




Making a difference through emerging markets

Length

 6 minute(s) read

Investing in emerging markets reflects an ambition that goes well beyond simple financial performance targets. By definition, investing in this universe is a way to support the social and environmental advancement of developing nations.

Carmignac has spent over 30 years establishing a reputation as an EM player through our sustainable approach.

Carmignac – a pioneer in emerging markets

When Carmignac was founded in 1989, we became one of the first players to invest in emerging markets.

Over the years, we have successfully developed a unique and distinctive approach in order to detect market opportunities. This has allowed us to build up solid expertise in the EM universe, as can be seen in the development of a specialised fund range equipped with both new performance drivers and enhanced diversification, active across all asset classes.

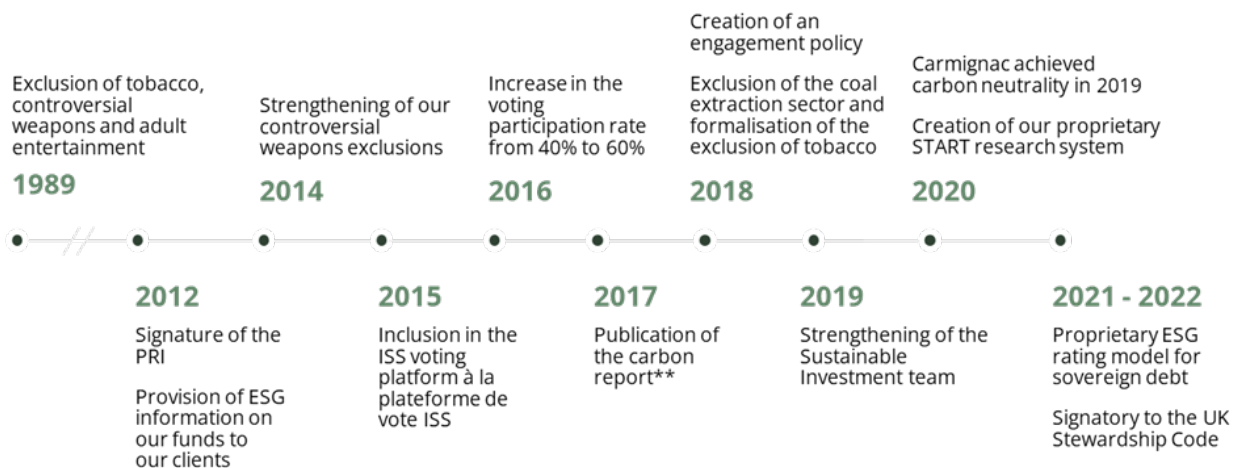
This track record and the trust of our partners have seen our EM range grow to almost EUR 7 billion in assets under management¹.

Our ESG positioning

We view adopting environmental, social and governance criteria as an essential part of appropriately managing risk in light of the financial implications of ESG matters.

Moreover, we believe it is our responsibility to make a positive contribution to society and the environment over the long term and to prioritise adding value for our clients. That's why we have always incorporated ESG considerations into our analyses. We have never invested in the tobacco or weapons sectors, for example.

However, we have strengthened our approach* and formalised our sustainable investment philosophy in recent years:



Source: Carmignac, December 2022. * Not all funds and issuers are covered by this statement. For further details, please refer to: https://www.carmignac.fr/en_GB/responsible-investment/snapshot-4742. ** In response to article 173 of the French energy transition law.

As an independent investor with strong convictions, we have decided to concentrate on three major ESG themes that are aligned with Carmignac's core identity: climate, empowerment and leadership. Today, over **90%² of our AUM are designated as article 8 or 9** under the SFDR³.

How our EM convictions reflect our sustainable approach

Our approach to emerging markets reflects our determination to invest sustainably. Our management teams seek to fully understand the risks inherent in emerging countries by combining analysis of fundamentals with consideration of non-financial criteria. We take care to examine the macroeconomic fundamentals of each security and carry out site visits to ensure a thorough investigation, and we also rely on a proprietary ESG analysis tool called START⁴. This tool, which is at the heart of our process, allows us to offer unique human insight and engage companies in dialogue about key indicators.

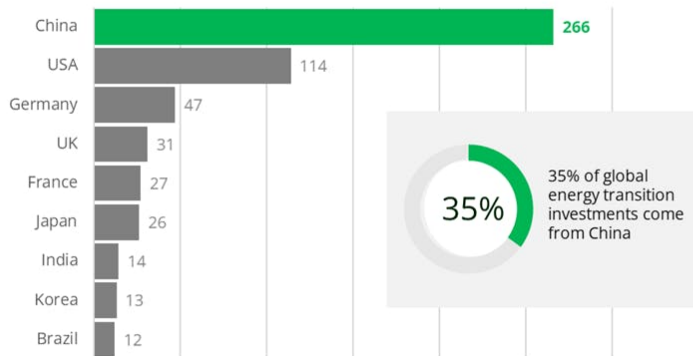
In addition to this preliminary stage, we have also used specific approaches to take our sustainability efforts one step further. Within our EM equities funds, for example, we ensure we are having a positive impact on society and the environment through measures such as aligning ourselves with the Sustainable Development Goals (SDG) defined by the United Nations. Several SDG are particularly relevant for emerging countries. Challenges such as "No poverty", "Zero hunger" and even "Affordable and clean energy" have often already been met within developed countries.

