

MERGER OF THE FUND  
**CARMIGNAC EURO-ENTREPRENEURS**  
WITH  
**CARMIGNAC PORTFOLIO GRANDE EUROPE**

(ISIN: FR0010149112; FR0014000AL1)

28 October 2022, Paris

## LETTER TO HOLDERS OF THE FUND CARMIGNAC EURO-ENTREPRENEURS

Dear Sir/Madam,

We would like to thank you for the trust you have placed in us. We are honoured to count you among the holders of A EUR Acc and F EUR Acc units in the Carmignac Euro-Entrepreneurs fund.

### 1. WHAT CHANGES ARE BEING MADE TO THE FUND?

We are writing to inform you of an important upcoming change:

With the agreement of the Carmignac Portfolio SICAV's Board of Directors, Carmignac Gestion and Carmignac Gestion Luxembourg have decided to streamline their fund offering. Carmignac Euro-Entrepreneurs, a French FCP, will be merged into Carmignac Portfolio Grande Europe, a sub-fund of Carmignac Portfolio, a Luxembourg SICAV.

Carmignac Euro-Entrepreneurs' assets under management were less than EUR 150 million at 31 May 2022, and the prospects for developing the Fund's strategy now appear limited.

The performance of the Carmignac Portfolio Grande Europe fund in the last five years has exceeded that of the Carmignac Euro-Entrepreneurs fund:

#### **Carmignac Euro Entrepreneurs A EUR Acc performance**

Over the recommended minimum investment period of five years, the Fund shows a cumulative net performance of +9.78% (versus +19.25% for the reference indicator<sup>1</sup>), i.e. annualised performance of 1.88% (versus 3.58% for the reference indicator) (at 31/08/2022).

#### **Carmignac Portfolio Grande Europe A EUR Acc performance**

Over the recommended minimum investment period of five years, the Fund shows a cumulative net performance of +36.49% (versus +25.92% for the reference indicator), i.e. annualised performance of 6.42% (versus 4.71% for the reference indicator) (at 31/08/2022).

The two funds are managed by the same European equity fund management team within the Carmignac group.

The main difference between the two funds in terms of management lies in their investment universe, with Carmignac Euro-Entrepreneurs investing primarily in small and mid caps but Carmignac Portfolio Grande Europe investing mostly in large caps. This explains the performance gap between the two funds.

In light of the above, the management companies believe that the merger is likely to promote the interests of holders.

As part of the merger, you will exchange your units in the merging fund, Carmignac Euro-Entrepreneurs, for shares in the receiving fund, Carmignac Portfolio Grande Europe.

#### **Important information:**

**We draw your attention to the fact that, from 2 December 2022, any issues or disputes concerning your rights and obligations as a shareholder of the Carmignac Portfolio SICAV will be subject to the rules and jurisdiction of the Luxembourg courts.**

**The way in which Luxembourg registers work may prevent you from exercising your investor rights before the Luxembourg authorities or courts, depriving you of any possibility to bring a complaint or take action. Investors may fully exercise their investor rights directly against an investment company or fund only if they appear themselves and in their own name in the register of shareholders or unitholders, requiring direct investment in the SICAV without the involvement of an intermediary.**

The merger is a "cross-border" merger as provided by articles 37 et seq. of Directive 2009/65/EC (UCITS IV directive). It involves two UCITS that are governed by different countries' legislation.

<sup>1</sup> The indicator relative to which a fund's performance is measured

## 2. WHEN WILL THIS CHANGE TAKE EFFECT?

The AMF approved this merger on 18 October 2022. It will take effect on 2 December 2022. Exchange ratios will be based on the net asset values<sup>2</sup> of 1 December 2022, published on 2 December 2022.

**Please note that for this procedure to run smoothly, you will not be able to subscribe for new units or ask to redeem existing units in Carmignac Euro-Entrepreneurs after 25 November 2022.**

The manager of the merging fund will ensure that PEA and small/mid-cap ratios, as well as the exposure levels stipulated in legal documentation, are respected until the merger is complete. However, in the days preceding the merger (up to three days, and during the period in which subscriptions/redemptions are suspended), the manager may exceed the fund and cash holding ratio to facilitate the incorporation of the merging fund's assets into the receiving fund.

As the NAV of Carmignac Euro-Entrepreneurs is calculated every day, the last NAV at which subscriptions or redemptions may be executed before the merger will be that of 25 November 2022.

If you do not agree to these changes, you have until 25 November 2022 to redeem your units free of charge.

## 3. WHAT IMPACT WILL THESE CHANGES HAVE ON THE RISK/RETURN PROFILE OF YOUR INVESTMENT?

The merger will take effect on 2 December 2022.

- Change in risk/return profile: No
- Increase in risk profile: No
- Potential increase in fees: No
- Extent of change in risk/return profile: Not significant



<sup>2</sup> The net asset value (NAV) is equal to the price for buying or selling one unit of the FCP (fonds commun de placement) or one share of the SICAV (société d'investissement à capital variable).

