

# CARMIGNAC PORTFOLIO MERGER ARBITRAGE I EUR ACC

LUXEMBOURG SICAV SUB-FUND

Recommended  
minimum investment  
horizon:

3 YEARS



LU2585801090

Monthly Factsheet - 29/11/2024

## INVESTMENT OBJECTIVE

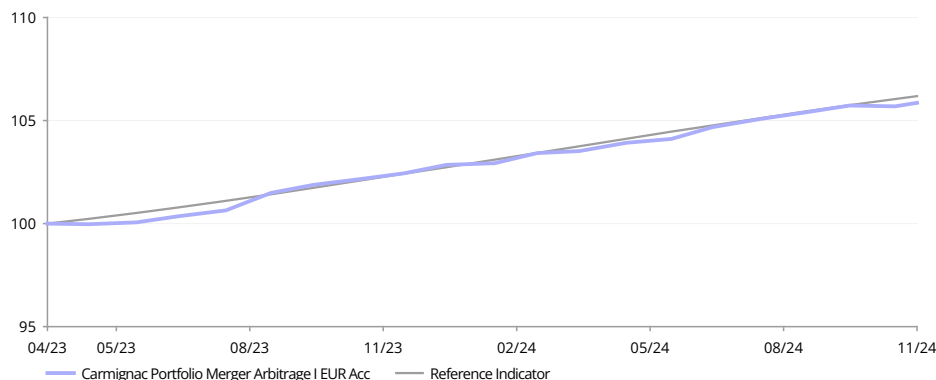
Carmignac Portfolio Merger Arbitrage is a UCITS fund, following an alternative investment strategy that seeks to benefit from the price discontinuities ("arbitrage") of the shares related to merger and acquisition transactions. The Fund invests in officially announced M&A deals in the developed markets. The Fund seeks to outperform its reference indicator over a 3-year investment horizon through capital growth.

Fund management analysis can be found on P.3

## 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 VS. REFERENCE INDICATOR SINCE LAUNCH (Basis 100 - Net of fees)



### CUMULATIVE AND ANNUALIZED PERFORMANCE (as of 29/11/2024 - Net of fees)

	Cumulative Performance (%)			Annualised Performance (%)	
	Since 29/12/2023	1 Month	1 Year	Since 14/04/2023	Since 14/04/2023
I EUR Acc	3.09	0.27	3.43	5.86	3.56
Reference Indicator	3.50	0.26	3.83	6.18	3.75

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024	0.16	0.19	0.56	0.11	0.24	0.37	0.57	0.31	0.20	0.06	0.27	—	3.09
2023	—	—	—	0.06	-0.08	0.20	0.28	0.64	0.56	0.35	0.31	0.33	2.69

#### VAR

Fund VaR 2.2%

#### PERFORMANCE CONTRIBUTION

Equity Portfolio	1.7%
Equity Derivatives	-0.7%
Currency Derivatives	-0.8%
<b>Total</b>	<b>0.2%</b>

Gross monthly performance



F. Cretin-Fumeron



S. Dieudonné

## KEY FIGURES

Merger Arbitrage Exposure <sup>(1)</sup>	37.7%
Number of Strategies	42
Cash and Others	74.1%
Net Equity Exposure	26.0%

## FUND

**SFDR Fund Classification:** Article 8  
**Domicile:** Luxembourg  
**Fund Type:** UCITS  
**Legal Form:** SICAV  
**SICAV Name:** Carmignac Portfolio  
**Fiscal Year End:** 31/12  
**Subscription/Redemption:** Daily  
**Order Placement Cut-Off Time:** Before 13:30 (CET/CEST)  
**Fund Inception Date:** 14/04/2023  
**Fund AUM:** 50M€ / 53M\$ <sup>(2)</sup>  
**Fund Currency:** EUR

## SHARE

**Dividend Policy:** Accumulation  
**Date of 1st NAV:** 14/04/2023  
**Base Currency:** EUR  
**Share class AUM:** 50M€  
**NAV (share):** 105.86€  
**Morningstar Category™:** Alt - Event Driven

