

**MODEL PORTFOLIOS
TO MEET INDIVIDUALS'
INVESTMENT OBJECTIVES**





ACTIVE MANAGERS, COMMITTED PARTNERS: THE CARMIGNAC DIFFERENCE

Welcome to Carmignac, an independent asset management firm established in 1989 on three core principles that still stand true today: entrepreneurial spirit, human-driven insight and active commitment.

In a world where cultural, geopolitical and economic challenges are constantly shifting our perspective of the future, it pays to have a team of strategic, independent thinkers who can steer your investments through the market turbulence with the aim to achieve long-term return.

Established over more than 30 years, this spirit of independent thinking is serving an unchanged mission: creating value for our clients and positive outcomes for society and the environment.

Our founders, Edouard Carmignac and Eric Helderlé, have created the cornerstones to make Carmignac one of Europe's foremost leaders in asset management. While our brand's roots are based in France, we have grown to have an international reach – with seven offices throughout Europe and funds distributed across 16 countries.

We are building on this independent European story for the UK advisors' market – to provide an opportunity for investors seeking new horizons.

► Carmignac key figures:



Over **30 years**
of spirited independence



€41bn assets
under management*



€2bn in
equity capital**



287
staff*



7
offices in Europe

*As of 30/09/2021. **As of 31/12/2020.

▶ A unique boutique

Carmignac is owned both by our employees and the Carmignac family, encouraging a unique blend of diversity and accountability for our actions that stands us in great stead for the future.



Entrepreneurial spirit

We are as entrepreneurial today as we have always been; our team of Fund Managers keeping the freedom and courage to perform independent risk analysis, translate it into strong convictions and implement them.



Human-driven insight

Our collaborative culture of debate, on-the-ground work and in-house research means we will always enhance data analysis with human-driven insight to better manage complexity and evaluate hidden risks.



Active commitment

We are both active managers and active partners, committed to our clients, providing transparency on our investment decisions and always accountable for them.

Carmignac strives to preserve our clients' assets as much as strengthening them, and we act on this dual mandate on the understanding that the long term matters more than short-term gains. With this in mind, we remain loyal guardians of our clients' assets, only taking calculated risks when the circumstances show it to be a wise move.



Alignment of interests between our clients and Carmignac is at the heart of our approach. I am a partner, I am an employee and I am 100% aligned with our clients because we both want to achieve the same result and I feel this is what makes us different.



Maxime CARMIGNAC

Managing Director of Carmignac UK Branch



RESPONSIBLE INVESTING



In a world where sustainable investing is continuously evolving, it is more important than ever to build a flexible and credible analytics system into the very core of your investment process. At Carmignac we did exactly that, by developing a proprietary system to support our analysis and ensure that sustainability is at the very heart of what we do.



Sandra CROWL

Stewardship Director, Carmignac UK Branch

Our duty to invest responsibly

At Carmignac, we believe that companies that cannot function in harmony with their environment are doomed to fail. The relevance of far-sighted Environmental, Social and Governance “ESG” practices in corporate business models has never been as stark as it is today.

That’s why we have a track record in applying ESG principles to our own company’s operations, and benchmarking all our funds’ analysis through the ESG lens too.

Our active role as investors positions us through the hunt for sustainable financial returns, not just in sectors that have recognised pedigrees in sustainability, but even in those more ‘controversial’ industries such as mining and oil, where companies demonstrate that positive action has been taken to operate under a changing global landscape. It is in these sectors that we can track – and hold to account – the work being done to reduce carbon footprints and to diversify into new more sustainable technologies.

This role gives us the opportunity to create value for our clients and positive outcomes for the society and the environment. It keeps our eyes on the ultimate goal of long-term returns. Our team is focused on the core objective of selecting stocks and securities that demonstrate innovative technologies and long-term resilience. As the world begins to adopt a more mature understanding of the vital role ESG plays in our collective future, Carmignac is able to pivot its entire investment philosophy around these principles.