## 4. HOW DOES THIS CHANGE AFFECT YOUR TAX SITUATION?

Unitholders are encouraged to contact their usual advisor in order to assess the consequences of the change given the specific characteristics of their circumstances and tax residence.

### **The receiving fund is eligible for the PEA, as is the merging fund.**

For persons resident in France for tax purposes:

**For natural persons holding the fund outside a PEA:** This procedure will be subject to the deferred tax plan (article 150-0 B of the French General Tax Code). Deferment means that, for tax purposes, this merger will be treated as an interim transaction that, for the year in which the exchange is made, is not taken into account when calculating income tax. Capital gains yet to be realised on the date of the exchange will have their tax deferred until the shares received through the merger are sold, provided that the amount of any balance is no more than 10% of the exchange value of shares received.



**For legal entities subject to corporation tax or income tax when they are taxed under a BIC (industrial and commercial profits) or BA (agricultural profits) real earnings scheme:** This procedure will be subject to the deferred tax plan (article 38-5 B of the French General Tax Code). Provided that the amount of any balance is no more than 10% of the exchange ratio of the shares received, only the portion of the capital gain corresponding to the balance paid is taxable immediately; the result of the exchange (excluding the balance) will be included in the results for the year in which the shares received in the exchange are sold.

However, for legal entities subject to corporation tax, neutralisation of the exchange loses some of its effect due to the mandatory valuation of units/shares on the basis of their net asset value at the end of the financial year, in accordance with article 209 OA of the French General Tax Code.


## 5. WHAT ARE THE MAIN DIFFERENCES BETWEEN THE FUND IN WHICH YOU CURRENTLY HOLD UNITS AND THE FUTURE FUND?



Main differences between Carmignac Euro-Entrepreneurs and Carmignac Portfolio Grande Europe at 31/10/2022:

Parties involved in the funds	Before merger CARMIGNAC EURO-ENTREPRENEURS (merging fund)	After merger CARMIGNAC PORTFOLIO GRANDE EUROPE (receiving fund)
Management company*	Carmignac Gestion	Carmignac Gestion Luxembourg
Custodian	BNP Paribas, S.A.	BNPP, Luxembourg Branch
Statutory Auditors	PricewaterhouseCoopers Audit, SA	PricewaterhouseCoopers Société coopérative
Financial management delegated to	Carmignac Gestion Luxembourg	Carmignac Gestion Luxembourg does not delegate financial management
Company appointed to receive subscriptions/redemptions	BNP Paribas (centralising agent) and CACEIS Bank, Luxembourg Branch (pre-centralising agent)	CACEIS Bank, Luxembourg Branch
Legal regime and investment policy	French common fund (FCP)	Luxembourg SICAV sub-fund

Change to risk/reward profile	Before merger CARMIGNAC EURO-ENTREPRENEURS (merging fund)	After merger CARMIGNAC PORTFOLIO GRANDE EUROPE (receiving fund)
Level of risk		
Change in exposure to the different types of risk	Exposure brackets: - Small and mid caps [75%: 100%] - Cash: [0% - 10%] - Equity risk [60%: 200%] - Interest rate risk: [0%: 25%] - Risk outside the European Economic Area: [0%: 25%] - PEA: [75%: 100%]	Exposure brackets: - Cash: [0% - 20%] - Equity risk [0%: 200%] - Interest rate risk: [0%: 25%] - Risk outside the European Economic Area: [0%: 25%] - PEA: [75%: 100%]

Strategy	Before merger CARMIGNAC EURO-ENTREPRENEURS (merging fund)	After merger CARMIGNAC PORTFOLIO GRANDE EUROPE (receiving fund)
Reference indicator	Stoxx Europe 200 Mid NR (EUR)	Stoxx 600 NR (EUR)
Objective	The fund is managed on a discretionary basis with an active asset allocation policy as regards the market for small and mid-cap European stocks. Its objective is to outperform its reference indicator.	The fund aims to outperform its reference indicator over a period exceeding five years. It also seeks to invest sustainably by targeting long-term growth, and follows a socially responsible investment approach.
Emerging countries	Investment of up to 25% on emerging markets	Investment of up to 10% on emerging markets
Investment in small, mid or large caps	Investment of at least 75% in small and mid caps	Investment of at least 75% in large caps
Commodity exposure	Up to 20% of the net assets	Up to 10% of the net assets
SFDR classification	The fund has environmental (E) and governance (G) characteristics. It complies with Article 8 on sustainability-related disclosures in the financial services sector (SFDR).	In accordance with article 9 of the sustainability-related financial disclosures regulation (SFDR), the fund has a sustainable investment objective.

