

## THE STRENGTHS OF OUR FIXED INCOME UNCONSTRAINED APPROACH

23.09.2019

### What does it mean?

An **active** and **global** investment approach, that relies on great **flexibility** in managing exposures through a **non-benchmarked** philosophy.

#### FLEXIBLE ALLOCATION

*Pertinent tool kit to manage exposures through wide modified duration brackets & use of credit derivatives*

#### GLOBAL INVESTMENT UNIVERSE

*Developed and emerging markets Sovereign and corporate bonds*

#### NON-BENCHMARKED APPROACH

*No bias to any curves, regions or economic sectors*

### What is the benefit?

An unconstrained approach provides our Funds the ability to navigate extremely diverse market environments (see our proof of concept below).

### For whom?

**For investors looking for bond performance drivers at a time when yields are extremely low and subject to volatility spikes.** Our Unconstrained Fixed Income Funds may be suitable for investors seeking higher yields outside Europe, which is undergoing historical financial repression, since it aims to

benefit from both rising and declining rates and to seize bottom-up opportunities through our **disciplined risk management framework**.

## Discover our Unconstrained Fixed Income Funds:

### **Carmignac Unconstrained Credit**

#### **Portfolio**

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#### **Investment Universe:**

Global credit markets

#### **Main Limits<sup>1</sup>:**

HY allocation < 50%

EM allocation < 25%

Structured Credit < 20%

### **Carmignac Unconstrained Euro Fixed Income**

#### **Portfolio**

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#### **Investment Universe:**

International bonds Euro hedged

#### **Main Limits<sup>1</sup>:**

Modified duration -3 to +8

HY corporate bonds + EM bonds < 50%

Structured Credit < 10%

### **Carmignac Portfolio Unconstrained Global Bond**

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#### **Investment Universe:**

International bonds

#### **Main Limits<sup>1</sup>:**

Modified duration -4 to +10

Average minimum rating  $\geq$  BBB-

Structured Credit < 10%

**PROOF OF CONCEPT**

## Flexible allocation

Our Unconstrained Fixed Income Funds navigate different market conditions thanks to a pertinent tool kit. For example, **wide modified duration brackets** that can go from negative to positive territory are used with the objective of **generating positive performance even in a rising rate environment** and containing the downside when facing market risks.

## Global Investment Universe

Our Unconstrained Funds deploy a global fixed income strategy which exploits a **broad** and **diversified** investment universe to identify opportunities across the globe. Our Fund Managers seek to implement interest rate, credit and, for those authorized to do so, currency strategies (Carmignac Portfolio Unconstrained Global Bond) in both **developed** and **emerging** markets.

## Non-benchmarked approach

Our non-benchmarked investment approach enables us to build high-conviction portfolios that are based exclusively on our top-down views. Having latitude in terms of **regions**, **sectors** and **asset classes** gives us the opportunity to unearth best performance drivers in both bull and bear markets.

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### Carmignac Portfolio Credit

#### Main risks of the Fund

**CREDIT:** Credit risk is the risk that the issuer may default.

**INTEREST RATE:** Interest rate risk results in a decline in the net asset value in the event of changes in interest rates.

**RISK OF CAPITAL LOSS:** The portfolio does not guarantee or protect the capital invested. Capital loss occurs when a unit is sold at a lower price than that paid at the time of purchase.

**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.

### Carmignac Portfolio Flexible Bond

## Main risks of the Fund

**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.

**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.

The Fund presents a risk of loss of capital.

## Carmignac Portfolio Global Bond

### Main risks of the Fund

**CREDIT:** Credit risk is the risk that the issuer may default.

**INTEREST RATE:** Interest rate risk results in a decline in the net asset value in the event of changes in interest rates.

**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.

<sup>1</sup> Other investment limits may apply. For more information, please refer to the KIID (Key Investor Information Document) or the prospectus of the Funds. The Funds' KIIDs and prospectus are available at [www.carmignac.com](http://www.carmignac.com).

<sup>2</sup> The prospectus and name changes of Carmignac Portfolio Capital Plus will be applied as of September 30, 2019.

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