



## CARMIGNAC PATRIMOINE: ROAD TO 2019

17.01.2019

---

### Outlook 2019

**The collision between a change in liquidity regime & slowdown in growth will keep on producing its effects.**

Compared to 2018, 2019's situation remains unchanged and is putting very high pressure on equity markets. High-visibility growth sectors should resume their relative outperformance. On bond markets, the shift in supply and demand for government bonds should also put upward pressure on core rates. In periods of higher risk aversion, the best quality issuers will act as refuge assets.

# Turning strategy into action

## On the equity side: Overweight high visibility stocks

*We believe the weaker companies and the weaker countries will become even weaker, whereas the stronger ones will basically get the benefit of all the flows. As a result, valuations should be supported by quality.*

## On the fixed income side: "Barbell" strategy combined with active management.

*The gradual shift away from a prolonged period of central bank liquidity injections and volatility suppression call for a high allocation to cash counterbalanced by a higher risk budget on selective rates.*

### Increasing cash position and active management of exposures

---

#### Exposure to equity markets

We have been reducing the number of stocks to focus only on our highest convictions. Consequently, we have a portfolio balanced between a higher level of cash (& cash-equivalents) and strong convictions.

#### Exposure to bond markets

We favor non-core European sovereign bonds and selective allocation to special credit situations and emerging market debt.

### Focusing on key convictions

---

#### Technology

We pay more attention to valuation levels on our growth names. We have been selling our high-multiple names in order to increase exposure to lower-multiple growth stocks.

#### Consumer & Health care

We invest selectively in high quality names



## 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.**

Source: Carmignac, 08/01/2019

Promotional article. This article may not be reproduced, in whole or in part, without prior authorisation from the management company. It does not constitute a subscription offer, nor does it constitute investment advice. The information contained in this article may be partial information, and may be modified without prior notice. Past performance is not necessarily indicative of future performance. 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. The Fund presents a risk of loss of capital. The risks, fees and ongoing charges are described in the KIID (Key Investor Information Document). The Fund's prospectus, KIIDs, NAV and annual reports are available at [www.carmignac.com](http://www.carmignac.com), or upon request to the Management Company. Access to the Fund may be subject to restrictions with regard to certain persons or countries. The Fund is not registered in North America, nor in South America. The Fund has not been registered under the US Securities Act of 1933. The Fund may not be offered or sold, directly or indirectly, for the benefit or on behalf of a "U.S. person", according to the definition of the US Regulation S and/or FATCA. In Switzerland, the prospectus, KIIDs and annual report are available at [www.carmignac.ch](http://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, Paris, succursale de Nyon/Suisse, Route de Signy 35, 1260 Nyon. The KIID must be made available to the subscriber prior to subscription. In the United Kingdom, for the French Funds, these documents are also available at the offices of the Facilities Agent at BNP PARIBAS SECURITIES SERVICES, operating through its branch in London: 55 Moorgate, London EC2R. This material was prepared by Carmignac Gestion and/or Carmignac Gestion Luxembourg and is being distributed in the UK by Carmignac Gestion Luxembourg UK Branch (Registered in England and Wales with number FC031103, CSSF agreement of 10/06/2013). This article was prepared by Carmignac Gestion and/or Carmignac Gestion Luxembourg and is being distributed in the UK by Carmignac Gestion Luxembourg UK Branch (Registered in England and Wales with number FC031103, CSSF agreement of 10/06/2013).