

CARMIGNAC INVESTISSEMENT: LETTER FROM THE FUND MANAGER

17/04/2024 | KRISTOFER BARRETT

+17,02%

Carmignac Investissement performance over the first quarter of 2024 for the A EUR Acc share class.

+10,61%

Reference indicator's performance over the 1st quarter of 2024¹.

1%

Carmignac Investissement is ranked 1st quartile for its performance within its Morningstar category over the first quarter of 2024.²

During the first quarter of 2024, **Carmignac Investissement** posted a performance of +17.02%, outperforming its reference indicator (+10.61%).

MARKET ENVIRONMENT IN 1ST QUARTER 2024

The beginning of the year was marked by both resilient economic data in the United States and stickier inflation, which led central banks and the markets to expect fewer interest rate cuts in 2024 than at the start of the year. Equity markets welcomed this better-than-expected macroeconomic backdrop, leading the S&P 500 to post its best start to a year since 2019. While equity investors remained focused on the artificial intelligence theme throughout the first part of the quarter, the bullish momentum then spread to the rest of the equity market, with a broadening of the contributors to performance and the participation of cyclical sectors.

Emerging markets also posted a positive performance, but the gap with developed markets continues to widen. Despite support from the authorities, the Chinese market continues to suffer from the weakness of its economy, notably due to the crisis affecting its real estate sector and persistent tensions between the USA and China. Against this backdrop, some economies are doing well, benefiting from China's fragility, such as India and South Korea, whose local markets have appreciated since the start of the year.

HOW DID WE FARE IN THIS CONTEXT?

Our stock selection enabled the Fund to significantly outperform its reference indicator. Over the period, our strategy took advantage of our two long-term investment themes: artificial intelligence (AI) and obesity/diabetes treatments in the healthcare sector.

AI chip giant, Nvidia was the portfolio's best performer. The company holds a dominant position on graphics processors, whose computing power enables AI systems to function. This flagship of artificial intelligence has posted exceptional earnings growth, surprising experts and analysts quarter after quarter.

Meta, the biggest holding of our portfolio, also posted a solid rebound, benefiting from the positive effects of its cost-cutting program, while also reaping the benefits of AI on its advertising business.

Outside the technology sector, Eli Lilly and Novo Nordisk continue to benefit from their duopoly position in weight-loss drugs. The Fund also benefited from the good performance of Hermès, which announced a 28% increase in net profit for 2023 across all its segments and geographical regions. Finally, our portfolio of industrial stocks including General Electric, Airbus and Canadian Pacific Kansas City Railway also contributed to performance.

OUTLOOK AND POSITIONING

The macroeconomic environment characterized by a combination of resilient economic growth and generally more accommodative central banks should continue to offer a favorable cocktail for equity markets. However, while the financial markets are not showing any signs of exuberance, this scenario has already been priced in, with most indices having reached all-time highs. Consequently, regular profit-taking and selectivity are essential.

Thus, while we continue to be constructive on the themes of artificial intelligence and obesity treatments, we are reducing our exposure to some stocks with stretched valuations and strengthening laggards. The latter include chipmaker TSMC, one of Apple and Nvidia's suppliers and thus a beneficiary of artificial intelligence.

We also maintain our conviction in Hermès, which should once again outperform its competitors this year thanks to above average pricing and volume growth driven by its high-end positioning.

On April 8, 2024, Kristofer Barrett took over management of the Carmignac Investissement strategy. Kristofer is a seasoned, active stock picker. His proven approach of combining in-depth company research with pragmatic macro analysis has resulted in an outstanding long-term track record. The Fund's investment philosophy will remain faithful to what has made Carmignac Investissement successful for 35 years.

¹Source: Carmignac as of 29/03/2024. Performance of Carmignac Investissement A EUR Acc, ISIN : FR0010148981 ; Benchmark: MSCI AC World NR (USD) (net dividends reinvested).

²Morningstar Category: Global Large-Cap Growth Equity.

SFDR - Fund Classification** :

Article **8**



Recommended
minimum
investment horizon



MAIN RISKS OF THE FUND

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. **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.

* **Risk Scale from the KID (Key Information Document). Risk 1 does not mean a risk-free investment. This indicator may change over time.

**The Sustainable Finance Disclosure Regulation (SFDR) 2019/2088 is a European regulation that requires asset managers to classify their funds as either 'Article 8' funds, which promote environmental and social characteristics, 'Article 9' funds, which make sustainable investments with measurable objectives, or 'Article 6' funds, which do not necessarily have a sustainability objective. For more information please refer to <https://eur-lex.europa.eu/eli/reg/2019/2088/oj>.

FEES

Entry costs : 4,00% 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.

Exit costs : We do not charge an exit fee for this product.

Management fees and other administrative or operating costs : 1,50% of the value of your investment per year. This estimate is based on actual costs over the past year.

Performance fees : 20,00% max. of the outperformance once performance since the start of the year exceeds that of the reference indicator and if no past underperformance still needs to be offset. 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.

Transaction Cost : 1,09% 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.

ANNUALISED PERFORMANCE (ISIN: FR0010148981)

Calendar Year Performance (as %)	2014	2015	2016	2017	2018
Carmignac Investissement	+10.4 %	+1.3 %	+2.1 %	+4.8 %	-14.2 %
Indicateur de référence	+18.6 %	+8.8 %	+11.1 %	+8.9 %	-4.8 %

Calendar Year Performance (as %)	2019	2020	2021	2022	2023
Carmignac Investissement	+24.7 %	+33.7 %	+4.0 %	-18.3 %	+18.9 %
Indicateur de référence	+28.9 %	+6.7 %	+27.5 %	-13.0 %	+18.1 %

Annualised Performance	3 Years	5 Years	10 Years
Carmignac Investissement	+2.0 %	+9.9 %	+7.5 %
Indicateur de référence	+8.5 %	+10.5 %	+11.0 %

Source: Carmignac at 30 Apr 2024.

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

Marketing communication. Please refer to the KID/KIID, prospectus of the fund before making any final investment decisions. This document is intended for professional clients.

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The Funds' prospectus, KIDs, NAVs and annual reports are available at www.carmignac.com, or upon request to the Management Company. Carmignac Portfolio refers to the sub-funds of Carmignac Portfolio SICAV, an investment company under Luxembourg law, conforming to the UCITS Directive. The French investment funds (fonds communs de placement or FCP) are common funds in contractual form conforming to the UCITS or AIFM Directive under French law.

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