

# CARMIGNAC P. EMERGENTS

January 2024

15/02/2024 | XAVIER HOVASSE, HAIYAN LI-LABBÉ

## PORTFOLIO NEWS

Cumulative returns (%)	January 2024	2023	3 years	5 years
Carmignac P. Emergents F EUR Acc	-5.0%	+9.8%	-22.8%	+35.8%
Performance reference indicator	-3.0%	+6.1%	-11.5%	+11.0%

As of 31/01/2024. Carmignac P. Emergents F EUR Acc (ISIN: LU0992626480). Ref. indicator: MSCI EM NR USD) (Reinvested net dividends rebalanced quarterly). Past performance is not necessarily indicative of future performance. Performances are net of fees (excl. possible entrance fees charged by the distributor). The return may increase or decrease as a result of currency fluctuations. The fund presents a risk of capital loss.

## MARKETS REVIEW

- In January, emerging markets started the year in negative territory against a backdrop of increased US-China tensions.
- In China, the PBOC cut its Reserve Requirement Ratio (RRR) by 50 basis points in order to ease financial conditions. However, this wasn't enough to lift the markets that were down again impacted by weak economic data combined with increased US-China tensions due to concerns regarding headlines about Trump's potential coming back and that he has discussed with advisers the possibility of imposing a flat 60% tariff on all Chinese imports. Moreover, US government introduced a drafted version of "Biosecure Act" bill in the US House of Representatives, proposing to restrict federally funded medical providers from using foreign adversary biotech companies of concern.
- Finally, after a solid end of the year, Latin American markets ended the month in negative territory, due to profit taking and weak economic data across the world.

## PERFORMANCE REVIEW

## TOP 3 CONTRIBUTORS

Excellent rebound of our biggest position Taiwan Semiconductor and our Indian names.

- **TAIWAN SEMICONDUCTOR** (Tech) - Taiwan
- **ICICI LOMBARD** (Insurance) - India
- **NEW ORIENTAL** (Education) - China

## TOP 3 DETRACTORS

Weakness of our Chinese consumer and healthcare stocks against a backdrop of increasing US-China tensions. Weakness of Samsung despite solid results.

- **SAMSUNG ELECTRONICS** (Tech) - S. Korea
- **JD.COM** (eCommerce) - China
- **EHANG** (Industry) - China

## NOTABLE PORTFOLIO MOVES

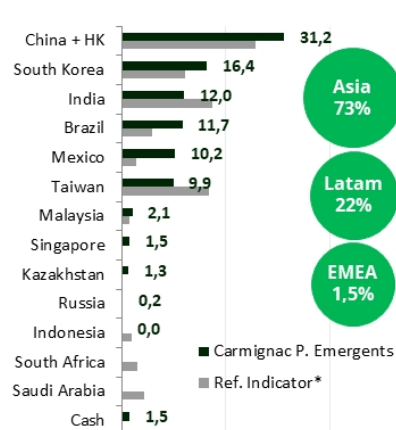
- **New positions:** -
- **Reinforcements:** Kotak Mahindra (India), Samsung Electronics (S. Korea), Eletrobras (Brazil)
- **Reductions:** New Oriental (China), Haier (China), Didi (China)
- **Positions sold:** Sungrow (China)
- **Number of holdings:** 35 (target range 35/55)

