# CARMIGNAC ABSOLUTE RETURN EUROPE A EUR YDIS

FRENCH MUTUAL FUND (FCP)

Recommended minimum investment horizon: 3 YEARS

LOWER RISK — HIGHER RISK

| 1 | 2 | 3* | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

FR0011269406

Monthly Factsheet - 28/03/2024

## INVESTMENT OBJECTIVE

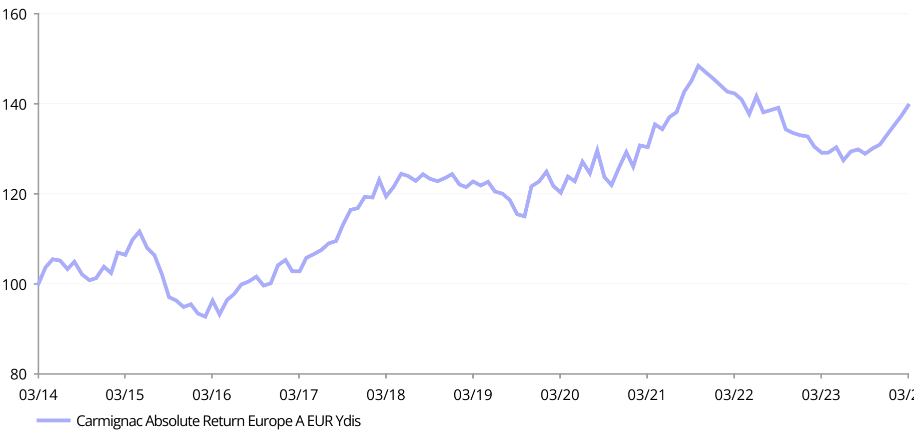
European Long/Short Equity fund with an actively managed net equity exposure ranging between -20% and 50%. The Fund aims to generate alpha through the combination of long and short positions, while following a flexible and active management. The Fund seeks to achieve a positive absolute return over a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

**Fund Management analysis can be found on P.4**

## 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 28/03/2024 - Net of fees)

| | Cumulative Performance (%) | | | | Annualised Performance (%) | | |
|---|---|---|---|---|---|---|---|
| | 1 Year | 3 Years | 5 Years | 10 Years | 3 Years | 5 Years | 10 Years |
| A EUR Ydis | 8.12 | 7.09 | 13.75 | 39.62 | 2.31 | 2.61 | 3.39 |

### 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 (%)

| | 3 Years | 5 Years | 10 Years |
|---|---|---|---|
| Fund Volatility | 5.3 | 8.0 | 7.2 |
| Sharpe Ratio | 0.4 | 0.4 | 0.5 |
| Beta | 0.0 | 0.1 | 0.1 |
| Sortino Ratio | 0.6 | 0.5 | 0.9 |

*Calculation : Weekly basis*

### VAR

| | |
|---|---|
| Fund VaR | 4.3% |

J. Fredriksson

D. Smith

## KEY FIGURES

| | |
|---|---|
| **Net Equity Exposure** | 28.8% |
| **Short Equity Issuers** | 44 |
| **Long Equity Issuers** | 71 |

### 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:** 225M€ / 243M$ (1)
**Fund Currency:** EUR

### SHARE

**Dividend Policy:** Distribution
**Date of 1st NAV:** 19/06/2012
**Base Currency:** EUR
**Share class AUM:** 5.2M€
**NAV:** 136.33€
**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

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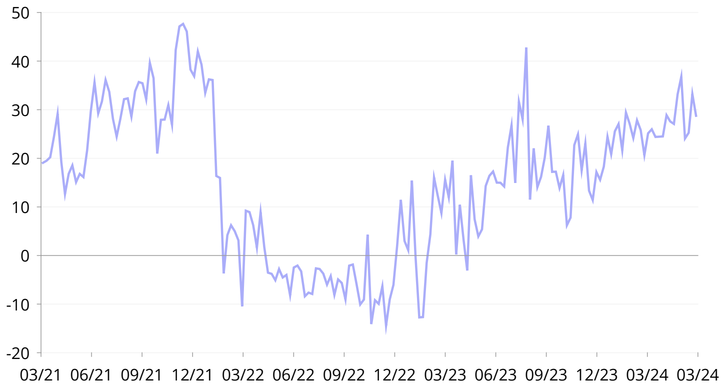
On the 01/09/2023, the Fund's name was changed from Carmignac Long-Short European Equities to Carmignac Absolute Return Europe. * For the share class Carmignac Absolute Return Europe A EUR Ydis. Risk Scale from the KID (Key Information Document). Risk 1 does not mean a risk-free investment. This indicator may change over time. (1) Exchange Rate EUR/USD as of 28/03/2024.

