

# CARMIGNAC ABSOLUTE RETURN EUROPE F EUR ACC

FRENCH MUTUAL FUND (FCP)



Recommended  
minimum investment  
horizon:

3 YEARS



FR001400JG56

Monthly Factsheet - 30/04/2024

## 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 SINCE LAUNCH (Basis 100 - Net of fees)

Due to European regulations we are only permitted to show fund performance over a minimum period of one year.

### CUMULATIVE AND ANNUALIZED PERFORMANCE (as of 30/04/2024 - Net of fees)

Due to European regulations we are only permitted to show fund performance over a minimum period of one year.

### ANNUAL PERFORMANCE (%) (Net of fees)

Due to European regulations we are only permitted to show fund performance over a minimum period of one year.

### STATISTICS (%)

### PERFORMANCE CONTRIBUTION

Due to European regulations we are only permitted to show fund performance over a minimum period of one year.



J. Fredriksson



D. Smith

## KEY FIGURES

Net Equity Exposure	23.3%
Short Equity Issuers	41
Long Equity Issuers	80

## FUND

SFDR Fund Classification: Article 8

Domicile: France

Fund Type: UCITS

Legal Form: FCP

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: 218M€ / 233M\$ <sup>(1)</sup>

Fund Currency: EUR

## SHARE

Dividend Policy: Accumulation

Date of 1st NAV: 31/08/2023

Base Currency: EUR

Share class AUM: 34M€

NAV: 104.55€

Morningstar Category™: Long/Short Equity - Europe

## FUND MANAGER(S)

Johan Fredriksson since 01/09/2023

Dean Smith since 01/09/2023

## OTHER ESG CHARACTERISTICS

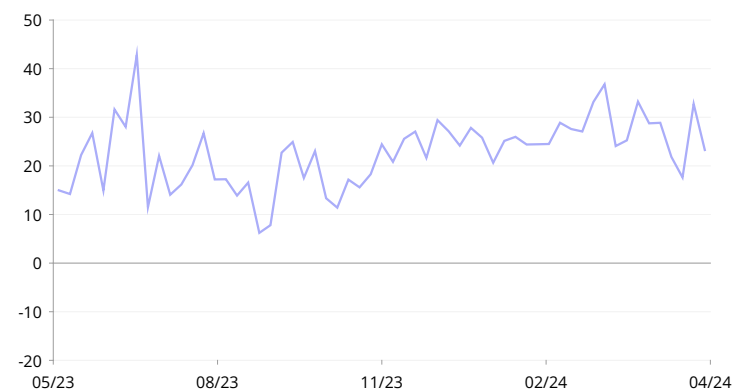
Minimum % Taxonomy Alignment ..... 0%

Minimum % Sustainable Investments ..... 0%

Principal Adverse Impact Indicators ..... Yes

**PORTFOLIO BREAKDOWN**

Equity Long Exposure	122.1%
Equity Short Exposure	-98.8%
Equity Net Exposure	23.3%
Equity Gross Exposure	220.8%

**EQUITY EXPOSURE - 1 YEAR HORIZON (% AUM) <sup>(1)</sup>**

**NET SECTORIAL EXPOSURE**

Information Technology	11.1%
Financials	8.7%
Industrials	7.9%
Consumer Discretionary	6.3%
Healthcare	6.1%
Consumer Staples	5.4%
Communication Services	3.6%
Utilities	3.4%
Materials	2.4%
Real Estate	0.7%
Index Derivatives	-32.4%

**NET GEOGRAPHICAL EXPOSURE**

North America	9.5%
Europe EUR	31.3%
Europe ex-EUR	10.6%
Other countries	4.2%
Index Derivatives	-32.4%

**NET CAPITALISATION EXPOSURE**

Large (>10000 MEUR)	52.0%
Mid (2000 - 10000 MEUR)	3.6%
Small (<2000 MEUR)	0.1%
Index Derivatives	-32.4%