While avoiding those that conflict with our own principles and values, we analyse our target investments’ compatibility with ESG by assessing their externalities and impacts. We then engage with them to ensure shareholder voting rights are respected and senior management is held accountable to key decisions.

All developments and achievements are then reported back to our clients so that they can understand the measures of success and where there is room for improvement.

What makes our ESG approach different?

ESG is no longer just about the companies we invest in, but the way they can modify their operations and production of goods and services towards a more sustainable future. This is integral to the way we make investment decisions.

To embed such decisions in our investment process, Carmignac has developed a unique proprietary analysis system for ESG measures in companies, known as START* – System for Tracking and Analysis of a Responsible Trajectory. The insights that come from the multifaceted START system help our team make the right choice for our clients.

It takes third-party raw company data and blends it with our in-house research to ensure that the analysis on which decision can be made is the most advanced and informed possible.

Different sectors, sizes and geographies influence the impact that different stakeholders have in their business – so Carmignac has formed similar peer groups to allow a fairer comparison between companies.

Once we take account of the different indicators of those financially-material ESG measures that can affect a company's performance, our team reviews and analyses the results to provide a rating, a comment and a preview of where we think the company is headed.

Climate

We believe every company must play its part in climate change mitigation. We work with the companies we invest in to achieve emissions transparency and to transition to climate-friendly policies.

Human capital

We believe employees are a company's most valuable asset, when cared for. We ask the companies we invest in to focus on efficiently managing their human capital for employee engagement and satisfaction.

Entrepreneurship

We believe in long-term value creation from firms that can innovate to constantly provide the best solutions for their clients. We help the companies we invest in to take a long-term view, by leveraging our own legacy as a family-run, entrepreneurial company.

*The proprietary ESG system START combines and aggregates market leading data providers ESG indicators. Given the lack of standardisation and reporting of some ESG indicators by public companies, not all relevant indicators can be taken into consideration. START provides a centralised system whereby Carmignac's proprietary analysis and insights related to each company are expressed, irrespective of the aggregated external data should it be incomplete. For more information, please refer to our website.



ABOUT OUR MODEL PORTFOLIOS

Striking the right balance: four model portfolios to meet your clients' risk appetite



Powered by
HYMANS  ROBERTSON



At Carmignac, we have designed a variety of bespoke model portfolios to cater to the different investment objectives and risk appetites of different types of investors – from prudent investors to those willing to take more risk for potentially higher returns.

Carmignac has partnered with SimplyBiz to launch the bespoke range of model portfolios, designed specifically for advisers' use. We have also partnered with Hymans Robertson, who have licensed the models to form part of their range of risk-controlled solutions, and RSMR Portfolio Services as our Discretionary Fund Manager.

The core characteristic of Carmignac Risk Controlled MPS portfolios can be summed up by balance. As well as reflecting the culture of our asset management principles, we have conscientiously structured these portfolios to be resilient for the medium and long term – minimising volatility while building consistency.

Across our four Carmignac Risk Controlled MPS portfolios, we have carefully diversified the fund mixes to ensure that active decisions on behalf of our clients are tempered by value-led passive strategies. This way we can maximise stability but not at the expense of hard-fought returns.

We believe this is a unique, tailored solution that's rare to find in the market – not least because each portfolio draws upon respected external funds as well as our own to draw the best results from the market. We ensure our clients' objectives are front of mind while meeting strict pricing constraints – all under independent oversight from the risk consulting firm, Hymans Robertson.