## PORTFOLIO BREAKDOWN

| | |
|---|---|
| Equity Long Exposure | 129.4% |
| Equity Short Exposure | -100.7% |
| Equity Net Exposure | 28.8% |
| Equity Gross Exposure | 230.1% |

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




## NET SECTORIAL EXPOSURE

| | |
|---|---|
| Information Technology | 11.2% |
| Financials | 11.0% |
| Industrials | 9.0% |
| Consumer Discretionary | 8.5% |
| Consumer Staples | 5.0% |
| Healthcare | 5.0% |
| Communication Services | 4.7% |
| Utilities | 2.6% |
| Materials | 2.5% |
| Real Estate | 0.8% |
| Energy | -0.2% |
| Index Derivatives | -31.3% |

## NET GEOGRAPHICAL EXPOSURE

| | |
|---|---|
| North America | 13.9% |
| Europe EUR | 34.9% |
| Europe ex-EUR | 9.0% |
| Other countries | 2.3% |
| Index Derivatives | -31.3% |

## NET CAPITALISATION EXPOSURE

| | |
|---|---|
| Large (>10000 MEUR) | 57.0% |
| Mid (2000 - 10000 MEUR) | 2.9% |
| Small (<2000 MEUR) | 0.1% |
| Index Derivatives | -31.3% |

## TOP NET EXPOSURE - LONG

| Name | Country | Sector / Rating | % |
|---|---|---|---|
| MICROSOFT CORP | USA | Information Technology | 3.3% |
| NOVO NORDISK A/S | Denmark | Healthcare | 3.2% |
| META PLATFORMS INC | USA | Communication Services | 2.7% |
| ADYEN NV | Netherlands | Financials | 2.4% |
| LONZA GROUP AG | Switzerland | Healthcare | 2.2% |
| RYANAIR HOLDINGS PLC | Ireland | Industrials | 2.1% |
| AIRBUS SE | France | Industrials | 2.0% |
| SAP SE | Germany | Information Technology | 2.0% |
| ASML HOLDING NV | Netherlands | Information Technology | 2.0% |
| DEUTSCHE TELEKOM AG | Germany | Communication Services | 1.9% |
| **Total** | | | **23.8%** |

## TOP NET EXPOSURE - SHORT

| Region | Sector | % |
|---|---|---|
| USA | Information Technology | -1.0% |
| Switzerland | Materials | -1.0% |
| France | Consumer Discretionary | -0.9% |
| Spain | Communication Services | -0.9% |
| Netherlands | Healthcare | -0.8% |
| Sweden | Information Technology | -0.7% |
| USA | Consumer Discretionary | -0.7% |
| United Kingdom | Consumer Discretionary | -0.7% |
| Switzerland | Healthcare | -0.7% |
| Germany | Industrials | -0.7% |
| **Total** | | **-8.0%** |

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

# 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;
- 30% of carbon emissions lower than the aforementioned composite benchmark as measured by carbon intensity.

## PORTFOLIO ESG COVERAGE

| | |
|---|---|
| Number of issuers in the portfolio | 62 |
| Number of issuers rated | 62 |
| Coverage Rate | 100.0% |

