

CARMIGNAC ABSOLUTE RETURN EUROPE A EUR YDIS

FRENCH MUTUAL FUND (FCP)

Recommended
minimum investment
horizon:

3 YEARS



FR0011269406

Monthly Factsheet - 30/08/2024

INVESTMENT OBJECTIVE

European Long/Short Equity fund with an actively managed net equity exposure ranging between -20% and 50%. The Fund aims to generate alpha through the combination of long and short positions, while following a flexible and active management. The Fund seeks to achieve a positive absolute return over a 3-year investment horizon.

Fund Management analysis can be found on P.3

PERFORMANCE

Past performance is not necessarily indicative of future performance. Performances are net of fees (excluding possible entrance fees charged by the distributor).

FUND PERFORMANCE OVER 10 YEARS (Basis 100 - Net of fees)



CUMULATIVE AND ANNUALIZED PERFORMANCE (as of 30/08/2024 - Net of fees)

	Cumulative Performance (%)				Annualised Performance (%)			
	1 Year	3 Years	5 Years	10 Years	3 Years	5 Years	10 Years	Since 01/09/2023
A EUR Ydis	6.22	-3.31	16.28	31.48	-1.12	3.06	2.77	6.0

ANNUAL PERFORMANCE (%) (Net of fees)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A EUR Ydis	0.01	-8.62	12.61	5.32	-1.32	4.27	14.56	9.07	-8.03	2.51

STATISTICS (%)

	1 Year	3 Years	5 Years	10 Years
Fund Volatility	3.9	4.6	7.9	7.2
Sharpe Ratio	0.6	-0.6	0.3	0.3
Sortino Ratio	0.7	-0.9	0.4	0.5

Calculation : Weekly basis

VAR

Fund VaR	2.2%
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J. Fredriksson



D. Smith

KEY FIGURES

Net Equity Exposure	29.1%
Short Equity Issuers	42
Long Equity Issuers	65

FUND

SFDR Fund Classification: Article 8
Domicile: France
Fund Type: UCITS
Legal Form: FCP eligible for the PEA
Fiscal Year End: 31/12
Subscription/Redemption: Daily
Order Placement Cut-Off Time: Before 18:00 (CET/CEST)
Fund Inception Date: 03/02/1997
Fund AUM: 206M€ / 228M\$⁽¹⁾
Fund Currency: EUR

SHARE

Dividend Policy: Distribution
Date of 1st NAV: 19/06/2012
Base Currency: EUR
Share class AUM: 4.7M€
NAV (share): 130.88€
Morningstar Category™: Long/Short Equity - Europe

FUND MANAGER(S)

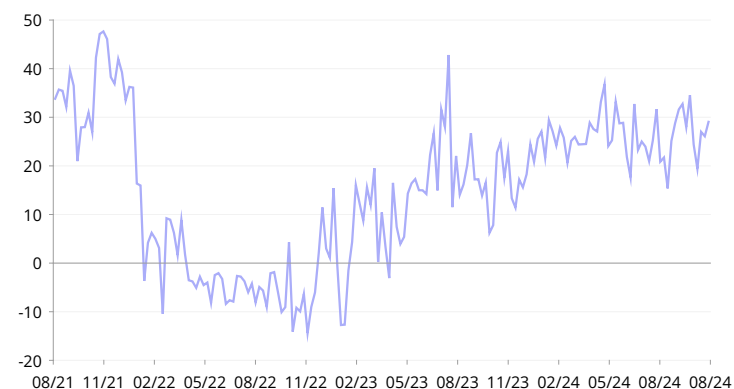
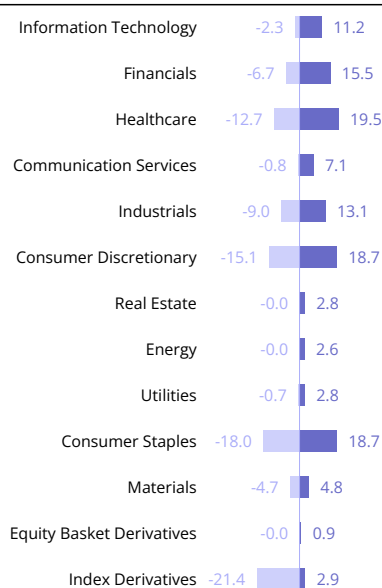
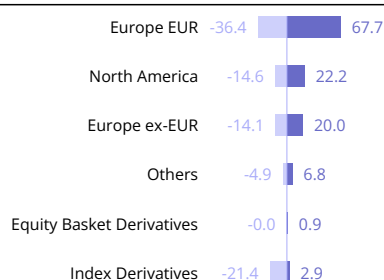
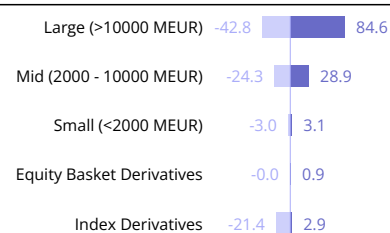
Johan Fredriksson since 01/09/2023
 Dean Smith since 01/09/2023