## POSITIONING AS OF 31/01/2024

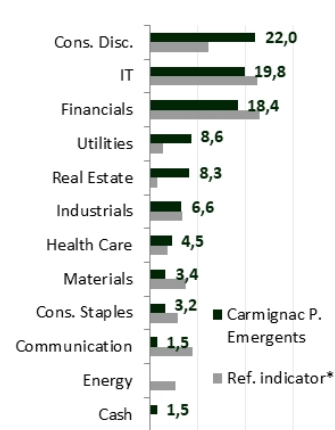
Top 10 – main positions of the Fund

Stock	Country	%Assets	MSCI ESG	START Rating
1 TAIWAN SEMICONDUCTOR	Taiwan	9,8%	AAA	A
2 SAMSUNG ELECTRONICS	South Korea	9,4%	A	B
3 GRUPO BANORTE	Mexico	6,8%	AA	B
4 ELETROBRAS	Brazil	6,0%	BB	A
5 DIDI	China	3,8%	B	C
6 KOTAK MAHINDRA	India	3,6%	AA	A
7 HYUNDAI MOTOR	South Korea	3,6%	B	B
8 ICICI LOMBARD	India	3,5%	BBB	B
9 LG CHEM	South Korea	3,4%	AA	B
10 MINISO	Mexico	3,2%	AA	A
<b>TOTAL</b>		<b>53,2%</b>		

By country (none rebased)



By sector (none rebased)



## BREAKDOWN OF THE FUND BY SGD ALIGNMENT



Our portfolio is currently structured around 4 major socially responsible investment (SRI) themes that are central to our process:

## STRATEGY REMINDER

### INVESTMENT OBJECTIVES

#### Performance objective:

- The fund aims to outperform its reference indicator over a recommended investment horizon of 5 years.

#### Sustainable objective:

- 100% of investments (ex-cash holdings) in emerging companies that derive a substantial part of their revenues or capital expenditures from goods & services related to business activities which align positively with SDGs, or have operations aligned with SDGs (source: Factset)
- Carbon intensity 50% lower than the ref. indicator (tons of CO<sub>2</sub> per million USD revenues, converted to euros).

#### STRATEGY BENEFITS:

- A **9-year track record with Xavier Hovasse as lead PM, and Haiyan Li-Labbé** nominated co-PM in January 2021, both with 20+ year industry experience in emerging markets.
- A **diversified portfolio**, with a selective exposure to the Asian markets, an increased allocation to LatAm and through companies with attractive valuations.
- **SFDR Article 9 Strategy with a fully integrated SRI & low carbon approach**, awarded the French government's SRI label in 2019 and the Belgium Towards Sustainability label in 2020.
- A **portfolio with a positive environmental and social contribution**, 100% of assets (excl. cash) invested in companies whose revenues or capital expenditures or operations are positively aligned United Nations Sustainable Development Goals (SDG) and a carbon footprint 70% lower than the MSCI EM NR Index (as of 31/01/2024).
- **High conviction and active approach**: 35 to 55 stocks on average, high active share (>85%).
- An **effective portfolio diversification tool and a source of performance**, proven by a solid track record (1<sup>st</sup> quartile among peers since launch), 4 Star Ranking, and a solid AUM of 1.2 bn € (end of January 2024).

Reference indicator: MSCI EM (USD) (NR reconverted into EUR). Past performance is not necessarily indicative of future performance. Performances are net of fees (excluding possible entrance fees charged by the distributor). The return may increase or decrease as a result of currency fluctuations. The fund presents a risk of capital loss. F EUR Acc share class, ISIN code: LU0992626480. Reference to certain securities and financial instruments is for illustrative purposes to highlight stocks that are or have been included in the portfolios of funds in the Carmignac range. This is not intended to promote direct investment in those instruments, nor does it constitute investment advice. The Management Company is not subject to prohibition on trading in these instruments prior to issuing any communication. Portfolio holdings are subject to change and should not be considered a recommendation to buy or sell individual securities. Source: Carmignac, MSCI, Morningstar 29/12/2023 Carmignac Portfolio Emergents obtained the French and Belgian SRI Labels: <https://www.lalabelisr.fr/en/>; <https://www.towardsustainability.be/>; <https://www.febelfin.be/fr>. Other investment restrictions apply. Please refer to the fund documentation for a complete description of the fund. 1 Sustainable Finance Disclosure Regulation (SFDR) 2019/2088. For more information please refer to EUR-lex.