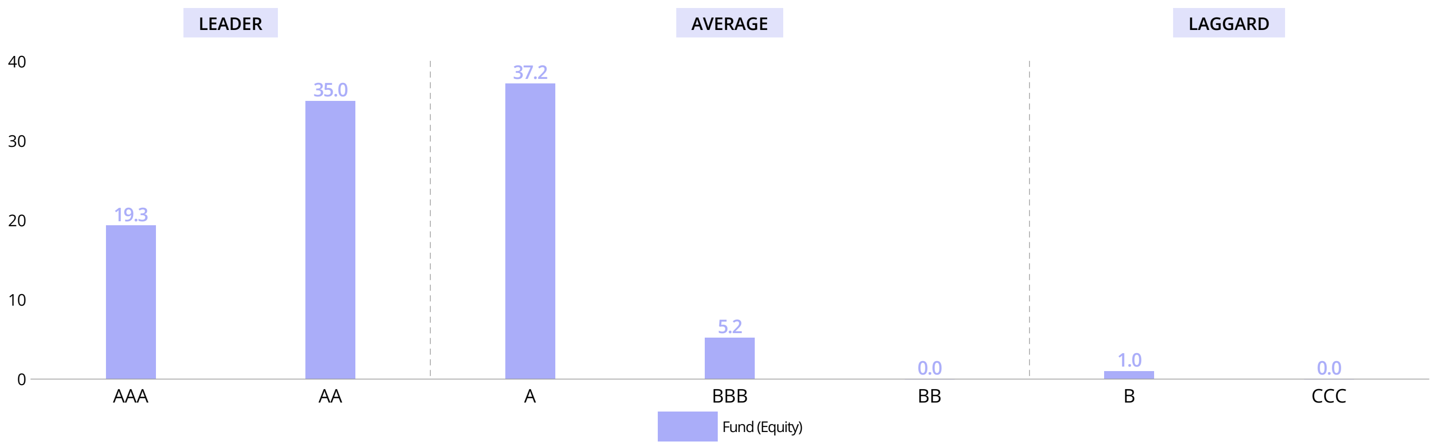
*Source: Carmignac*

## ESG SCORE

| | |
|---|---|
| Carmignac Absolute Return Europe A EUR Ydis | AA |

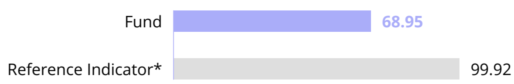
*Source: MSCI ESG*

## 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: 97.8%

## CARBON EMISSION INTENSITY (T CO2E/USD MN REVENUES) converted to Euro




Source: S&P Trucost, 28/03/2024. The reference indicator of each Fund is hypothetically invested with identical assets under management as the respective Carmignac equity funds and calculated for total carbon emissions and per million Euro of revenues.

**Carbon emissions figures** are based on S&P Trucost data. The analysis is conducted using estimated or declared data measuring Scope 1 and Scope 2 carbon emissions, excluding cash and holdings for which carbon emissions are not available. To determine carbon intensity, the amount of carbon emissions in tonnes of $CO_2$ is calculated and expressed per million dollar of revenues (converted to Euro). This is a normalized measure of a portfolio's contribution to climate change that enables comparisons with a reference indicator, between multiple portfolios and over time, regardless of portfolio size.

*Please refer to the glossary for more information on the calculation methodology*

## TOP 5 ESG RATED PORTFOLIO HOLDINGS

| Company | Weight | ESG Rating |
|---|---|---|
| DANONE SA | 5.0% | AAA |
| CARLSBERG AS | 1.0% | AAA |
| ENEL SPA | 0.9% | AAA |
| STMICROELECTRONICS NV | 0.3% | AAA |
| HENKEL AG CO KGAA | -0.0% | AAA |

Source: MSCI ESG

* Reference Indicator: 75% MSCI Europe index + 25% S&P 500. For more information regarding product disclosure, please refer to the Sustainability-related Disclosures in accordance with Article 10 available on the Fund's webpage.

# FUND MANAGEMENT ANALYSIS

## MARKET ENVIRONMENT

March was again full of risk-taking in various asset classes, with equities, bonds, commodities (barring iron ore) and the dollar all up. For equities, Europe beat the United States, developed markets outperformed emerging markets, and yields on large and small/mid caps were largely equal, reflecting an expansion of the global market since the beginning of the year. In style terms, value beat growth, cyclical beat defensive, momentum stayed the same, and the most shorted names performed in line with the market. In Europe, rotation kicked in with the top performing sectors being banking, real estate, chemicals and energy. With the exception of banking, all of these were in the bottom half of the performance table for February. Bringing up the rear were travel & leisure, consumer goods & services, and technology, which were all among the previous month's winners.