OTHER ESG CHARACTERISTICS

Minimum % Taxonomy Alignment 0%
 Minimum % Sustainable Investments 0%
 Principal Adverse Impact Indicators Yes

PORTFOLIO BREAKDOWN

Equity Long Exposure	120.5%
Equity Short Exposure	-91.4%
Equity Net Exposure	29.1%
Equity Gross Exposure	211.9%

NET EQUITY EXPOSURE - 3 YEAR HORIZON (% AUM) ⁽¹⁾

SECTORIAL EXPOSURE (%)

GEOGRAPHICAL EXPOSURE (%)

CAPITALISATION EXPOSURE (%)


Short Long

TOP NET EXPOSURE - LONG

Name	Country	Sector / Rating	%
DEUTSCHE TELEKOM AG	Germany	Communication Services	2.6%
AMAZON.COM INC	USA	Consumer Discretionary	2.6%
MICROSOFT CORP	USA	Information Technology	2.4%
ASML HOLDING NV	Netherlands	Information Technology	2.2%
RELX PLC	United Kingdom	Industrials	1.9%
NOVO NORDISK A/S	Denmark	Healthcare	1.9%
FRESENIUS SE & CO KGAA	Germany	Healthcare	1.5%
AIR LIQUIDE SA	France	Materials	1.5%
ALPHABET INC	USA	Communication Services	1.5%
NATIONAL GRID PLC	United Kingdom	Utilities	1.5%
Total			19.6%

TOP NET EXPOSURE - SHORT

Region	Sector	%
Sweden	Industrials	-1.0%
Sweden	Consumer Discretionary	-0.7%
United Kingdom	Consumer Discretionary	-0.7%
Finland	Utilities	-0.7%
Denmark	Industrials	-0.7%
United Kingdom	Consumer Staples	-0.6%
Norway	Materials	-0.6%
Denmark	Industrials	-0.6%
Germany	Industrials	-0.6%
Switzerland	Healthcare	-0.6%
Total		-6.8%

(1) Equity Exposure Rate = Equity Investment Rate + Equity Derivatives Exposure.

MARKETING COMMUNICATION

Please refer to the KID/prospectus of the fund before making any final investment decisions. For more information please visit www.carmignac.fr

FUND MANAGEMENT ANALYSIS



MARKET ENVIRONMENT

- August was a month of extreme volatility, sharp rotation seeing global equities falling sharply in the first few days of the month only to rally back by the end of the month.
- A toxic combination of weaker US data and a spike in the Japanese Yen following an interest rate rise in Japan set of a spectacular chain of events which forced systematic funds to unwind their highly leveraged Yen carry trade creating a significant global equity degrossing with long positions forcibly liquidated and the covering of short positions.
- The VIX volatility risk indicator was propelled to a level above 60, a level only seen 3 times in the last 35 years, the only other times being the 2008 GFC and the Covid sell off in March 2020.
- Over the month Europe outperformed the US. The rotational forces (sectors) that had already started at end of July, accelerated in August, seeing Tech, cyclicals give way to more defensive sectors leading the rebound rally.
- Defensives outperformed cyclicals and with sharply lower bond yields, bond proxies had a strong month.
- Within Europe the best performing sectors were Retail Telecoms and insurance while the main laggards were Basic resources, Energy, Banks and Technology.