## FUND MANAGER(S)

Fabienne Cretin-Fumeron since 14/04/2023  
 Stéphane Dieudonné since 14/04/2023

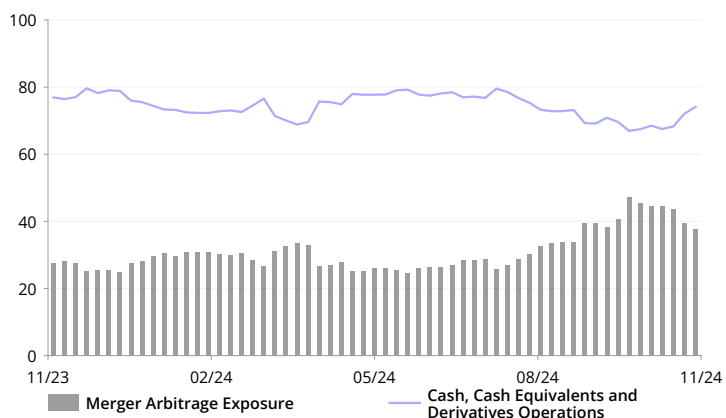
## REFERENCE INDICATOR

ESTER capitalized.

## OTHER ESG CHARACTERISTICS

Minimum % Taxonomy Alignment ..... 0%  
 Minimum % Sustainable Investments ..... 0%  
 Principal Adverse Impact Indicators ..... Yes

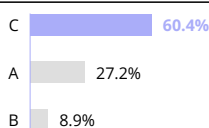
## CARMIGNAC PORTFOLIO MERGER ARBITRAGE | EUR ACC

MERGER ARBITRAGE EXPOSURE (%) <sup>(1)</sup>

## TOP TEN - MERGER ARBITRAGE

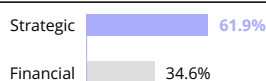
Name	Country	Sector / Rating	%
HESS CORP	USA	Energy	3.4%
BALANCED COMM PROPERTY TRUST	Guernsey	Real Estate	2.6%
NEOEN SA	France	Utilities	2.3%
DISCOVER FINANCIAL SERVICES	USA	Financials	2.1%
ENSTAR GROUP LTD	USA	Financials	1.7%
CATALENT INC	USA	Healthcare	1.7%
CHAMPIONX CORP	USA	Energy	1.7%
SHINKO ELECTRIC INDUSTRIES CO LTD	Japan	Information Technology	1.6%
BRITVIC PLC	United Kingdom	Consumer Staples	1.6%
ANSYS INC	USA	Information Technology	1.3%
<b>Total</b>			<b>20.0%</b>