Fees	Before merger CARMIGNAC EURO-ENTREPRENEURS (merging fund)	After merger CARMIGNAC PORTFOLIO GRANDE EUROPE (receiving fund)
Transaction fees charged by the management company of the merging fund	French stock exchange: 0.30% maximum (inclusive of tax) on each transaction; this fee is 0.05% maximum (inclusive of tax) for bond transactions  Foreign stock exchange: 0.40% maximum (inclusive of tax) on each transaction; this fee is 0.05% maximum (inclusive of tax) for bond transactions	N/A
Other fees of the Receiving Fund	N/A	maximum 0.30% 

Ongoing charges	A EUR Acc units: 2.19% F EUR Acc units: 1.54%	A EUR Acc shares: 1.80% F EUR Acc shares: 1.14%	
Performance fee	<p>Up to 20% of the outperformance provided that:</p> <ul style="list-style-type: none"> <li>- year-to-date performance exceeds that of the reference indicator;</li> <li>- no previous underperformance (over a period of up to five years) still needs to be clawed back, even if the unit has performed negatively.</li> </ul> <p>The management company will not deduct any performance fee from the Fund for the current year.</p>	<p>Up to 20% of the outperformance provided that:</p> <ul style="list-style-type: none"> <li>- year-to-date performance exceeds that of the reference indicator;</li> <li>- no previous underperformance (over a period of up to five years) still needs to be clawed back, even if the unit has performed negatively.</li> </ul> <p>The management company has introduced a mechanism to neutralise the subscription/redemption volume effect on the non-accounting calculation of performance fees, to guarantee that everyone who previously held units in the merging fund is treated equally.</p>	

Practical information	Before merger CARMIGNAC EURO-ENTREPRENEURS (merging fund)	After merger CARMIGNAC PORTFOLIO GRANDE EUROPE (receiving fund)
Name	CARMIGNAC EURO-ENTREPRENEURS	CARMIGNAC PORTFOLIO GRANDE EUROPE
ISIN	A EUR Acc: FR0010149112 F EUR Acc: FR0014000AL1	A EUR Acc: LU0099161993 F EUR Acc: LU0992628858
Place from which information on the fund/SICAV may be obtained	www.carmignac.com	www.carmignac.com
Place from which the NAV may be obtained	www.carmignac.com	www.carmignac.com

\*The AMF approved these changes on 18 October 2022

## 6. WHAT CHANGES ARE BEING MADE TO THE FUND?

This document is important and requires your attention. If in doubt, please contact your usual advisor.

Please note the importance of reading the Key Investor Information Document (KIID). Your usual advisor is available should you require any further information.

The KIID, the prospectus and the latest annual and semi-annual reports are available in French, English, German, Italian, Spanish and Dutch at [www.carmignac.com](http://www.carmignac.com) and can also be obtained free of charge upon request from the fund's management company.

Yours faithfully,

Christophe Peronin  
General Manager

The Prospectus (including the Management Regulations) for Switzerland, the Key Investor Information Documents, the annual and semi-annual reports for Switzerland of the Absorbed Fund can be obtained free of charge from the Representative in Switzerland.

The Prospectus for Switzerland, the Key Investor Information Documents, the Articles of Association, the annual reports and the semi-annual reports for Switzerland of the Receiving Fund are available free of charge from the Representative in Switzerland.

Representative in Switzerland:

CACEIS (Switzerland) SA  
Route de Signy 35  
CH-1260 Nyon

Payment service in Switzerland:

CACEIS Bank, Montrouge, Nyon branch / Switzerland  
Route de Signy 35  
CH-1260 Nyon



## APPENDIX 1 – Example of how the exchange ratio is calculated

The exchange ratio used for the merger, expressed to three decimal places, will be as follows for each unit class:

$$\frac{\text{Net asset value}^3 \text{ per A EUR Acc or F EUR Acc unit of the CARMIGNAC EURO-ENTREPRENEURS fund}}{\text{Net asset value per A EUR Acc or F EUR Acc share in the CARMIGNAC PORTFOLIO GRANDE EUROPE fund}}$$

Thus calculated, and with units of the merging fund, Carmignac Portfolio Grande Europe, being expressed to six decimal places, no balance will be payable to holders (no fractions).

Example of how the exchange ratio is calculated using the net asset values of A EUR Acc units in the Carmignac Portfolio Grande Europe fund (here, the net asset values used are those of 05/06/2022):

A person holding 1 A EUR Acc unit in Carmignac Euro-Entrepreneurs, valued at €405.97, when 1 A EUR Acc share of Carmignac Portfolio Grande Europe is valued at €271. The holder who had €405.97 representing 1 A EUR Acc unit of the Carmignac Euro-Entrepreneurs fund will still have €405.97 after the merger, but this will now represent 1.498 A EUR Acc shares in the Carmignac Portfolio Grande-Europe fund (i.e.  $405.97/271 = 1.498$ ).

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<sup>3</sup> The net asset value (NAV) is equal to the price for buying or selling one unit of the FCP (fonds commun de placement) or one share of the SICAV (société d'investissement à capital variable).