PERFORMANCE COMMENTARY

- In some of the most challenging conditions we have had to work with, the performance of the Fund was negative. This was mainly driven by the rotation and or core longs in Tech and GLP1 pharma names, lagging the rest of the market.
- Positive contributions were made in telecoms and real estate while almost all other sector returns were either flat or down a few base points due to the rotational effect of the degrossing.
- This meant that over the month the returns from our longs and shorts in each sector basically cancelled each other out. The exception to this were Technology and Financials which were the largest detractors.
- The key winners from stock selection were:
 - Deutsche Telekom Long: Earnings beat and free cash flow guidance raised
 - Meta Platform Long: Bounce back after July sell off.
 - Luxury short: Negative consumer sentiment.
 - Schneider Electric Long: Market sell off provided buying opportunity for high quality company
 - Vonovia Long: Strong operating results, beneficiary of lower interest rates.
- The principal laggards were:
 - Amazon Long: Q3 guidance disappointed a bullish consensus
 - Alphabet Long: Antitrust ruling on Google search.
 - DOF Long: Profit taking after strong run
 - ASML Long: Cautious sentiment towards AI beneficiaries
 - TGS Long: Negative commentary from industry peer



OUTLOOK AND INVESTMENT STRATEGY

- Faced with negative market conditions in the first few days of the month we rapidly moved into capital protection mode to minimize risk of losses.
- Our gross exposure was reduced to around 100 from 120 and within the portfolio structure we reduced Technology, cyclicals and financials and added to defensive names in Communications, Staples and Real Estate.
- With markets at the lows we took advantage of selective opportunities to pick up oversold quality names such as Schneider which worked well.
- With no earnings reports, the market will be mostly focused on macro and political (US election) news, usually a cause for added uncertainty and volatility.
- Therefore, all eyes on this week's employment numbers (NFP). A weak print, with rising unemployment, would fuel the hard landing / recession scenario, whereby even a more aggressive Fed cut, is unlikely to be supportive to the markets, putting more pressure on Cyclical to underperform Defensive sectors.
- If however, we do see a good NFP number (unemployment not rising), there will be a sign of relief from the market (especially from these lower starting levels), as good employment levels no longer equate to higher inflation.
- Also, we are soon upon the US elections. History suggests, especially if it's a tight race between the 2 presidential candidates, that some 4-6 weeks before the election, markets tend to be weak, selling off between 3-5% on average.
- Therefore, considering all these data points, uncertainties, coupled with a weaker period for markets, we continue to run with reduced risk, lower gross exposure and focus on the areas where we have plenty of 'ammunition' to step in again and scale up our highest conviction ideas once there is a clearer picture.



PORTFOLIO ESG SUMMARY

This financial product is classified Article 8 of the Sustainable Finance Disclosure Regulation (“SFDR”). The binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product are :

- ESG analysis applied to at least 90% of the equity holding in the Long portfolio;
- The Long Equity investment universe is actively reduced.

PORTFOLIO ESG COVERAGE

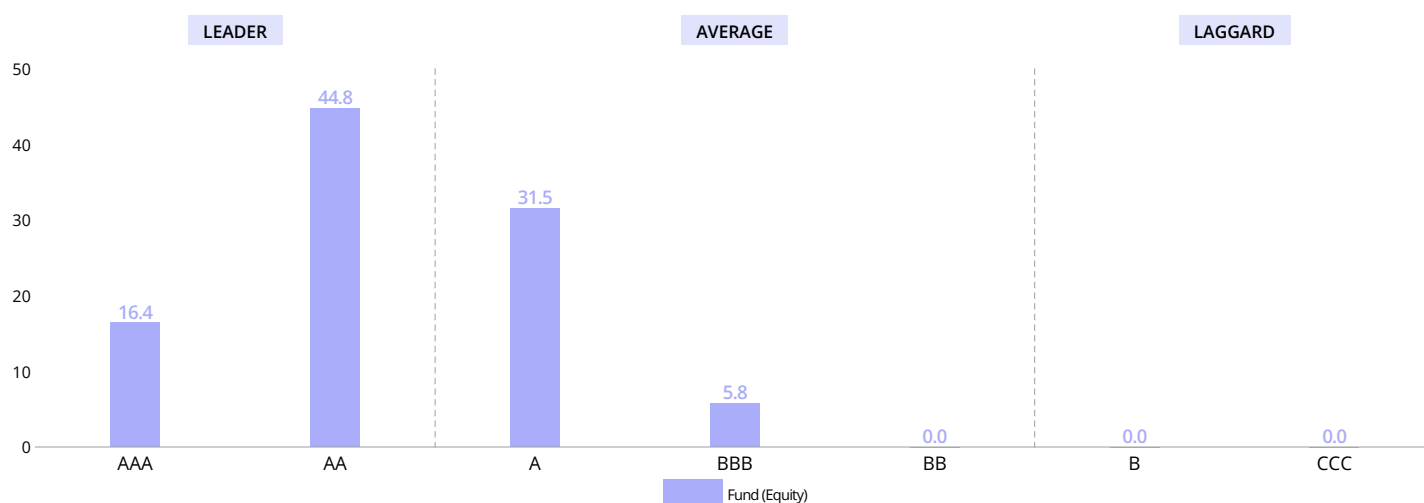
Number of issuers in the portfolio	63
Number of issuers rated	63
Coverage Rate	100.0%

