

# CARMIGNAC PORTFOLIO PATRIMOINE EUROPE: LETTER FROM THE FUND MANAGERS

16/10/2023 | MARK DENHAM, JACQUES HIRSCH

**-2.32%**

Performance of the Fund in the quarter<sup>1</sup> vs -1.53% for its reference indicator<sup>2</sup> (A EUR Share class).

**-0.52%**

Performance of the Fund since the beginning of the year vs +3.78% for its reference indicator.

**+20.18%**

Performance of the Fund over 5 years vs +15.08% for its reference indicator.

**Carmignac Portfolio Patrimoine Europe** A EUR Acc lost -2.32% in the third quarter of 2023, compared with a performance of -1.53% for its reference indicator.

## MARKETS ENVIRONMENT

After a strong performance of fixed income and equities in the first half of the year, markets experienced a decline in the third quarter. Although the second quarter earnings reporting season was relatively uneventful and consistent with full year expectations of little profit growth overall, global pressure on assets once again came from ever-rising bond yields. Despite falling inflation and weak growth in the region, German 10-year bund yields rose from 2.4% to 2.8% during the period, continuing an ascent from zero at the start of 2022. Indeed, over the period, central bankers maintained an hawkish tone, as illustrated by the additional tightening of the European Central Bank. In addition, the main monetary policymakers reconfirmed an inflation target of 2%, thereby advocating a level of rates "high for longer", which led to a substantial rise in long-term rates since mid-July: 10-year yields are now at their highest levels for over 15 years in Eurozone.

## HOW DID WE FARE IN THIS CONTEXT ?

Over the third quarter of the year, the main detractor to the performance of the Fund has been our long duration bias. Indeed, after more than 2 years of sell-off in sovereign bonds, the fund has adopted a strategy aimed at taking advantage of a less favorable economic outlook for the second half of 2023, due to the growing effects of monetary and fiscal tightening on the real economy. Nevertheless, the stickiness of inflation led European central banks to keep an hawkish tone leading to a negative dynamic on the rates front. In such context our exposure to sovereign bonds and to equity had been negative.

On our equity bucket our performance has been affected by some idiosyncratic stories such as Lonza or Adyen whereas the rate environment has been painful for some of our growth-tilted stock such as ASML or Amadeus. Nonetheless we managed to mitigate the negative contribution of equity thanks to overlay strategies on the stoxx600 index that contributed positively to fund's performance. It is also important to underline that our exposure de corporate debt was also positive over the quarter thanks to the carry embedded by credit subsegment such as high yield, subordinated financial debt or CLOs.

## OUTLOOK

We continue to have a constructive view of the normalisation of economies and central bank policies. However, if inflation continues to exceed the 2% target, the European Central Bank could moderate its monetary tightening policy due to the slowdown in the European economy. The investment strategy consists of constructing a portfolio balanced between assets benefiting from a gradual economic slowdown while managing inflationary risk. Interest-rate-sensitive assets, such as quality equities and sovereign bonds, are preferred. Downside protection strategies are also put in place in the event of a deeper recession or a resurgence in global inflation. The situation in China is also being closely monitored, as any stimulus measures could have a positive impact on European growth.

<sup>1</sup>Performance of the A EUR Acc share class ISIN code: LU1744628287.

<sup>2</sup>Reference Indicator: 40% STOXX Europe 600 (Reinvested Net Dividends) + 40% ICE BofA All Maturity All Euro Government + 20% ESTER capitalized. Quarterly Rebalanced. Until 31/12/2021, the reference indicator was 50% STOXX Europe 600, 50% BofA Merrill Lynch All Maturity All Euro Government Index. The performances are presented using the chaining method.

## CARMIGNAC PORTFOLIO PATRIMOINE EUROPE A EUR ACC

(ISIN: LU1744628287)

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. **INTEREST RATE:** Interest rate risk results in a decline in the net asset value in the event of changes in interest rates. **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. **CREDIT:** Credit risk is the risk that the issuer may default.

**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 :** 1,80% of the value of your investment per year. This estimate is based on actual costs over the past year.

**Performance fees :** 20,00% 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.

**Transaction Cost :** 0,74% 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: LU1744628287)

Calendar Year Performance (as %)	2018	2019	2020	2021
Carmignac Portfolio Patrimoine Europe	-4.8 %	+18.7 %	+13.9 %	+9.5 %
Indicateur de référence	-4.8 %	+16.4 %	+2.4 %	+10.2 %

Calendar Year Performance (as %)	2022	2023	2024	2025 (YTD)
Carmignac Portfolio Patrimoine Europe	-12.7 %	+2.1 %	+7.3 %	+3.4 %
Indicateur de référence	-11.0 %	+9.5 %	+5.1 %	+4.5 %

Annualised Performance	3 Years	5 Years	Since launch
Carmignac Portfolio Patrimoine Europe	+2.6 %	+3.9 %	+4.6 %
Indicateur de référence	+4.8 %	+5.2 %	+4.0 %

Source: Carmignac at May 30, 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](http://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](http://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](http://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](http://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.

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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.