

# FP CARMIGNAC GLOBAL EQUITY COMPOUNDERS: LETTER FROM THE FUND MANAGERS

16/04/2025 | MARK DENHAM, OBE EJKEME

**-6.51%**

Performance of the Fund in  
Q1 2025 (A GBP Share class).

**-4.71%**

Performance of its  
comparator benchmark<sup>1</sup>  
in Q1 2025.

**+10.47%**

Annualized performance of  
the Fund since launch<sup>2</sup>  
vs +13.13% for its  
comparator benchmark.

***FP Carmignac Global Equity Compounders** A GBP Acc delivered a performance of -6.51% in the first quarter of 2025, underperforming its comparator benchmark, which also declined by -4.71%.*

## MARKET ENVIRONMENT DURING THE PERIOD

The macro environment in Q1 2025 was defined by heightened policy uncertainty, particularly in the United States, where aggressive new tariffs and protectionist trade measures under the new administration triggered volatility and a sharp shift in investor sentiment. While broad economic indicators remained stable, the threat of a trade war and geopolitical tensions led to a marked deterioration in consumer and business confidence, especially in the US. As a result, US equity markets experienced their worst quarter since 2022, with the S&P 500 falling -9.26% (in EUR<sup>3</sup>) and the tech-heavy Nasdaq 100 down over 11.13% (in EUR<sup>3</sup>), driven largely by steep declines in the “Magnificent Seven” mega-cap stocks. Following the DeepSeek news in January, there was a notable rotation out of crowded US technology and related sectors into other regions, particularly Europe. European equities outperformed, supported by fiscal stimulus, structural reforms – most notably Germany’s increased infrastructure and defence spending – and a weaker US dollar. Domestic sectors, particularly banks and defence companies, were the primary beneficiaries of these supportive trends. However, the tariff announcements at the end of March unsettled markets and triggered an early shift toward defensive positioning, reflecting heightened macroeconomic uncertainty and renewed concerns about global growth.

## HOW DID WE FARE IN THIS CONTEXT?

During the first quarter of 2025, the fund declined and underperformed its comparator benchmark. The initial market rotation out of US technology stocks negatively impacted absolute returns. While the fund maintains positions in leading US technology companies such as Microsoft, Nvidia, and Amazon, we had proactively reduced our exposure to this sector towards the end of 2024. This adjustment helped mitigate some of the downside but did not fully offset the broader sector weakness.

In Europe, our allocation remained aligned with our investment process, which emphasizes high-quality market leaders. However, we had no exposure to the European sectors that led performance until March 2025<sup>1</sup>—specifically defence (excluded for sustainability reasons), Banks, and Insurance (excluded due to our quality criteria). This under-exposure to the top-performing sectors was the primary driver of our relative underperformance year-to-date.

Our healthcare holdings also detracted from performance. In a challenging market environment, several of our healthcare companies underperformed. While pharmaceutical names such as Vertex delivered positive results, other high-quality holdings in the sector—including Thermo Fisher, Intuitive Surgical, and Align Technology<sup>2</sup>—lagged. However, the sector remains an area of uncertainty. Although there were promises that tariffs would be announced "soon," it has now been clarified that this will not occur until the drug pricing hearing concludes. Consequently, Novo Nordisk continued to decline. Despite reducing our position to below 3%, it remained a drag on the fund's performance. The company's 2025 revenue growth guidance of 16–24% (with the midpoint marking the slowest growth in three years) disappointed investors, while the prospect of potential US tariffs on European pharmaceutical imports raised further concerns about cost pressures.

On a more positive note, our holdings in the financial sector<sup>3</sup>—particularly ICE and Mastercard, were among the main contributors to performance. Additionally, the consumer staples sector began to recover toward the end of the quarter, as the announcement of tariffs pressured broader markets but benefited select defensive names.

## OUTLOOK & POSITIONING

In the coming months, a crucial consideration is whether tariffs will be implemented following the "90 days pause" and the extent of such tariffs. This ongoing uncertainty is influencing market sentiment. As a result of the recent sharp market correction, numerous companies have reverted to their five-year low valuations, creating attractive opportunities for us as long-term investors to increase our positions.

While our portfolio has minimal direct exposure to companies significantly impacted by tariffs, we acknowledge that the broader economic environment remains challenging. The negative sentiment surrounding global trade may particularly affect cyclical sectors. Consequently, we believe that high-quality, secular growth companies with superior visibility on sales and profits will perform well in this uncertain environment. These companies are likely to provide stability and growth potential, making them ideal candidates for our portfolio.