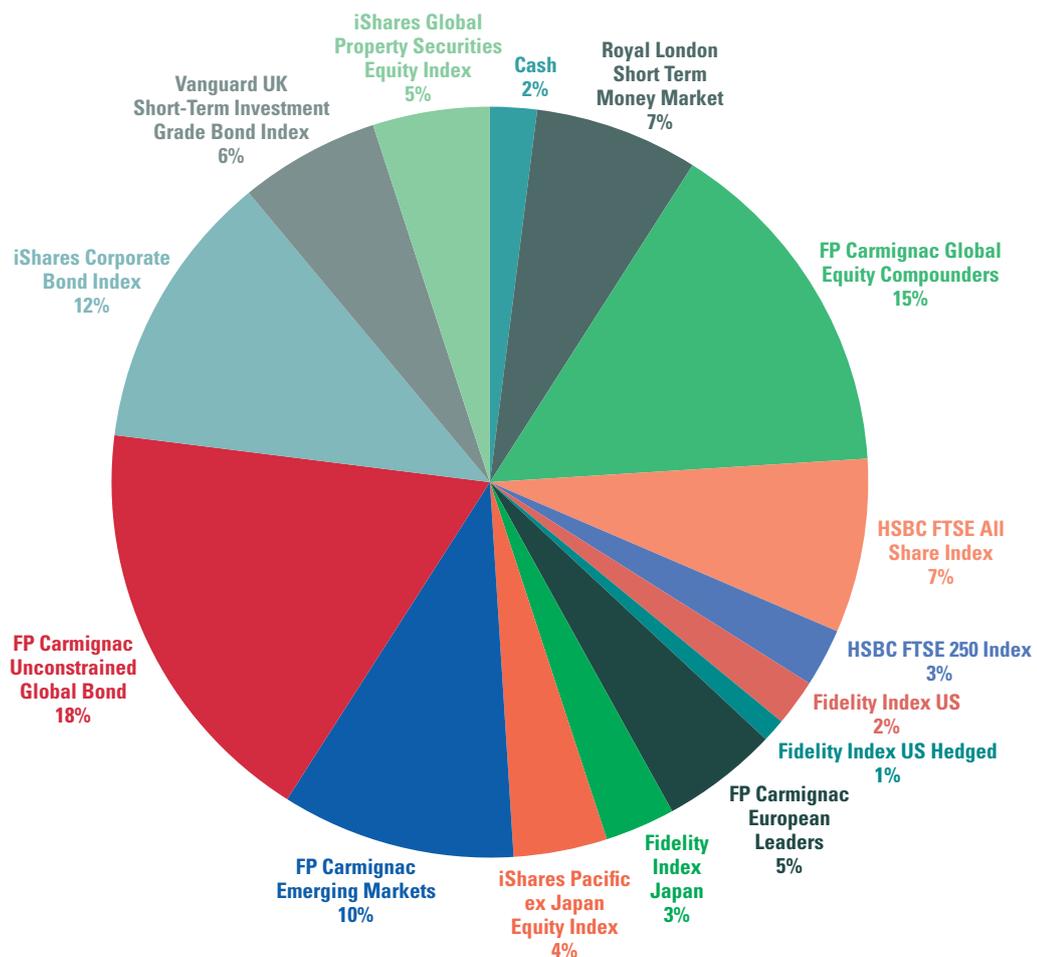
Model Portfolio 4

This accumulation profile works across active and passive funds, with a slightly increased weighting on UK corporate bonds, and UK and US equities, and a medium- to long-term strategy to outperform the benchmark, which is set at 2% above UK Consumer Price Index.

The model combines the best of Carmignac's own funds with other market-leading funds, and allows for a relatively tight volatility target between 8.1% and 8.5%, with maximum and minimum limits coming in at 10% and 6.5% respectively.



Top holdings



Source: RSMR Portfolio Services, November 2021

We cannot guarantee Defaqto risk ratings will remain static. Please refer to the disclaimer on page 14 for further details.



