

CARMIGNAC INVESTISSEMENT: LETTER FROM THE FUND MANAGER

13/01/2025 | KRISTOFER BARRETT

+25.03%

Performance of Carmignac Investissement over 2024 for it's A EUR Acc share class.

+25.33%

Performance of the reference indicator MSCI ACWI NR EUR over 2024.

1 st quartile

Carmignac Investissement is ranked 1st quartile in its Morningstar category¹ over 3 years for its performance, volatility and sharpe ratio.

Over the last quarter of 2024, **Carmignac Investissement** posted +6.91% compared with +6.71% for its reference indicator. Over the year, the fund posted a performance of +25.03% compared with +25.33% for its reference indicator.

MARKET ENVIRONMENT

2024 was another impressive year for risk assets, driven by the US exceptionalism. Indeed, over the last few years, the US economy has consistently defied expectations for a slowdown, and 2024 was no different.

The year can be distinctly categorized into two phases: the first four months saw mega caps driving market returns, with Europe joining the initial rally. In the second half, the US experienced a broadening of performance drivers, which was further accentuated by Trump's election, resulting in US outperformance. Despite this broader market rally, the Magnificent Seven still posted another banner year. However, the equity market rotation has been witnessed within the US but not outside of US equity markets, for now. The yearly outperformance of US equities compared to the rest of the world has never been so significant. European equities underperformed, hindered by economic weakness, political instability, and limited exposure to artificial intelligence (AI). Meanwhile, emerging market equities, despite a stimulus induced rally and partial correction in Chinese stocks and strong performances from India and Taiwan, also lagged behind their U.S. counterparts.

HOW DID WE FARE IN THIS CONTEXT?

Against this backdrop, the fund delivered a performance of +25.03%, in line with its reference indicator, which posted a return of 25.33% in 2024.

2024 was a year in which the AI trade gained even more steam and giants like Nvidia and Meta carried the S&P 500 for the second year in a row. Heavy spending on AI by tech behemoths helped extend a rally beyond chip and server makers. In this context, our significant exposure to the entire value chain of the Tech/semiconductor industry was the main contributor to the fund's performance, among which Nvidia, which reported a remarkable 94% year-on-year sales growth by the end of October 2024, TSMC, Amazon, Meta and Broadcom.

However, the fund experienced a slight relative underperformance due to its overweight position in the healthcare sector, which has been notably weak as the market shifted its focus towards faster-growing, more market-sensitive sectors. Additionally, the sector was adversely affected by the Trump election and the Republican sweep, as well as the potential nomination of Robert F. Kennedy as Health Secretary, and concerns about the reprioritization of U.S. government spending. Among the others top contributors, General Electric, a US company specializing in the manufacture and maintenance of aircraft engines, experienced a sustained rise in its share price. This growth was driven by an increase in commercial aviation demand and significant improvements in profitability. Additionally, the fund benefited from its investments in the financial sector, with shares in Block, Intercontinental Exchange, and Mastercard enhancing the fund's overall performance during the period.

OUTLOOK

As we step into 2025, our investment strategy has evolved to adopt a more selective approach to the US exceptionalism trade. Recognizing that the momentum in US growth expectations has gone far and may have reached its peak, we have prioritized our focus towards lower-valuation US stocks and diversified our investments into Emerging Markets. This strategic shift has resulted in the average 1-Year Forward Price-to-Earnings (Fw P/E) ratio of our portfolio decreasing from 30x at the beginning of March to 23x by the end of December.

Following Trump's election, markets sharply differentiated between the perceived 'winners' and 'losers' of his policies, notably impacting the healthcare sector. We anticipate a rebound in this sector due to our diversified positioning, which spans pharmaceuticals, health insurance, pharmaceutical distribution, and medical equipment.

In the technology sector, our strategy emphasizes diversification along the value chain, targeting niche companies with high performance potential that often fly under the radar. Key components of this value chain are found in Taiwan and South Korea, with investments in companies like TSMC, SK Hynix, Elite Material, and Lotes.

Within the United States, our portfolio maintains a strategic balance between high-growth stocks with relatively high valuations, such as Nvidia, Amazon, and Microsoft, and stocks with lower growth prospects but high visibility and attractive valuations, like McKesson.

Beyond the US, our European exposure is concentrated on selected quality stocks that trade at a discount compared to their American counterparts. In emerging markets, our focus is primarily on Asian stocks that present attractive valuations, further diversifying and strengthening our global investment portfolio.

¹Source: Global Large-Cap Growth Equity.

CARMIGNAC INVESTISSEMENT A EUR ACC

(ISIN: FR0010148981)

SFDR - Fund Classification** :

Article **8**



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. **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 : 4,00% 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.

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

Management fees and other administrative or operating costs : 1,50% of the value of your investment per year. This estimate is based on actual costs over the past year.

Performance fees : 20,00% max. of the outperformance once performance since the start of the year exceeds that of the reference indicator and if no past underperformance still needs to be offset. 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 : 1,09% 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.

PERFORMANCE (ISIN: FR0010148981)

Calendar Year Performance (as %)	2016	2017	2018	2019	2020
Carmignac Investissement	+2.1 %	+4.8 %	-14.2 %	+24.7 %	+33.7 %
Indicateur de référence	+11.1 %	+8.9 %	-4.8 %	+28.9 %	+6.7 %

Calendar Year Performance (as %)	2021	2022	2023	2024
Carmignac Investissement	+4.0 %	-18.3 %	+18.9 %	+25.0 %
Indicateur de référence	+27.5 %	-13.0 %	+18.1 %	+25.3 %

Annualised Performance	3 Years	5 Years	10 Years
Carmignac Investissement	+6.7 %	+11.0 %	+6.9 %
Indicateur de référence	+8.8 %	+11.8 %	+10.9 %

Source: Carmignac at 31 Dec 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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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. The portfolios of Carmignac funds may change without previous notice. The reference to a ranking or prize, is no guarantee of the future results of the UCIS or the manager.

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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, NAVs and annual reports are available at 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, or upon request to the Management Company.
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- **In Switzerland:** the prospectus, KIDs and annual report are available at 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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