**TOP NET EXPOSURE - LONG**

Name	Country	Sector / Rating	%
NOVO NORDISK A/S	Denmark	Healthcare	2.8%
MICROSOFT CORP	USA	Information Technology	2.3%
ASML HOLDING NV	Netherlands	Information Technology	2.1%
AMAZON.COM INC	USA	Consumer Discretionary	2.1%
META PLATFORMS INC	USA	Communication Services	2.1%
AIRBUS SE	France	Industrials	1.7%
LONZA GROUP AG	Switzerland	Healthcare	1.6%
SAP SE	Germany	Information Technology	1.6%
E.ON SE	Germany	Utilities	1.6%
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	Taiwan	Information Technology	1.6%
<b>Total</b>			<b>19.7%</b>

**TOP NET EXPOSURE - SHORT**

Region	Sector	%
Sweden	Information Technology	-0.9%
USA	Information Technology	-0.8%
Germany	Industrials	-0.8%
Switzerland	Materials	-0.7%
Spain	Communication Services	-0.7%
Sweden	Industrials	-0.7%
Sweden	Financials	-0.7%
Switzerland	Healthcare	-0.6%
United Kingdom	Consumer Discretionary	-0.6%
Sweden	Industrials	-0.6%
<b>Total</b>		<b>-7.2%</b>

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

**MARKETING COMMUNICATION**

Please refer to the KIID/KID/prospectus of the fund before making any final investment decisions. For more information please visit [www.carmignac.ch](http://www.carmignac.ch)

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

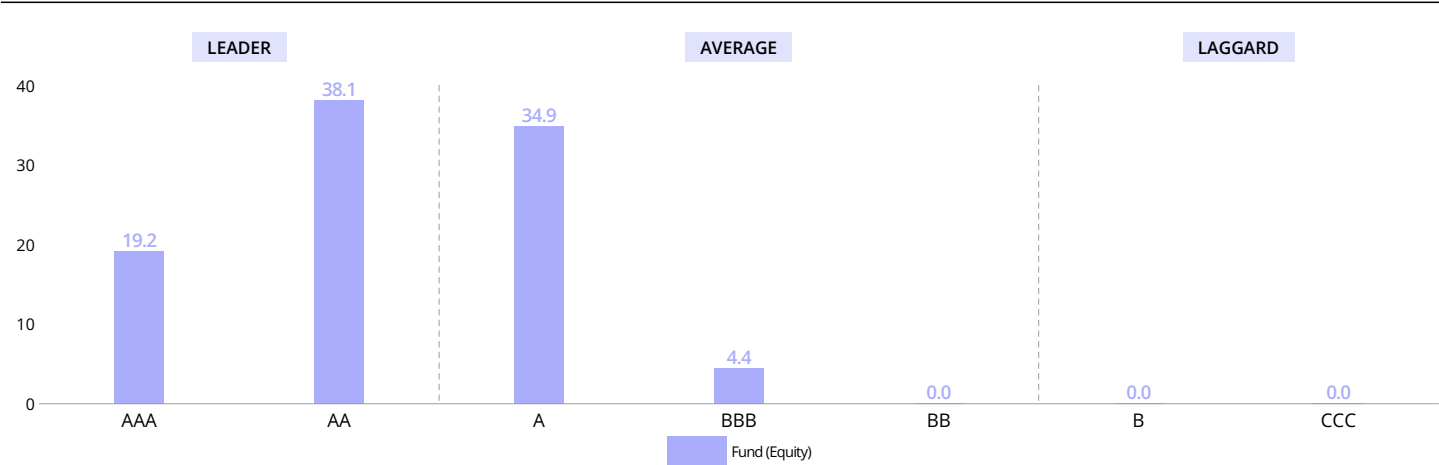
Number of issuers in the portfolio	69
Number of issuers rated	66
Coverage Rate	95.7%

Source: Carmignac

ESG SCORE

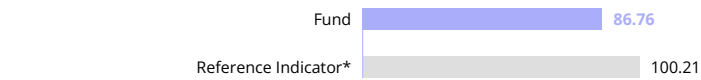
Carmignac Absolute Return Europe F EUR Acc	AA
Source: MSCI ESG	

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: 96.7%

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



Source: MSCI, 30/04/2024. 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 MSCI 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 CO2 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	5.1%	AAA
NOVO NORDISK AS	2.7%	AAA
CARLSBERG AS	1.0%	AAA
STMICROELECTRONICS NV	0.7%	AAA
ENEL SPA	0.3%	AAA

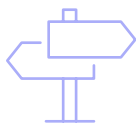
Source: MSCI ESG

\* 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.