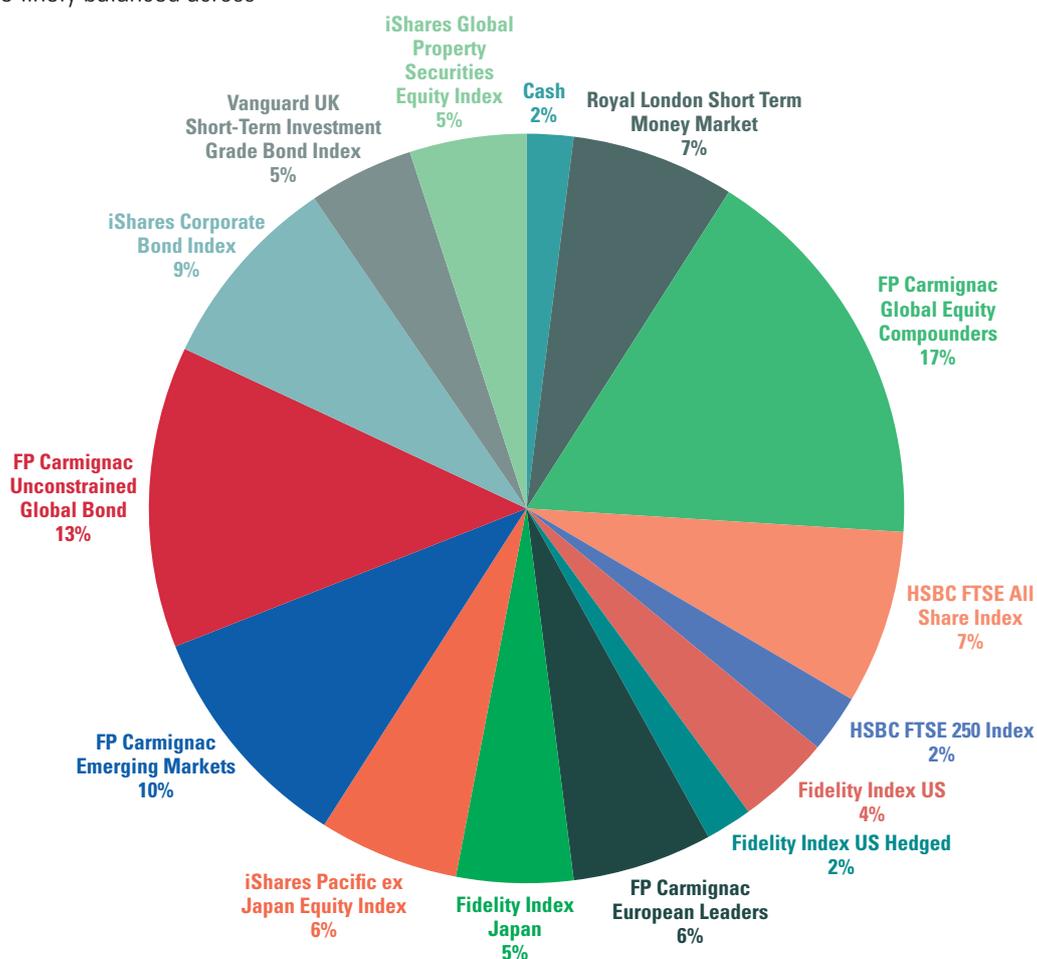
Model Portfolio 5

This accumulation profile follows a similar, heavily-diversified base characteristic, but with a higher performance target at 3% above the UK Consumer Price Index. Its active-passive split is defined by a marginally increased weighing towards equities in Asia and the emerging markets, while the remaining investments are finely balanced across the spread.

Portfolio 5's volatility target is set higher, between 9.8% and 10.2% with a maximum and minimum tolerance sitting between 11.8% and 8.3%.