## PERFORMANCE COMMENTARY

The Fund delivered a positive return. Our long book returned +3.8%, which was partially offset by small losses of 1.2% on our short book and 1% on our futures and options hedges, which are used to manage the portfolio's beta and overall risk exposure. At a sector level, the biggest positive contributions came from technology, financials and healthcare. Across the portfolio as a whole, all sectors had a positive impact with the exception of communication services, which cost us 23 basis points. From individual equities, the top contributors were two computer chip manufacturers that we added to the portfolio in February, one of them because of its profits and the other because orders were much higher than expected. In the financial sector, retail banks made a very big contribution, with Unicredit leading the pack once again after revising its earnings upwards, and announcing a large share buyback. In healthcare, our stocks with exposure to GLP1 and life sciences both performed solidly and completed acquisitions to increase their production capacity, which will keep growth rates above average. The month's biggest losers included a European telecom company that posted disappointing FCF forecasts, a clothes retailer that had to backtrack on some optimistic sales forecasts, and a database company whose management projections for 2024 fell short of the market's expectations. We upscaled our portfolio's positions throughout the month, taking gross exposure to around 135% as opposed to 125% in February.

## OUTLOOK AND INVESTMENT STRATEGY

Early April should be relatively quiet in terms of corporate communications, and the markets will therefore focus on the macroeconomy, mounting political tension, the Middle East and comments by the Fed Chair. After a decent Q1 for equities and risky assets in general, this will be a kind of test to see whether the market can keep going. Corporate earnings will come back into the equation later in the month. The market is starting to think that business will pick up around the world, with recent PMIs showing a continuous improvement to climb above the 50 mark, and will be keeping a close eye on profits to see whether they can follow this recovery. This will probably determine whether sector rotation gathers pace. We think it is too soon to be sure, even if the first signs are there, but it is at the forefront of our mind. The spotlight is also back on China, where PMIs have also started to show signs of improvement. Given that most investments are still very narrowly exposed to just a few sectors such as technology and quality stocks, we are already starting to consider how we could keep broadening our exposure to achieve a more balanced portfolio.

## 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 2021. https://www.msci.com/documents/1296102/15388113/MSCI+ESG+Fund+Ratings+Exec+Summary+Methodology.pdf/ec622acc-42a7-158f-6a47-ed7aa4503d4f?t=1562690846881.

**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.

**S&P Trucost methodology:** Trucost uses company disclosed emissions where available. In the instance it is not available, they use their proprietary EEIO model. The model uses the revenue breakdown of the company by industry sector to estimate the carbon emissions. For further information, please visit: www.spglobal.com/spdji/en/documents/additional-material/faq-trucost.pdf. Although S&P Trucost does report Scope 3 emissions where available, such emissions are commonly considered to be poorly defined and inconsistently calculated by companies. As a result, we have chosen not to include them in our portfolio emission calculations.
To calculate the portfolio carbon emissions, the companies' carbon intensities (tonnes of $CO_2e$ /USD mn revenues) are weighted according to their portfolio weightings (normalized for holdings for which carbon emissions are not available), and then summed.

**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 (%) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | 28.03.23-28.03.24 | 28.03.22-28.03.23 | 26.03.21-28.03.22 | 27.03.20-26.03.21 | 28.03.19-27.03.20 |
| A EUR Acc | 03/02/1997 | CARFRPR FP | FR0010149179 | Max. 2% | Max. 4% | — | 2.3% | 0.98% | 20% | — | 7.3 | -6.0 | 9.7 | 7.9 | -2.3 |
| A EUR Ydis | 19/06/2012 | CAREPDE FP | FR0011269406 | Max. 2% | Max. 4% | — | 2.3% | 0.98% | 20% | — | 7.3 | -8.3 | 9.6 | 8.0 | -2.3 |
| F EUR Acc | 31/08/2023 | CARFEUA FP | FR001400JG56 | Max. 1% | — | — | 1.3% | 0.98% | 20% | — | — | — | — | — | — |
| F USD Acc Hdg | 31/08/2023 | CARFUSA FP | FR001400JG64 | Max. 1% | — | — | 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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