For our EM fixed-income investments, we have taken steps such as introducing a proprietary ESG rating tool for sovereign debt, along with a specific model for EM debt. Our dynamic analysis therefore allows us to assess developing countries' positive trajectory in relation to the E, S and G pillars as well as the inherent risks. For each pillar, we focus on qualitative data such as the share of renewable energy for the environment pillar, GDP per capita for the social pillar and human rights for the governance pillar.

We are also convinced that emerging markets have a decisive role to play in responsible investment. The energy transition cannot happen without emerging countries, and nations including China, South Korea and India have emerged as major players in the fields of innovation and green technology.



Investment in the energy transition in 2021 (USD bn)



Source: Carmignac, BNEF, Bloomberg 31/12/2021

At Carmignac, we have combined our position as an EM pioneer with our ESG approach to offer complementary and sustainable investment solutions:

Carmignac Emergents



Equity strategies

Grasping promising opportunities in the EM universe through a sustainable approach

[View the Fund](#)

Carmignac Emergents - Equity Strategies

Carmignac Portfolio China New Economy



Equity strategies

Seize the growth potential of China's new economy

[View the Fund](#)

Carmignac Portfolio EM Debt



Fixed income strategies

Seizing opportunities on the EM fixed-income markets while retaining flexibility

[View the Fund](#)

Carmignac Portfolio Emerging Patrimoine



Diversified strategies

An all-inclusive, sustainable EM solution

[View the Fund](#)

Investing in emerging markets therefore represents not only a source of performance and diversification, but also an opportunity to invest sustainably.

¹Source: Carmignac as at 31/01/2023.

²Source: Carmignac as at 31/01/2023

³The SFDR (Sustainable Finance Disclosure Regulation) 2019/2088 is an EU regulation that requires asset managers to sort their funds into categories including: “Article 8” for funds that promote environmental and social characteristics, “Article 9” for those that engage in sustainable investment with measurable objectives, and “Article 6” for funds that do not necessarily have a sustainability objective. For more information, visit: <https://eur-lex.europa.eu/eli/reg/2019/2088/oj?locale=en>.

⁴The exclusive START ESG system combines and aggregates ESG indicators from the main suppliers of market data. It is not possible to take all relevant indicators into consideration owing to a lack of standardisation and insufficient reporting of certain ESG indicators by listed companies. START provides a centralised system through which Carmignac delivers its analyses and insights into each business assessed, even if the external data it has aggregated is incomplete. For more information, please refer to the ESG integration policy on our website:

https://carmidoc.carmignac.com/SRIIP_FR_en.pdf

Emerging markets

On the road to Asia

[Learn more](#)

Carmignac Emergents A EUR Acc

ISIN: FR0010149302

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.

EMERGING MARKETS: Operating conditions and supervision in "emerging" markets may deviate from the standards prevailing on the large international exchanges and have an impact on prices of listed instruments in which the Fund may invest.

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.

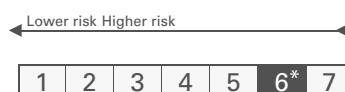
DISCRETIONARY MANAGEMENT: Anticipations of financial market changes made by the Management Company have a direct effect on the Fund's performance, which depends on the stocks selected.

The Fund presents a risk of loss of capital.

Carmignac Portfolio China New Economy A EUR Acc

ISIN: LU2295992320

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.

EMERGING MARKETS: Operating conditions and supervision in "emerging" markets may deviate from the standards prevailing on the large international exchanges and have an impact on prices of listed instruments in which the Fund may invest.

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.

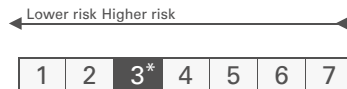
LIQUIDITY: Temporary market distortions may have an impact on the pricing conditions under which the Fund might be caused to liquidate, initiate or modify its positions.

The Fund presents a risk of loss of capital.

Carmignac Portfolio EM Debt A EUR Acc

ISIN: LU1623763221

Recommended
minimum
investment horizon



Main risks of the Fund

EMERGING MARKETS: Operating conditions and supervision in "emerging" markets may deviate from the standards prevailing on the large international exchanges and have an impact on prices of listed instruments in which the Fund may invest.

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.

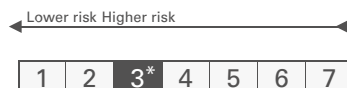
CREDIT: Credit risk is the risk that the issuer may default.

The Fund presents a risk of loss of capital.

Carmignac Portfolio Emerging Patrimoine A EUR Acc

ISIN: LU0592698954

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.

CREDIT: Credit risk is the risk that the issuer may default.

EMERGING MARKETS: Operating conditions and supervision in "emerging" markets may deviate from the standards prevailing on the large international exchanges and have an impact on prices of listed instruments in which the Fund may invest.

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 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.

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

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](#).