Top holdings



Source: RSMR Portfolio Services, November 2021

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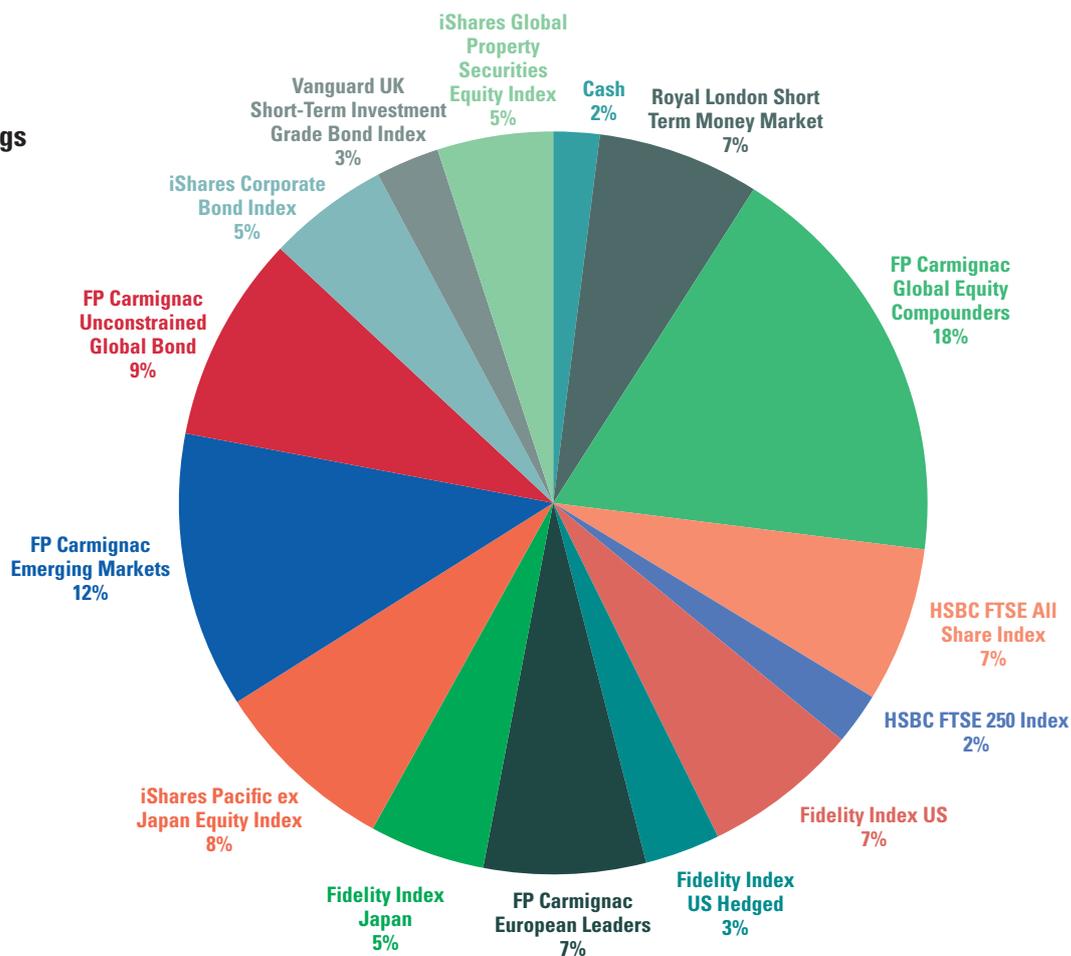
Model Portfolio 6

This accumulation profile provides a balanced approach to active versus passive, but edges further in its weighting towards US and UK equities, unlike the UK bonds weighting in Portfolio 4.

Yet more allowance is given for volatility here. The ideal target is set at between 11.6% and 12%, with a maximum and minimum limit sitting between 13.6% and 10%.