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

SFDR - Fund Classification\*\* :

Article 9



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. **EMERGING MARKETS:** Operating conditions and supervision in "emerging" markets may deviate from the standards prevailing on the large international exchanges and have an impact on prices of listed instruments in which the Fund may invest. **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 :** We do not charge an entry fee.

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

**Management fees and other administrative or operating costs :** 1,32% of the value of your investment per year. This estimate is based on actual costs over the past year.

**Performance fees :** 20,00% when the share class overperforms the Reference indicator during the performance period. It will be payable also in case the share class has overperformed the reference indicator but had a negative performance. Underperformance is clawed back for 5 years. 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 :** 0,37% 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: LU0992626480)

Calendar Year Performance (as %)	2014	2015	2016	2017	2018
Carmignac Portfolio Emergents	+6.4 %	+3.9 %	+1.7 %	+19.8 %	-18.2 %
Indicateur de référence	+11.4 %	-5.2 %	+14.5 %	+20.6 %	-10.3 %

Calendar Year Performance (as %)	2019	2020	2021	2022	2023
Carmignac Portfolio Emergents	+25.5 %	+44.9 %	-10.3 %	-14.3 %	+9.8 %
Indicateur de référence	+20.6 %	+8.5 %	+4.9 %	-14.9 %	+6.1 %

Annualised Performance	3 Years	5 Years	10 Years
Carmignac Portfolio Emergents	+4.7 %	+7.3 %	+6.2 %
Indicateur de référence	+1.9 %	+2.8 %	+5.7 %

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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Past performance is not necessarily indicative of future performance. Performances are net of fees (excluding possible entrance fees charged by the distributor). The return may increase or decrease as a result of currency fluctuations, for the shares which are not currency-hedged.

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The Funds' prospectus, KIDs, NAVs and annual reports are available at [www.carmignac.com](http://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.

- **In France, Luxembourg, Sweden:** The risks, fees and ongoing charges are described in the KID (Key Information Document). The KID must be made available to the subscriber prior to subscription. The subscriber must read the KID. Investors may lose some or all their capital, as the capital in the funds are not guaranteed. The Funds present a risk of loss of capital. The Funds' prospectus, KIDs, NAV and annual reports are available at [www.carmignac.com](http://www.carmignac.com), or upon request to the Management Company.
- **In the United Kingdom:** the Funds' respective prospectuses, KIIDs and annual reports are available at [www.carmignac.co.uk](http://www.carmignac.co.uk), or upon request to the Management Company, or for the French Funds, at the offices of the Facilities Agent at BNP PARIBAS SECURITIES SERVICES, operating through its branch in London: 55 Moorgate, London EC2R. This document was prepared by Carmignac Gestion, Carmignac Gestion Luxembourg or Carmignac UK Ltd. FP Carmignac ICVC (the "Company") is an Investment Company with variable capital incorporated in England and Wales under registered number 839620 and is authorised by the FCA with effect from 4 April 2019 and launched on 15 May 2019. FundRock Partners Limited is the Authorised Corporate Director (the "ACD") of the Company and is authorised and regulated by the FCA. Registered Office: Hamilton Centre, Rodney Way, Chelmsford, Essex, CM1 3BY, UK; Registered in England and Wales with number 4162989. Carmignac Gestion Luxembourg SA has been appointed as the Investment Manager and distributor in respect of the Company. Carmignac UK Ltd (Registered in England and Wales with number 14162894) has been appointed as a sub-Investment Manager of the Company and is authorised and regulated by the Financial Conduct Authority with FRN:984288.
- **In Switzerland:** the prospectus, KIDs and annual report are available at [www.carmignac.ch](http://www.carmignac.ch), or through our representative in Switzerland, CACEIS (Switzerland), S.A., Route de Signy 35, CH-1260 Nyon. The paying agent is CACEIS Bank, Montrouge, Nyon Branch / Switzerland, Route de Signy 35, 1260 Nyon.

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