's years of experience with incorporating ESG criteria into his investment process, we have designed Carmignac Portfolio Patrimoine Europe to be a socially responsible multi-asset investment fund (classified as Article 8 under the SFDR*). We have accordingly adopted a socially responsible investment (SRI) approach to all asset classes we invest in – equities, corporate bonds and sovereign bonds. The result? Our investment process was awarded France's ISR label in May 2021 and Belgium's Towards Sustainability label in February 2021.

*SFDR: Sustainable Finance Disclosure Regulation

Mark Denham and Keith Ney have demonstrated in the last several years that Europe should not be underrated. Even though European markets lag their peers in the developed world, an active, flexible approach like the one pursued by Carmignac Portfolio Patrimoine Europe has allowed us to deliver attractive returns while cushioning the impact of severe market downturns.

Carmignac Portfolio Patrimoine Europe

Let Europe's diversity and potential work for you.

Check out the Fund webpage

Carmignac Portfolio Patrimoine Europe A EUR Acc

ISIN: LU1744628287

Recommended minimum investment horizon

Lower risk Higher risk

1	2	3*	4	5	6	7

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.

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.

The Fund presents a risk of loss of capital.

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