

CARMIGNAC ABSOLUTE RETURN EUROPE F USD ACC HDG

FRENCH MUTUAL FUND (FCP)

Recommended
minimum investment
horizon:



FR001400JG64

Monthly Factsheet - 29/11/2024

INVESTMENT OBJECTIVE

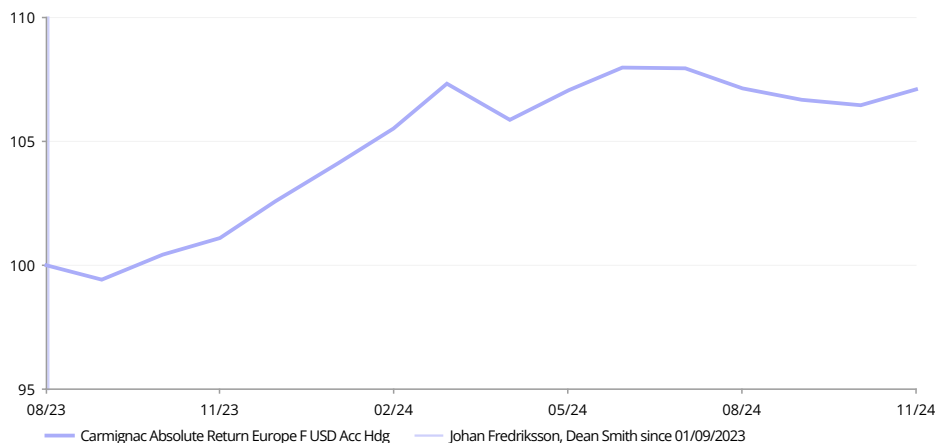
A European long/short equity fund, combining both a top-down and a bottom-up approach, with an actively managed net equity exposure ranging between -20% and 50%. The Fund deploys a style-agnostic and unconstrained approach within the Pan-European investment universe with an objective to deliver positive absolute returns over 3 years, through a diversified and low volatility portfolio.

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 SINCE LAUNCH (Basis 100 - Net of fees)



CUMULATIVE AND ANNUALIZED PERFORMANCE (as of 29/11/2024 - Net of fees)

	Cumulative Performance (%)		Annualised Performance (%)	
	1 Year	Since 31/08/2023	Since 31/08/2023	Since 01/09/2023
F USD Acc Hdg	5.93	7.10	5.64	5.5

ANNUAL PERFORMANCE (%) (Net of fees)

	2023
F USD Acc Hdg	2.58

STATISTICS (%)

	1 Year	Launch
Fund Volatility	3.4	3.0
Sharpe Ratio	0.6	0.6
Sortino Ratio	0.9	0.9

Calculation : Weekly basis

VAR

Fund VaR 2.3%



J. Fredriksson



D. Smith

KEY FIGURES

Net Equity Exposure	18.8%
Short Equity Issuers	32
Long Equity Issuers	63

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: 194M€ / 205M\$⁽¹⁾
Fund Currency: EUR

SHARE

Dividend Policy: Accumulation
Date of 1st NAV: 31/08/2023
Base Currency: USD
Share class AUM: 53553\$
NAV (share): 107.10\$

FUND MANAGER(S)

