

## LETTER FROM EDOUARD CARMIGNAC

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# EDOUARD CARMIGNAC'S LETTER

Edouard Carmignac writes on current economic, political and social issues each quarter.

Dear Investor,

Thirty years ago, I founded Carmignac Gestion on the belief that there was room in Europe for a global, independent fund house with strong convictions and real character; one solely concerned with the long-term value of its clients' savings.

The result has been an exciting entrepreneurial adventure. Today our company has over €40 billion in assets under management, over €2 billion in equity, nearly 280 employees, over 40 fund managers and analysts, and 19 investment strategies distributed in 16 countries.

As we mark this 30th anniversary, I'm especially grateful to the many clients and partners, in France and across Europe, who have trusted us over the past three decades. I hope you feel that we have earned that trust, for example by foreseeing the emerging-market boom in the late 1980s, by taking advantage of the 2000s commodity "super cycle" or by dramatically increasing our tech sector investments over the last ten years. We also made a concerted effort to retain that trust by protecting our clients' wealth whenever needed, particularly during the 2008 global financial crisis, and again during the European sovereign debt crisis in 2011.

A further but no less essential source of satisfaction – one that has made our venture possible and allowed it to continue – is that, over time, we have succeeded in building up an experienced, extremely talented, and close-knit fund management team. Experience has proven to me that active long-term investing is a formidable task, requiring the strength to stand up to the dictates of consensus and trends, as well as learning from mistakes - as we were recently reminded. The Carmignac fund managers today have just such qualities.

Therefore, it is with great pleasure that I hand the reins over to my partners Rose Ouahba, Head of Fixed Income, and David Older, Head of Equity, for the management of our Carmignac Patrimoine Fund. They will take on full responsibility of the Fund, with the support of their teams and the new Strategic Investment Committee that we announced last summer.

Going forward, I will focus on sharing my insights with this high-level and streamlined committee made up of our most experienced fund managers. Its brief is to develop clear market convictions, based on the analyses produced by our investment team, for all asset classes and our entire range of funds.

We are at a time when central banks' strategy to reduce market risk is on the way out, and the boom in passive investment styles and algorithms has led to an unprecedented level of liquidity risk for investors. Equally, technological disruption is creating major opportunities across all sectors of the economy. In such an environment, Carmignac's dedication to serving its clients has never been of higher importance. I am convinced that even as we celebrate our firm's anniversary, we are also ushering in a new era, both strong and sustained, through which we will support and build your wealth. As such, we value your vested trust.

With this in mind, I would like to wish you a very happy and fulfilling new year.



Edouard Carmignac

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