

CARMIGNAC SÉCURITÉ: LETTER FROM THE FUND MANAGERS

14/04/2025 | MARIE-ANNE ALLIER, AYMERIC GUEDY

+0.73%

Carmignac Sécurité's performance in the 1st quarter of 2025 vs +0.70% for its reference indicator¹ (AW EUR Acc Share class).

+4.58%

Carmignac Sécurité's Performance over 1-year vs +4.00% for its reference indicator (AW EUR Acc Share class).

1st quartile

of its Morningstar category² over 1, 2, 3, 5, 10 and 20 years (category: EUR Diversified Bond – Short Term - AW EUR Acc Share class).

*In the first quarter of 2025, **Carmignac Sécurité** posted a performance of +0.73%, compared with +0.70% for its reference indicator.*

MARKET REVIEW AND PORTFOLIO ALLOCATION

Volatility has returned to the markets, fuelled in particular by a Donald Trump who has shed his inhibitions and is determined to reshape the world order with his 'America first' slogan. First, by forcing Volodymyr Zelensky to the negotiating table in the humiliating absence of Europe. Then by unleashing a trade war unprecedented in modern history. These two major electric shocks to Europe can only lead to more European independence, especially in military terms, and therefore to more spending. This surge has already begun in Germany. The new chancellor, Friedrich Merz, has succeeded, against all odds and before the new parliament has been formed, in pushing through a fiscal stimulus package second only to the post-war Marshall Plan and the reunification plan of the 1990s. After sixteen years of budgetary orthodoxy and two years of recession, it has unleashed EUR 500 billion of infrastructure spending and significantly eased the constitutional budgetary constraints on defence. For its part, the ECB has continued its cycle of interest rate cuts, bringing them down to 2.5%. It is encouraged by the return of inflation to target by the end of the year and is wary of the downside risks to European growth from the trade war.

In this context, German interest rates experienced a record spike following the announcement of the new Merz plan. The 10-year rate jumped by more than 40 basis points in 24 hours, roughly equivalent to the increase recorded over the quarter. The curve steepened sharply, with the two-year rate remaining relatively stable over the period. Indeed, the German budgetary measures mark a real turning point for growth in Germany, which could now reach 2% by 2027. However, these will take time to unfold and the tariffs threaten the near-term growth outlook, paving the way for further rate cuts by an ECB that is more reactive than proactive.

Supported by upward revisions to medium-term growth in Europe, credit spreads have also shown resilience, rising just 5bp on high yield and even falling 5bp on 10-year Italian government bonds. By contrast, US rates have fallen sharply, by 37 basis points on the 10-year, as budget cuts and the trade war erode the American exceptionalism that has prevailed in recent years.

PERFORMANCE REVIEW

The carry remains the main source of performance for Carmignac Sécurité. With a yield at maturity fluctuating between 3.5% and 4% during the quarter, it contributed to the bulk of the quarterly performance. The Fund's duration remained within a narrow range, between 1.6 and 2.2, concentrated mainly on short maturities, i.e. less than 5 years. Thus, the rise in long-term interest rates had little impact on the Fund's performance. This was even more than offset by the compression of credit spreads within the credit component, which favoured the finance and energy sectors, as well as CLOs to a lesser extent.

WHAT IS OUR OUTLOOK FOR THE COMING MONTHS?

The first days of the second quarter were marked by Donald Trump's outburst on Liberation Day. The announced tariff barriers are finally higher than expected, with 20% in Europe and 74% in China, raised to 104% a few days later, to which China responded with tariffs of 84%. The trade war is therefore underway, creating a rush to safe havens, mainly German short-term bonds and gold, and massive sales of risky assets, including equities, credit and emerging markets. US Treasury bonds, meanwhile, are caught between the risk of inflation and the risk of recession. In this historically uncertain and volatile environment, Carmignac Sécurité relies on two sources of stability/visibility. Firstly, a balanced portfolio construction combining almost two-thirds of assets invested in corporate bonds offering an attractive yield, mainly with a good rating and short maturity, offset by almost 30% invested in money markets or cash equivalents, curve steepening positions, a duration of slightly less than 2 and credit protection on high yield. And finally, the carry is still attractive, with the Fund's average yield to maturity close to 4%.

Source: Carmignac, Bloomberg, 31/03/2025. Performance of the AW EUR acc share class ISIN code: FR0010149120. ¹Reference indicator: ICE BofA ML 1-3 years All Euro Government Index. ²Morningstar Category: EUR Diversified Bond – Short Term, 31/03/2025.

CARMIGNAC SÉCURITÉ AW EUR ACC

(ISIN: FR0010149120)

SFDR - Fund Classification** :

Article **8**



Recommended
minimum
investment horizon



MAIN RISKS OF THE FUND

INTEREST RATE: Interest rate risk results in a decline in the net asset value in the event of changes in interest rates. **CREDIT:** Credit risk is the risk that the issuer may default. **RISK OF CAPITAL LOSS:** The portfolio does not guarantee or protect the capital invested. Capital loss occurs when a unit is sold at a lower price than that paid at the time of purchase. **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.

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 : 1,00% 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 : 1,11% of the value of your investment per year. This estimate is based on actual costs over the past year.

Performance fees : There is no performance fee for this product.

Transaction Cost : 0,14% 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: FR0010149120)

Calendar Year Performance (as %)	2016	2017	2018	2019	2020
Carmignac Sécurité	+2.1 %	+0.0 %	-3.0 %	+3.6 %	+2.0 %
Indicateur de référence	+0.3 %	-0.4 %	-0.3 %	+0.1 %	-0.2 %

Calendar Year Performance (as %)	2021	2022	2023	2024	2025
Carmignac Sécurité	+0.2 %	-4.8 %	+4.1 %	+5.3 %	+0.7 %
Indicateur de référence	-0.7 %	-4.8 %	+3.4 %	+3.2 %	+0.7 %

Annualised Performance	3 Years	5 Years	10 Years
Carmignac Sécurité	+3.2 %	+2.4 %	+0.9 %
Indicateur de référence	+1.1 %	+0.4 %	+0.1 %

Source: Carmignac at Mar 31, 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.

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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/en, 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/en, or upon request to the Management Company.
- **In the United Kingdom:** the Funds' respective prospectuses, KIIDs and annual reports are available at www.carmignac.com/en-gb, 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.com/en-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](#).

For Carmignac Portfolio Long-Short European Equities: Carmignac Gestion Luxembourg SA in its capacity as the Management Company for Carmignac Portfolio, has delegated the investment management of this Sub-Fund to White Creek Capital LLP (Registered in England and Wales with number OCC447169) from 2nd May 2024. White Creek Capital LLP is authorised and regulated by the Financial Conduct Authority with FRN : 998349.

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