

# CARMIGNAC PORTFOLIO FAMILY GOVERNED

LUXEMBOURG SICAV SUB-FUND



M. Denham



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## A GLOBAL, HIGH-CONVICTION EQUITY FUND THAT INVESTS IN FAMILY COMPANIES

Recommended  
minimum investment  
horizon: **5 YEARS**



SFDR Fund Classification\*\*:

Article **8**

**Carmignac Portfolio Family Governed** is an international equity Fund (UCITS) investing in companies which are fully or partly owned, controlled or managed by family or founders and exhibit high governance standards. By investing in these high-quality family businesses, the Fund seeks to capture the unique mindset and long-term determination family ownership has and its positive effect on companies' performance. The Fund seeks to invest sustainably and achieve long-term capital growth for its investors, with a recommended holding period of at least five years. It also looks to minimize its environmental impact by having a reduced carbon footprint.

### KEY POINTS



**A high-conviction fund**, which aims to capture the positive effect that family ownership has on companies' performance



**A selection based on family control and ownership**, liquidity, profitability, earnings reinvestment, and governance



**A disciplined investment process** based on the quantification of quality and growth, rigorous fundamental analysis, and an in-depth governance assessment



**A concentrated, low turnover portfolio** of quality names, which seeks to provide investors with long-term capital growth

### WHY FAMILY BUSINESSES?

They often have a purpose that goes beyond earnings growth, with the desire to do the right thing rather than doing things right.

They don't have the pressure of short-term investors demanding quarterly earnings improvements thus, they are better at making decisions that don't have to pay off immediately.

They tend to be less leveraged than other companies: on average, their relative level of indebtedness is approximately three times lower than non-family businesses<sup>(1)</sup>.

Their strategies are generally more aligned with shareholders' interests as they have their "skin in the game".



\* For the share class Carmignac Portfolio Family Governed A EUR Acc. 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>. (1) Debt/EBITDA ratio of 0.4x compared to the 1.1x. Source: Carmignac "Family 500" database.

## A SPECIFIC FOCUS ON GOVERNANCE

Governance can be a major determinant of a company's success and is a particularly important consideration when investing in family businesses. Our inhouse in-depth analysis looks into:



The quality of **corporate governance**, based on the Board of Directors' independence, Management Committee's composition, skills and experience, minority shareholders' treatment, remuneration policy, etc.



The **corporate behavior** regarding accounting and tax policies, any bribery and corruption cases, as well as corporate culture, amongst others.



In addition, by adopting an active shareholder voting policy\* the Fund Managers and our ESG team, openly engage with companies in order to investigate and improve their corporate approach and behavior regarding environmental, social and in particular, governance issues.

\* We work closely with Institutional Shareholder Services (ISS), a leading name in Corporate Governance and Proxy Voting Analysis & Processing. ISS also helps us to report and identify specific ESG related issues during voting actions.

## 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.**



Overall Morningstar Rating™

07/2024



REPUBLIQUE FRANCAISE

01/2020



02/2020



03/2023

## CHARACTERISTICS

Share Class	Date of 1st NAV	Bloomberg	ISIN	Dividend policy	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>
A EUR Acc	31/05/2019	CARFAEA LX	LU1966630706	Accumulation	Max. 1.5%	Max. 4%	—	1.8%	0.2%	20%	—
F EUR Acc	31/05/2019	CAFGFEA LX	LU2004385154	Accumulation	Max. 0.85%	—	—	1.15%	0.2%	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) 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.

(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)

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The Fund presents a risk of loss of capital. The risks, fees and ongoing charges are described in the KID (Key Investor Information Document). The Fund's prospectus, KIDs, NAV and annual reports are available at [www.carmignac.com](http://www.carmignac.com), or upon request to the Management Company.

Access to the Fund may be subject to restrictions with regard to certain persons or countries. The Fund is not registered in North America, nor in South America. The Fund has not been registered under the US Securities Act of 1933. The Fund may not be offered or sold, directly or indirectly, for the benefit or on behalf of a U.S. person, according to the definition of the US Regulation S and/or FATCA. The Management Company can cease promotion in your country anytime. Investors have access to a summary of their rights in English on the following link at section 6 : [https://www.carmignac.com/en\\_US/article-page/regulatory-information-1788](https://www.carmignac.com/en_US/article-page/regulatory-information-1788)

In the United Kingdom, for the French Funds, these documents are also available at the offices of the Facilities Agent at BNP PARIBAS SECURITIES SERVICES, operating through its branch in London: 55 Moorgate, London EC2R. This material was prepared by Carmignac Gestion, Carmignac Gestion Luxembourg or Carmignac UK Ltd and is being distributed in the UK by Carmignac Gestion Luxembourg.

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, succursale de Nyon/Suisse, Route de Signy 35, 1260 Nyon. The KIID must be made available to the subscriber prior to subscription.

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Investment management company approved by the AMF

Public limited company with share capital of € 13,500,000 - RCS Paris B 349 501 676

CARMIGNAC GESTION Luxembourg, - City Link - 7, rue de la Chapelle - L-1325 Luxembourg - Tel : (+352) 46 70 60 61

Subsidiary of Carmignac Gestion - Investment fund management company approved by the CSSF

Public limited company with share capital of € 23,000,000 - RCS Luxembourg B 67 549

MARKETING COMMUNICATION - Please refer to the KID/prospectus of the fund before making any final investment decisions.