Source: Carmignac

ESG SCORE

Carmignac Absolute Return Europe A EUR Ydis	AA
Source: MSCI ESG	

MSCI ESG SCORE PORTFOLIO



Source: MSCI ESG Score. ESG Leaders represent companies rated AAA and AA by MSCI. ESG Average represent companies rated A, BBB, and BB by MSCI. ESG Laggards represent companies rated B and CCC by MSCI. Portfolio ESG Coverage: 98.5%

TOP 5 ESG RATED PORTFOLIO HOLDINGS

Company	Weight	ESG Rating
NOVO NORDISK AS	1.9%	AAA
ADIDAS AG	0.9%	AAA
ANHEUSERBUSCH INBEV SANV	0.5%	AA
ASR NEDERLAND NV	0.5%	AA
UBS GROUP AG	0.2%	AA

Source: MSCI ESG

GLOSSARY

Beta: Beta measures the relationship between the fluctuations of the net asset values of the fund and the fluctuations of the levels of its reference indicator. Beta of less than 1 indicates that the fund “cushions” the fluctuations of its index (beta = 0.6 means that the fund increases by 6% if the index increases by 10% and decreases by 6% if the index falls by 10%). Beta higher than 1 indicates that the fund “magnifies” the fluctuations of its reference indicator (beta = 1.4 means that the fund increases by 14% when the index increases by 10% but also decreases by 14% when the index decreases by 10%). Beta of less than 0 indicates that the fund reacts inversely to the fluctuations of its reference indicator (beta = -0.6 means that the fund falls by 6% when the index increases by 10% and vice versa).

Capitalisation: A company's stock market value at any given moment. It is obtained by multiplying the number of shares of a company by its stock exchange price.

FCP: Fonds commun de placement (French common fund).

Investment/net exposure rate: The investment rate constitutes the volume of assets invested expressed as a percentage of the portfolio. Adding the impact of the derivatives to this investment rate results in the net exposure rate, which corresponds to the real percentage of asset exposure to a certain risk. Derivatives can be used to increase the underlying asset's exposure (stimulation) or reduce it (hedging).

Net asset value: Price of all units (in an FCP) or shares (in a SICAV).

Rating: The rating measures the creditworthiness of a borrower (bond issuer).

Sharpe ratio: The Sharpe ratio measures the excess return over the risk-free rate divided by the standard deviation of this return. It thus shows the marginal return per unit of risk. When it is positive, the higher the Sharpe ratio, the more risk-taking is rewarded. A negative Sharpe ratio does not necessarily mean that the portfolio posted a negative performance, but rather that it performed worse than a risk-free investment.

SICAV: Société d'Investissement à Capital Variable (Open-ended investment company with variable capital)

VaR: Value at Risk (VaR) represents an investor's maximum potential loss on the value of a financial asset portfolio, based on a holding period (20 days) and confidence interval (99%). This potential loss is expressed as a percentage of the portfolio's total assets. It is calculated on the basis of a sample of historical data (over a two-year period).

Volatility: Range of price variation of a security, fund, market or index, which enables the measurement of risk over a given period. It is determined using the standard deviation obtained by calculating the square root of the variance. The variance is obtained by calculating the average deviation from the mean, which is then squared. The greater the volatility, the greater the risk.