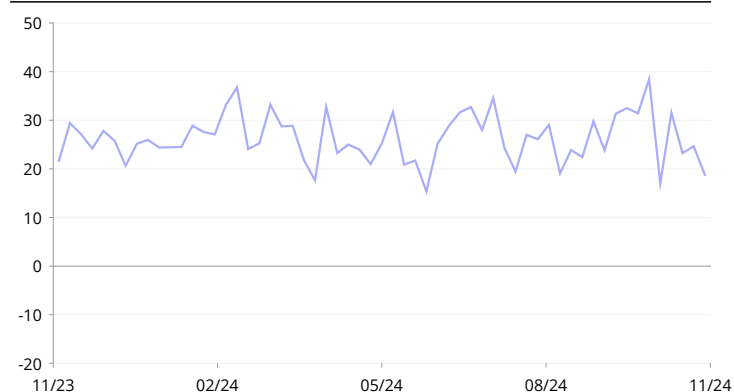
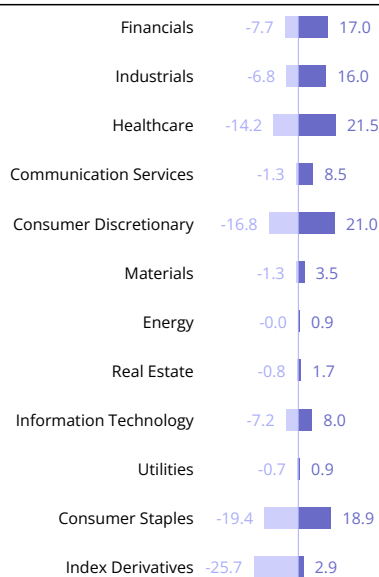
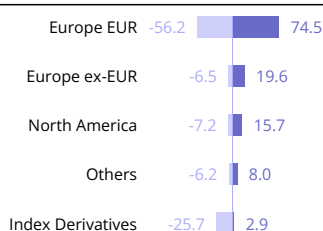
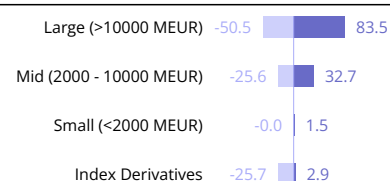
Johan Fredriksson since 01/09/2023
 Dean Smith since 01/09/2023

OTHER ESG CHARACTERISTICS

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

PORTFOLIO BREAKDOWN

Equity Long Exposure	120.6%
Equity Short Exposure	-101.9%
Equity Net Exposure	18.8%
Equity Gross Exposure	222.5%

EQUITY EXPOSURE - 1 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	3.6%
FRESENIUS SE & CO KGAA	Germany	Healthcare	2.5%
EURONEXT NV	Netherlands	Financials	2.2%
GALDERMA GROUP AG	Switzerland	Healthcare	2.0%
RELX PLC	United Kingdom	Industrials	2.0%
PANDORA A/S	Denmark	Consumer Discretionary	1.8%
MICROSOFT CORP	USA	Information Technology	1.7%
DSV A/S	Denmark	Industrials	1.6%
META PLATFORMS INC	USA	Communication Services	1.5%
AMAZON.COM INC	USA	Consumer Discretionary	1.2%
Total			20.4%

TOP NET EXPOSURE - SHORT

Region	Sector	%
Germany	Information Technology	-1.4%
Switzerland	Healthcare	-1.0%
Spain	Communication Services	-0.9%
USA	Information Technology	-0.8%
France	Real Estate	-0.8%
Switzerland	Materials	-0.8%
Switzerland	Industrials	-0.8%
Germany	Consumer Discretionary	-0.8%
Switzerland	Consumer Staples	-0.8%
Spain	Consumer Discretionary	-0.7%
Total		-8.7%

(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

- The US election result was the primary driver of global market performance in November.
- Donald Trump's election victory spurred expectations of potential tax cuts, deregulation, expansionary fiscal policy, and the implementation of a more nationalist trade policy. This led to a significant outperformance of US equities (the "Trump Trade") relative to the rest of the world.
- European equities not only lagged behind the US but also declined in absolute terms. This was due to concerns about the potential effects of new US trade policies, a deteriorating macroeconomic picture in Europe with another round of weak European PMI data, earnings warnings in the automotive and consumer sectors, and ongoing political uncertainty in France and Germany.
- There was considerable divergence between individual markets, with the CAC materially underperforming the DAX. At the sector level, financial services, travel and leisure, insurance, and TMT were the main outperformers, while chemicals, autos, and consumer products were the laggards.



PERFORMANCE COMMENTARY

- The fund achieved a positive return for November.
- Within the portfolio, the most significant positive sector contributions came from stock selection in Financials, Consumer Discretionary, Communications Services, and Healthcare. Conversely, the main sector detractors were Materials, Industrials, and Utilities.
- Key winners from stock selection included Deutsche Telekom, which reported solid numbers and raised forward earnings guidance, and Galderma, which benefited from expectations of new product acceleration and the resolution of short-term overhangs.
- Other notable contributors were CVC Capital Partners, which experienced positive fund flows and index inclusion, and Pandora, which continued to deliver strong earnings despite a weak consumer environment.
- The main laggards from stock selection were SK Hynix, due to concerns about price weakness in legacy DRAM, and UCG, amid worries that management may be overextending themselves with two M&A targets.
- Additional laggards included our short position in a German industrial company, which reported earnings better than our expectations, and Prada, which was impacted by negative sector sentiment despite delivering best-in-class earnings.



