

## CARMIGNAC PATRIMOINE: FLEXIBILITY AND SELECTIVITY GO TOGETHER

Investing for tomorrow

10.07.2020

**Any investor will tell you that being selective is crucial to investing your savings in financial markets – and even more so in hard times. When combined with an active, flexible approach, selectivity can prove to be multi-faceted.**

Carefully choosing sectors, countries and companies in which to invest is obviously critical to growing your savings over time. But picking the right asset class – equities, bonds, currencies – within those broader investment options is no less vital. In fact, it may even bring unforeseen opportunities to light.

Precisely that kind of flexibility is what you get from Carmignac Patrimoine. We offer you a solution that involves global, diversified, extremely selective allocation.

### **Benefit from the full range of expertise offered by our Fund Management team**

Carmignac Patrimoine draws on a unique line-up of complementary types of expertise – not only macroeconomic, geographical and sectoral expertise, but also deep knowledge of every asset class within the equity and fixed income markets.

At Carmignac, we have always encouraged teamwork, the constant sharing of ideas and cultural diversity. Total synergy and collaboration is thus what characterises relations between members of our Fund Management team. That provides to the Fund Managers of Carmignac Patrimoine a comprehensive view of the opportunities

#### **The duo leading Carmignac Patrimoine**



David Older, Head of Equities, and

available in their investment universe and enables them to proceed selectively with allocation in their portfolios.

Rose Ouahba, Head of Fixed Income

## How flexibility and selectivity fit together in practice

### Through asset allocation

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A look at Europe



The surge in coordination between the European Commission, the European Central Bank and national governments to tackle the Covid-19 crisis has given Europe fresh impetus, providing a clearer sense of the region's future.

**Equities, corporate credit, sovereign bonds – where should you be investing your money?** Based on thorough-going analysis, we feel that fixed income now holds the greatest potential value. For example, we view **bank bonds** as more attractive than the shares of European banks, whose profit margins have been eroded by a combination of steadily falling interest rates and stricter regulation. **Sovereigns from the eurozone periphery**, one of our investment themes since August 2012, likewise offer a promising avenue for those who wish to benefit directly from the new trend towards coordination. Once an investment theme has been identified, David and Rose share their views on how they can most effectively exploit it by choosing from among a variety of asset classes, regions and sectors.

### Through the capital structure

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A look at the aviation industry

The Covid-19 outbreak has badly battered the aviation industry. Our equity and fixed income analysts have taken a closer look at the issue in



order to identify secular impacts and potential opportunities. Attractive points of entry in corporate credit have convinced us to **buy the bonds of specific airlines and aircraft makers, whereas we have sold all the shares related to the sector in our portfolio.**

**Why?** Because an equity investor is looking for growth, and on this point our investment case has changed completely. On the other hand, as credit investors, we place a premium on debt sustainability – that is, the debtor’s ability to make timely interest payments and pay back the principal. We believe, on that basis, that the credit spreads offered by some issuers properly reward investors for the risk incurred.

## Through global dynamics

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A look at e-commerce



As long-standing investors in Amazon, we have spent a number of years trying to figure out what drives this sector’s success and competitive dynamics. That effort led our consumer analyst and emerging markets experts to **hunt down e-commerce opportunities** in areas that are yet underpenetrated.

**As a result, we invested in Mercadolibre,** Latin America’s leading provider in the field, **and Sea Limited,** which serves the East Asian market.

## For whom?

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Investors who want to maximize their potential returns.

## Why?

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To choose the most attractive opportunity offered by a given sector, country or even company.

## How?

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By leveraging the solid, complementary insights of our experts and our global, flexible investment approach.

Our solution : Carmignac Patrimoine

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## Carmignac Patrimoine's objective

The Fund aims to outperform its reference indicator<sup>1</sup> over 3 years.

### Carmignac Patrimoine

#### 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.

**INTEREST RATE:** Interest rate risk results in a decline in the net asset value in the event of changes in interest rates.

**CREDIT:** Credit risk is the risk that the issuer may default.

**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.

Recommended  
minimum investment  
horizon:



\* Source: Carmignac, 06/07/20. For the share class A EUR Acc.

Risk Scale from the KIID (Key Investor Information Document). Risk

1 does not mean a risk-free investment. This indicator may change over time.

<sup>1</sup> Reference indicator: 50% MSCI ACWI (USD) (Reinvested net dividends) + 50% Citigroup WGBI All Maturities (EUR). Quarterly rebalanced.

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