ESG DEFINITIONS & METHODOLOGY

ESG: E for Environment, S for Social, G for Governance

ESG score Calculation: Only the Equity and Corporate Bond holdings of the fund considered. Overall Fund Rating calculated using MSCI Fund ESG Quality Score methodology: excluding cash and non ESG-rated holdings, performing a weighted average of the normalized weights of the holdings and the Industry-Adjusted Score of the holdings, multiplied by (1+Adjustment%) which consists of the weight of positively trending ESG ratings minus the weight of ESG Laggards minus the weight of negatively trending ESG ratings. For a detailed explanation see “MSCI ESG Fund Ratings Methodology”, Section 2.3. Updated June 2023. <https://www.msci.com/documents/1296102/34424357/MSCI+ESG+Fund+Ratings+Methodology.pdf>

MSCI methodology: MSCI uses company disclosed emissions where available. In the instance these are not available, they use their proprietary model to estimate emissions. The model has three distinct modules, production model (used for power-generating utilities), company-specific intensity model (used for companies that have reported carbon emissions data in the past but not for all years), & industry segment-specific intensity model (used for companies that have not reported any carbon emissions data in the past). For further information, please visit MSCI's latest “Climate Change Metrics Methodology” document.

Principal Adverse Impacts (PAI): Negative, material, or potentially material effects on sustainability factors that result from, worsen, or are directly related to investment choices or advice performed by a legal entity. Examples include GHG emissions and carbon footprint.

Scope 1: Greenhouse gas emissions generated from burning fossil fuels and production processes which are owned or controlled by the company.

Scope 2: Greenhouse gas emissions from consumption of purchased electricity, heat or steam by the company.

Scope 3: Other indirect Greenhouse gas emissions, such as from the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. T&D losses) not covered in Scope 2, outsourced activities, waste disposal, etc.

SFDR Articles - Fund Classification: Sustainable Finance Disclosure Regulation, an EU Act that requires asset managers to classify funds into categories: “Article 8” funds promote environmental and social characteristics, “Article 9” funds have sustainable investments as a measurable objective.

Sustainable Investments: The SFDR defines sustainable investment as an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Taxonomy Alignment: In the context of an individual company, taxonomy alignment is defined as the proportion of a company's revenue that comes from activities that meet certain environmental criteria. In the context of an individual fund or portfolio, alignment is defined as the portfolio-weight weighted average taxonomy alignment of included companies. For more information, please follow this link:

https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/sustainable-finance-taxonomy-faq_en.pdf

CHARACTERISTICS

Share Class	Date of 1st NAV	Bloomberg	ISIN	Management Fee	Entry costs ⁽¹⁾	Exit costs ⁽²⁾	Management fees and other administrative or operating costs ⁽³⁾	Transaction costs ⁽⁴⁾	Performance fees ⁽⁵⁾	Minimum Initial Subscription ⁽⁶⁾	Single Year Performance (%)				
											30.08.23-30.08.24	30.08.22-30.08.23	30.08.21-30.08.22	28.08.20-30.08.21	30.08.19-28.08.20
A EUR Acc	03/02/1997	CARFRPR FP	FR0010149179	Max. 2%	Max. 4%	—	2.3%	0.98%	20%	—	6.1	-6.0	-0.5	9.8	9.2
A EUR Ydis	19/06/2012	CAREPDE FP	FR0011269406	Max. 2%	Max. 4%	—	2.3%	0.98%	20%	—	6.1	-6.0	-2.9	9.9	9.2
F EUR Acc	31/08/2023	CARFEUA FP	FR001400JG56	Max. 1.5%	—	—	1.3%	0.98%	20%	—	—	—	—	—	—
F USD Acc Hdg	31/08/2023	CARFUSA FP	FR001400JG64	Max. 1.5%	—	—	1.3%	0.98%	20%	—	—	—	—	—	—

(1) 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.

(2) We do not charge an exit fee for this product.

(3) of the value of your investment per year. This estimate is based on actual costs over the past year.

(4) 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.

(5) max. of the outperformance if the performance is positive and the net asset value exceeds the high-water mark. 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.

(6) Please refer to the prospectus for the minimum subsequent subscription amounts. The prospectus is available on the website: www.carmignac.com.

MAIN RISKS OF THE FUND

RISK ASSOCIATED WITH THE LONG/SHORT STRATEGY: This risk is linked to long and/or short positions designed to adjust net market exposure. The fund may suffer high losses if its long and short positions undergo simultaneous unfavourable development in opposite directions. **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. **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.

IMPORTANT LEGAL INFORMATION

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