During the quarter, we took advantage of what we believe to be excessive weakness in selected technology holdings, notably Nvidia and Amazon, to materially increase our positions. We also added to our exposure in the electrical equipment sector through Prysmian on share price weakness. In healthcare, our new analyst initiated coverage on US drug distributors Cencora and McKesson, both of which scored well in our investment process. We have started to build small positions in these names. Additionally, we established a modest position in Unilever. These new investments were funded primarily through profit-taking in Mastercard and S&P Global within the financial sector.

Our macro-overlay framework continues to advocate for a defensive stance in equity markets, favouring sectors like consumer staples and healthcare – that tend to weather economic storms better than most. However, we remain agile and are prepared to tactically increase our biggest conviction positions when valuations become attractive, as we have done successfully during previous periods of market volatility.

<sup>1</sup>Comparator Benchmark: MSCI WORLD (USD, net dividends reinvested). Past performance is not necessarily indicative of future performance. The return may increase or decrease as a result of currency fluctuations, for the shares which are not currency-hedged. Performances are net of fees (excluding possible entrance fees charged by the distributor).

<sup>2</sup>15/05/2020.

<sup>3</sup>Source: Bloomberg, data as of 31/03/2025.

# FP CARMIGNAC GLOBAL EQUITY COMPOUNDERS A GBP ACC

(ISIN: GB00BMGLBK75)

SFDR - Fund Classification :



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. **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. **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 KIID (Key Investor Information Document). Risk 1 does not mean a risk-free investment. This indicator may change over time.

## FEES

Maximum subscription fees paid to distributors : 0,00%

Redemption Fees : 0,00%

Conversion Fee : •

Ongoing Charges : 0.90%

Management Fees : 0,82% MAX

Performance Fees : •

## PERFORMANCE (ISIN: GB00BMGLBK75)

Calendar Year Performance (as %)	2020	2021	2022	2023	2024	2025
FP Carmignac Global Equity Compounders	+23.1 %	+22.6 %	-19.0 %	+21.0 %	+17.6 %	-6.5 %
Indicateur de référence	+19.8 %	+22.9 %	-7.8 %	+16.8 %	+20.8 %	-4.7 %

Source: Carmignac at 31 Mar 2025.  
Past performance is not necessarily indicative of future performance. Performances are net of fees (excluding possible entrance fees charged by the distributor).

Annualised Performance	1 Year	3 Years	Since launch
<b>FP Carmignac Global Equity Compounders</b>	<b>+3.7 %</b>	<b>+6.1 %</b>	<b>+10.5 %</b>
Indicateur de référence	+4.8 %	+8.3 %	+13.1 %

Source: Carmignac at 31 Mar 2025.

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.**

This material may not be reproduced, in whole or in part, without prior authorisation from the Management Company. This material does not constitute a subscription offer, nor does it constitute investment advice. This material is not intended to provide, and should not be relied on for, accounting, legal or tax advice. This material has been provided to you for informational purposes only and may not be relied upon by you in evaluating the merits of investing in any securities or interests referred to herein or for any other purposes. The information contained in this material may be partial information and may be modified without prior notice. They are expressed as of the date of writing and are derived from proprietary and non-proprietary sources deemed by Carmignac to be reliable, are not necessarily all-inclusive and are not guaranteed as to accuracy. As such, no warranty of accuracy or reliability is given and no responsibility arising in any other way for errors and omissions (including responsibility to any person by reason of negligence) is accepted by Carmignac, its officers, employees or agents.

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.

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.

Morningstar Rating™ : © Morningstar, Inc. All Rights Reserved. The information contained herein: is proprietary to Morningstar and/or its content providers; may not be copied or distributed; and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Access to the Funds may be subject to restrictions regarding certain persons or countries. This material is not directed to any person in any jurisdiction where (by reason of that person's nationality, residence or otherwise) the material or availability of this material is prohibited. Persons in respect of whom such prohibitions apply must not access this material. Taxation depends on the situation of the individual. The Funds are not registered for retail distribution in Asia, in Japan, in North America, nor are they registered in South America. Carmignac Funds are registered in Singapore as restricted foreign scheme (for professional clients only). The Funds have not been registered under the US Securities Act of 1933. The Funds 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 FATCA.

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](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.
- **In Spain :** The Funds are registered with the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores) under the following numbers: Carmignac Sécurité 395, Carmignac Portfolio 392, Carmignac Patrimoine 386, Carmignac Absolute Return Europe 398, Carmignac Investissement 385, Carmignac Emergents 387, Carmignac Credit 2027 2098, Carmignac Credit 2029 2203, Carmignac Credit 2031 2297, Carmignac Court Terme 1111.

The Management Company can cease promotion in your country anytime. Investors have access to a summary of their rights in English on the following links: [UK](#) ; [Switzerland](#); [France](#) ; [Luxembourg](#) ; [Sweden](#).