## MERGER ARBITRAGE RISK LEVEL



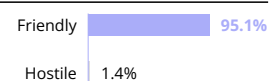
Rebased weights

## MERGER ARBITRAGE TYPE



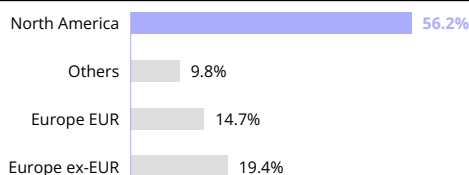
Rebased weights

## MERGER ARBITRAGE NATURE



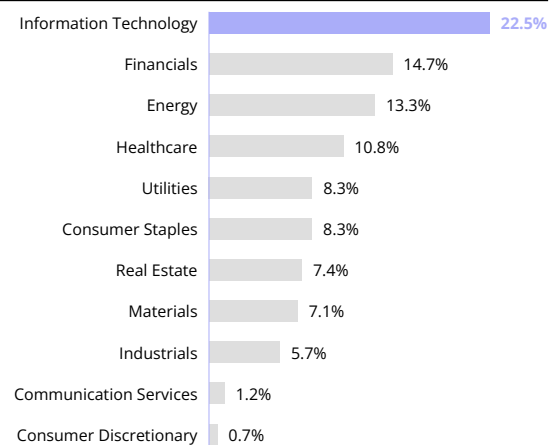
Rebased weights

## LONG GEOGRAPHICAL EXPOSURE



Rebased weights

## LONG SECTORIAL EXPOSURE



Rebased weights

## MAIN MERGERS &amp; ACQUISITIONS OVER THE MONTH

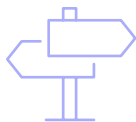
Target	Buyer	Sector	Size (M€)	Country
LIBERTY BROADBAND CORP	CHARTER COMMUNICATIONS INC	Communication Services	17015	USA
BERRY GLOBAL GROUP INC	AMCOR PLC	Materials	16736	USA
SUMMIT MATERIALS INC	QUIKRETE HOLDINGS INC	Materials	10814	USA
BANCO BPM SPA	UNICREDIT SPA	Financials	10733	Italy
ENLINK MIDSTREAM LLC	ONEOK INC	Energy	8264	USA

(1) Sum of all the long equity exposures from the portfolio, the short book is excluded.

## MARKETING COMMUNICATION

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

## FUND MANAGEMENT ANALYSIS



### MARKET ENVIRONMENT

- After an October marked by the failure of two major deals (Capri and China Traditional Chinese Medicine), calm returned to Merger Arbitrage's strategy in November. But it was a relative calm.
- On the one hand, Merger Arb's spreads have, on the whole, benefited from the election of Donald Trump, who is perceived more favourably by the markets than the previous administration, particularly in terms of anti-trust policy.
- It is also worth noting that 16 deals were finalised in November, contributing to the tightening of Merger Arbitrage spreads.
- On the other hand, insistent rumours that the US antitrust authorities would block the Juniper Networks takeover led to a widening of the spread, as well as stress on other deals also presenting an antitrust risk, such as Catalent.
- Overall, the HFRX Merger Arbitrage index edged up by 0.03% over the month, but has remained in negative territory since the start of the year, falling by 1.85%.
- Despite the US presidential elections, M&A activity remained fairly buoyant, with 28 deals announced worldwide for a total of around \$106bn.
- Of particular note were 4 deals worth more than \$10bn each: Liberty Broadband, Berry Global and Summit Materials in the USA, and Banco BPM in Italy.
- Buoyed by the fall in interest rates, the rise of financial buyers continues. Financial transactions accounted for 39% of all deals announced during the month.



### PERFORMANCE COMMENTARY

- The fund recorded a positive performance over the month.
- The main contributors to performance were Catalent, Ansys and Discover Financial Services.
- The main detractors to performance were: Juniper Networks, Shinko Electric Industries and Hess.



### OUTLOOK AND INVESTMENT STRATEGY

- The fund's investment rate is 37%, down on the previous month.
- With 42 positions in the portfolio, diversification remains satisfactory
- 2024 marks the resumption of the M&A cycle, driven in particular by falling interest rates, the energy transition affecting many sectors of the economy, the return of private equity funds and changes to stock market regulations in Japan.
- The risk premium offered by the Merger Arbitrage strategy continues to provide attractive returns for investors, especially in an environment where deal failure rates remain low.

### MARKETING COMMUNICATION

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## 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.