OUTLOOK AND INVESTMENT STRATEGY

- Building on last month's strategy, we capitalized on the early-month EU market sell-off by increasing our high-conviction long positions and covering or reducing shorts that were nearing their price targets.
- At the sector level, we decreased our exposure to consumer staples and utilities, while increasing our allocation to healthcare following the sector's decline after Trump's selection of Kennedy Jr. as the new Health & Human Services Secretary.
- We also added to our position in the Swiss company Galderma, making it one of our top 10 holdings. Galderma boasts a strong franchise in science-based skincare products and has a robust pipeline of new product launches, which we believe will drive market share gains and strong earnings growth.
- Despite the volatility in European equities, we maintained disciplined market exposure, with gross exposure around 105% and net exposure between 18-25%.
- In the short term, we anticipate that EU equities will begin to catch up with their US counterparts. At the start of the month, we observed that not only was the performance gap between the EU and US too wide, but so were the valuations.
- Consequently, we have increased our positions in value and cyclical stocks in the EU to participate in this 'catch-up' trade, which is gradually gaining momentum.

MARKETING COMMUNICATION

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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

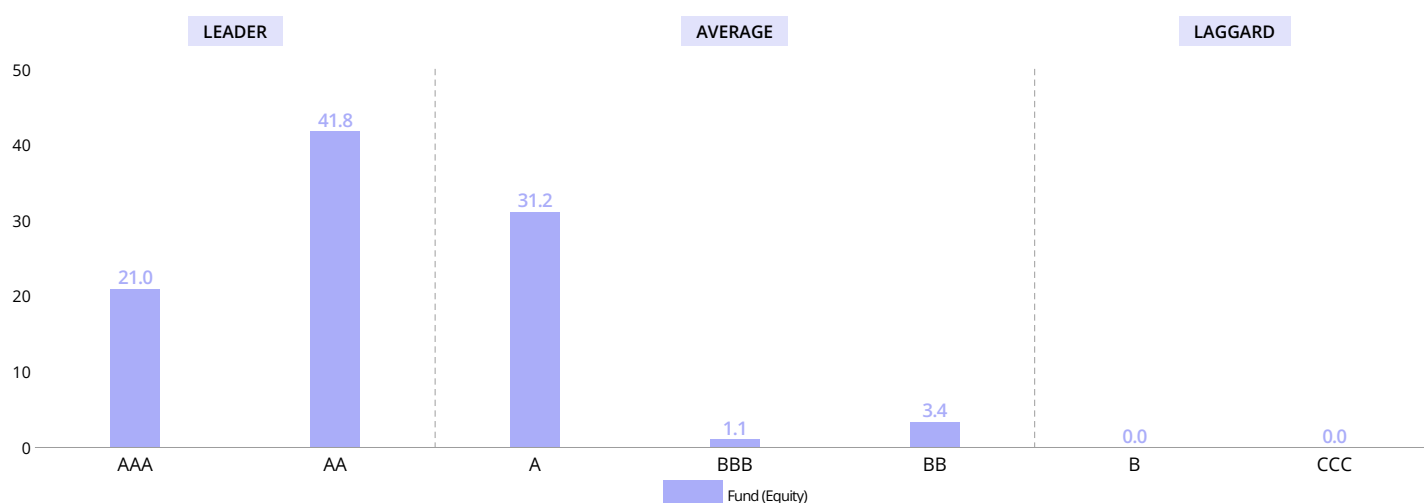
Number of issuers in the portfolio	59
Number of issuers rated	59
Coverage Rate	100.0%

Source: Carmignac

ESG SCORE

Carmignac Absolute Return Europe F USD Acc Hdg	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
MNCHENER RCKVERSICHERUNGSGESELLSCHAFT AG	1.2%	AAA
KION GROUP AG	0.5%	AAA
GEA GROUP AG	0.4%	AAA
ASR NEDERLAND NV	0.6%	AA
SITEONE LANDSCAPE SUPPLY INC	0.6%	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⁾
A EUR Acc	03/02/1997	CARFRPR FP	FR0010149179	Max. 2%	Max. 4%	—	2.3%	0.98%	20%	—
A EUR Ydis	19/06/2012	CAREPDE FP	FR0011269406	Max. 2%	Max. 4%	—	2.3%	0.98%	20%	—
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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