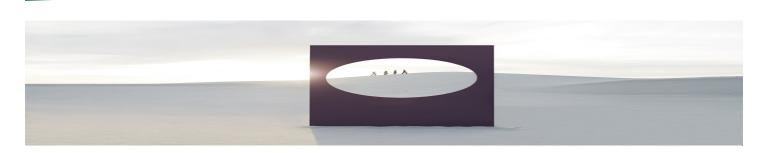
QUARTERLY REPORT

28.07.2022



Carmignac Portfolio Human Xperience: Letter from the Fund Manager



Published

Lengt

July 28, 2022

⊘ 5

-12%

Carmignac Portfolio Human Xperience's performance

in the 2nd quarter of 2022 for the A EUR Share class -10.2%

Reference indicator's performance

in the 2nd quarter of 2022 for MSCI ACWI

-11.57%

Performance of the Fund over 12 months

versus -4.43% for the reference indicator

During the second quarter of 2022, the return of Carmignac Portfolio Human Xperience (A share class) was -12.0%. This compares to a return on the funds reference indicator¹ of -10.2% over the same period.

Quarterly Performance Review

In the second quarter, global markets continued to reflect the macroeconomic factors that drove returns in the previous quarter, in that concerns over rising interest rates led to persistent downward pressure on the valuations of relatively highly rated stocks (in our proprietary social database), despite the underlying quality of the companies. This was exacerbated, as the quarter proceeded, by growing concerns over the impact of rising interest rates and the energy crisis on future economic growth and corporate profits. Consequently, Technology and Consumer Discretionary stocks where we have high weightings continued to be under pressure, and despite consumer staples and healthcare names holding up well where we have had significant exposure, this led to the fund lagging its reference indicator in the period.

Among the weakest names were Semiconductor leaders Nvidia (-40%). Nvidia delivered solid fiscal Q1 results with ongoing strong demand for their advanced chips in datacentres although they also guided that they expect consumer-related demand for their graphics chips (GPUs) to be impacted in the second quarter by Chinese lockdowns and the Ukrainian war. We also anticipate some headwind from weaker demand for their GPUs by crypto currency mining activity. However, the 50% fall in the stock this year anticipates many negative news flow already, and at this level the stock is poised to perform better, driven by its leading technology exposure to megatrends of datacentre growth and artificial intelligence.

Elsewhere Paypal (-36%) was also weak during the quarter. The digital payments platform whose products include PayPal, PayPal Credit and Braintree fell due to their lowered outlook on slower economic growth and macro uncertainty. We continue to hold as a long-term investment given PayPal's potential for compounding earnings growth, margin expansion, and brand strength, despite near-term pressures. Paypal continues to be a best-in-class employer ranked #29 out of 750 on the recent Forbes World's Best Employer rankings and has been consistently in the top 20% of companies based on customer satisfaction metrics.

On a positive note, General Mills, the maker of Cheerios and Old El Paso rose by 19% over the quarter showing some welcome resilience during a period where cost pressures were seen as a major concern. Fourth quarter profits came in well ahead of market expectations and the subsequent dividend guidance increase was welcome. As one of our largest holdings as well as being a leader in the employee-related space, we believe General Mills is a company which has the characteristics that can hold up well in a challenging macro environment.

More specifically, in the social arena, in a recent survey by Seramount, General Mills alongside L'Oréal and Zoetis (also current investments) were ranked in the to 10 of 75 companies for executive women. The survey was based on companies' responses to more than 200 questions on topics pertinent to female representation in the workplace, with a focus on corporate officers and profit-and-loss leadership ranks.

How is the fund positioned?

In the healthcare sector, returns were mixed. Sanofi-Aventis the maker of Doliprane paracetamol and Gold Bond the skincare brand was amongst our best performing names as it rallied +8%. Novo Nordisk (+5%) was boosted by relentlessly strong demand for their innovative and effective diabetes drugs. On the flipside, Lonza, the Swiss multinational manufacturing company for the pharmaceutical, biotechnology and nutrition sectors was down -22% over the month but we see this weakness as an opportunity to add to given the company's bond proxy characteristics. Our exposure to the sector overall remains sizeable at 21% and in fact increased with the addition of Pfizer which featured in Glassdoor US top 100 places to work. As a sector we believe that Health care can provide some shelter and visibility during a testing macro environment.

Elsewhere whilst the near-term backdrop of higher fuel prices and challenging consumer headwinds remain present, the recent addition of Southwest Airlines to the fund highlights the type of company we believe embodies the Human Xperience spirit. During the quarter, Southwest Airlines which was recently awarded the 2022 J.D. Power Award for Highest Customer Satisfaction, announced that they would spend \$2 billion as part of their plan to bring the next generation of customer experience to their customers. Their planned initiatives are designed to enhance and simplify customers' journeys, from booking trips, to traveling through airports, and while inflight delivering an even more enjoyable and productive customer experience. Whilst the cyclical backdrop for airlines and businesses within the broader industrials sector might be somewhat challenging, Southwest Airlines is the type of investment that we will be looking to add to as and when the broader macro environment becomes clearer.

Other notable headlines during the quarter saw Accenture among Linkedin's top 25 best workplaces in Ireland. Hilton was awarded the 'Best Workplace for Women in Greater China' for the third consecutive year and Microsoft enhanced its customer privacy credentials by adding a free built-in VPN to its Edge browser.

What is our outlook for the coming months?

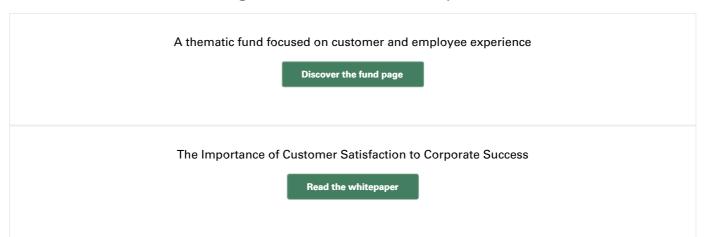
As a reminder, this is an equity fund focused on stock-picking across Global markets. It is a thematic fund invested in companies that demonstrate strong customer and employee satisfaction. This strategy is sector and region agnostic as it seeks to select best-in-class companies with attractive scores based on our proprietary database. The fund aims to outperform its benchmark over five years and is designed for investors looking to have a positive impact on society.

Our focus remains on identifying and owning companies which exhibit strong customer and employee characteristics that we believe have the best prospects for a 5 year or longer time horizon.

With inflation fears potentially abating as seen recently in asset classes such as commodities, and consumer confidence around the world near record low levels, we see the set up for the next 6 – 12 months as a positive one from an investment perspective. The market pullback in Q2 and year to date has created a unique set of opportunities that we will look to capitalise on.

 $¹_{\underline{https://seramount.com/best-companies/2022-top-companies-for-executive-women-winners/}\\$

Carmignac Portfolio Human Xperience



Carmignac Portfolio Human Xperience A EUR Acc

ISIN: LU2295992163

Recommended minimum investment horizon



Main risk 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.

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 atwww.carmignac.com/en, or upon request to the Management 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.

In the United Kingdom: the Funds' respective prospectuses, KIIDs and annual reports are available atwww.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 ; 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.

Carmignac Private Evergreen refers to the Private Evergreen sub-fund of the SICAV Carmignac S.A. SICAV - PART II UCI, registered with the Luxembourg RCS under number B285278.