MARKETING COMMUNICATION

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## FUND MANAGEMENT ANALYSIS



### MARKET ENVIRONMENT

April proved to be a very difficult month for most risky assets. In our monthly newsletter for March, we highlighted the risks that lie ahead, not just from the Middle East conflict but also future inflation figures and consequent changes in interest rate expectations, not to mention the uncertainty surrounding corporate earnings given the market's relatively bullish positioning at the time. However, we were not really expecting Iran to attack Israeli territory. The escalation of tension in the region, lukewarm macroeconomic data and persistent inflation made investors more defensive in April, with global equities and bonds down, and commodities and the dollar up. Higher-than-expected inflation figures pushed up bond yields and delayed US rate cuts, which even left European investors wondering about the ECB's own timing. Risk premia and equity volatility increased as a result, and investors' confidence quickly evaporated.



### PERFORMANCE COMMENTARY

In these difficult conditions, the Fund reversed some of the gains accumulated earlier in the year, with a negative monthly performance. By way of comparison, the EURO STOXX was down 3.3% and the Nasdaq 4.2%. Our short portfolio, which includes derivative hedges, returned +1.20% but our long portfolio negated this with a loss of -2.81%. The main drags were technology, industrial and fintech stocks, on which investors took lots of profits after strong early-year gains. The top contributors to equity performance were in healthcare and included our new position in AstraZeneca, which published solid Q1 earnings and announced positive developments with its R&D medicines portfolio. We still think the stock will climb at least until its board meeting later in May. Our biggest position in the luxury goods sector, Prada, also continued to bear fruit. Prada's earnings surpassed expectations, lending weight to our view that the company could enjoy a reversal of fortunes and strengthen its brand. The heaviest blow to the Fund in April came from digital payments company Adyen, which fell just short of its Q1 sales forecasts and saw its share price tumble 18% in one day. Other long positions on technology stocks were hit by profit-taking after a recent surge, amid fears of higher interest rates. The portfolio's activity during the month was therefore centred around risk management and repositioning whenever opportunities arose. Our total gross exposure was trimmed from 135% to 125% while net exposure stayed close to +20%.



### OUTLOOK AND INVESTMENT STRATEGY

We are now approaching the mid-way point in the Q1 reporting season and although the market has not reacted very well to announcements made, earnings have – on average – beaten most analysts' forecasts. All in all, we think that the bottom-up approach to most of the universe on which we are concentrated is therefore appropriate. We still believe in a barbell strategy for the portfolio. Firstly because there are several reasons why structural factors such as artificial intelligence, the cyclical upswing for semiconductors, and GLP-1 pharmaceutical products will become even more important over the coming quarters. Secondly because global investors are increasingly looking to diversify towards cyclical names and value stocks. This brings Europe back to the forefront, and we think that our Fund is very well placed to take advantage of it. The ECB will probably be the first major central bank to cut interest rates, and this should kick-start a recovery in other EU industries like construction, to which we are now devoting more time. We also believe that EU banks and financials are undervalued when judged by the profits and cash that they return to their investors.

## 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>.

**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](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 <sup>(1)</sup>	Exit costs <sup>(2)</sup>	Management fees and other administrative or operating costs <sup>(3)</sup>	Transaction costs <sup>(4)</sup>	Performance fees <sup>(5)</sup>	Minimum Initial Subscription <sup>(6)</sup>	Single Year Performance (%)				
											28.04.23-30.04.24	29.04.22-28.04.23	30.04.21-29.04.22	30.04.20-30.04.21	30.04.19-30.04.20
A EUR Acc	03/02/1997	CARFRPR FP	FR0010149179	Max. 2%	Max. 4%	—	2.3%	0.98%	20%	—	6.2	-8.3	6.6	9.2	1.6
A EUR Ydis	19/06/2012	CAREPDE FP	FR0011269406	Max. 2%	Max. 4%	—	2.3%	0.98%	20%	—	6.2	-8.3	4.1	9.4	1.6
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](http://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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