### PORTFOLIO ESG COVERAGE

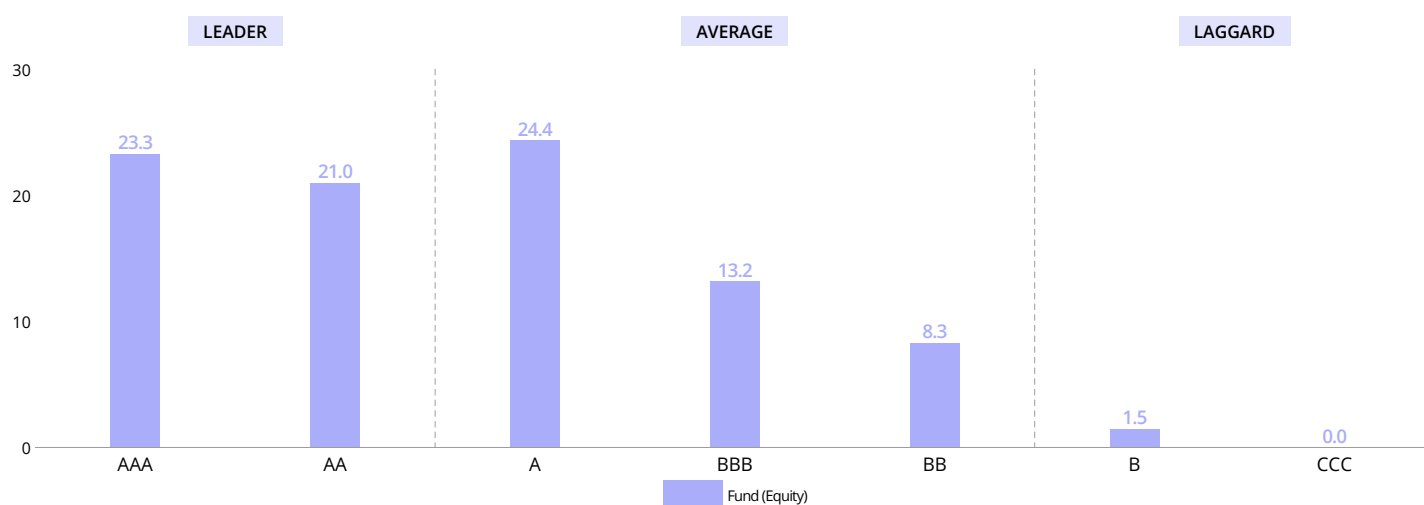
Number of issuers in the portfolio	34
Number of issuers rated	34
Coverage Rate	100.0%

Source: Carmignac

### ESG SCORE

Carmignac Portfolio Merger Arbitrage I EUR Acc	A
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: 32.2%

### TOP 5 ESG RATED PORTFOLIO HOLDINGS

Company	Weight	ESG Rating
HESS CORP	3.4%	AAA
SUMMIT MATERIALS INC	0.3%	AAA
DISCOVER FINANCIAL SERVICES	2.1%	AA
JUNIPER NETWORKS INC	1.0%	AA
NET ONE SYSTEMS CO LTD	0.2%	AA

Source: MSCI ESG

## GLOSSARY

**Active Management:** An investment management approach where a manager aims to beat the market through research, analysis and their own judgement.

**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 2023. <https://www.msci.com/documents/1296102/34424357/MSCI+ESG+Fund+Ratings+Methodology.pdf>

**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).

**Merger Arbitrage Risk:** The risk level of each deal from the equity long book of the portfolio is assessed to determine the risk of deal failure. Ratings are based on our in-house methodology and rated between A and C, where A is the least risky and C is the highest risk.

**Merger Arbitrage Type/Nature:** Each invested security is analysed to determine whether the deal from the buyer is strategic or financial and if the deal is hostile or friendly.

**Net asset value:** Price of all units (in an FCP) or shares (in a SICAV).

**SICAV:** Société d'Investissement à Capital Variable (Open-ended investment company with variable capital)

## ESG DEFINITIONS & METHODOLOGY

**ESG:** E for Environment, S for Social, G for Governance

**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.

**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>
A EUR Acc	14/04/2023	CARMAEA LX	LU2585800795	Max. 1%	Max. 1%	—	0.96%	0.3%	20%	—
F EUR Acc	14/04/2023	CARMRFE LX	LU2585800878	Max. 0.8%	—	—	0.76%	0.3%	20%	—
I EUR Acc	14/04/2023	CARARIE LX	LU2585801090	Max. 0.8%	—	—	0.62%	0.3%	20%	EUR 10000000

(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).

## 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.

**ARBITRAGE RISK:** Arbitrage seeks to benefit from such price differences (e.g. in markets, sectors, securities, currencies). If arbitrage performs unfavorably, an investment may lose its value and generate a loss for the Sub-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. **LIQUIDITY:** Temporary market distortions may have an impact on the pricing conditions under which the Fund might be caused to liquidate, initiate or modify its positions.

**The Fund presents a risk of loss of capital.**

## IMPORTANT LEGAL INFORMATION

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**CARMIGNAC GESTION**, 24, place Vendôme - F-75001 Paris - Tél : (+33) 01 42 86 53 35

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 1

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. For more information please visit [www.carmignac.fr](http://www.carmignac.fr)