Top holdings



Source: RSMR Portfolio Services, November 2021

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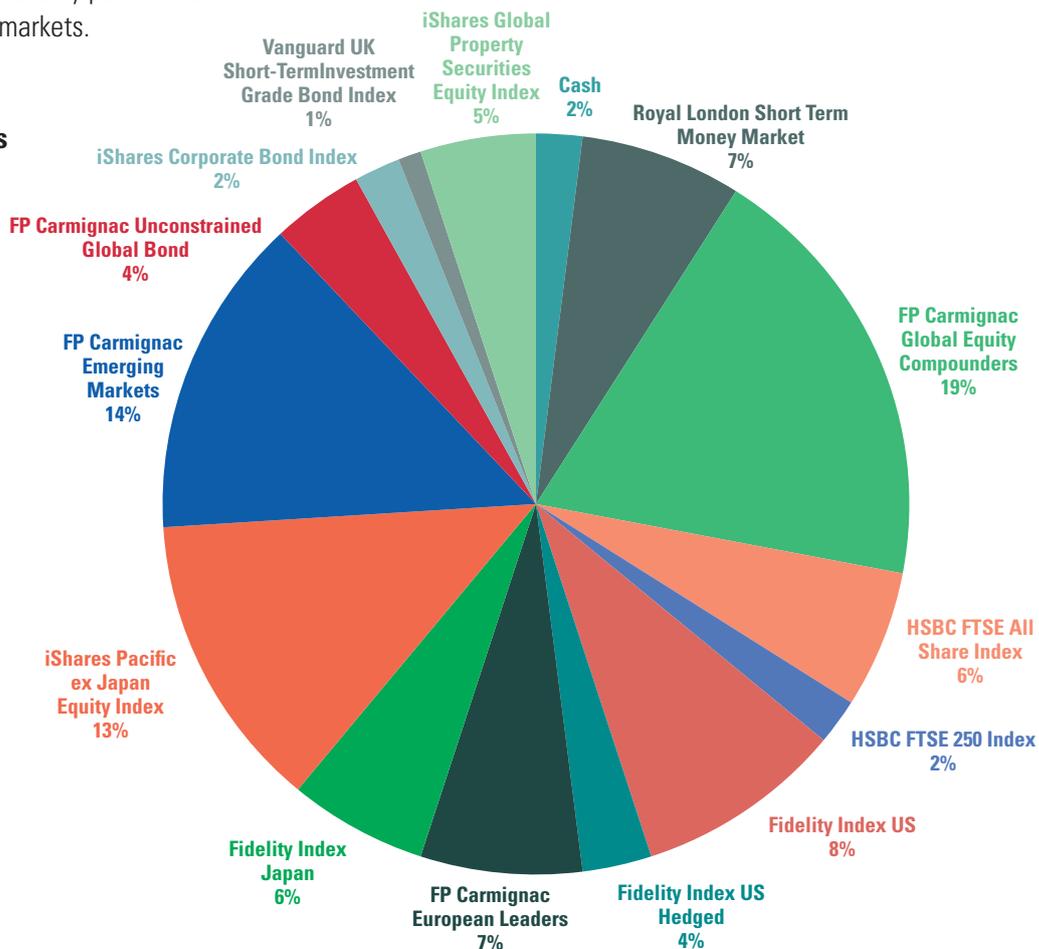
Model Portfolio 7

This accumulation profile is defined by a much bolder weighting towards US equities and yet it retains a balanced split between active and passive fund to ensure longer term stability. The Developed Pacific Region (ex-Japan) and Emerging Market equities also gain increased focus in this portfolio, though they are carefully balanced by passive funds in developed markets.

There is a relatively higher allowance still in Portfolio 7 for volatility targets – sitting between 13.4% and 13.8%. The maximum and minimum volatility limits are between 15.4% and 11.8% – again increasing investor options in risk-reward.



Top holdings



In all profiles, Carmignac has carefully broken down the fund mixes to ensure that medium- to long-term risks are tempered by value-led passive strategies, thereby maximising stability but not at the expense of returns.

Source: RSMR Portfolio Services, November 2021

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DISCLAIMER

Promotional material: This material was prepared by Carmignac Gestion Luxembourg and is being distributed in the UK by Carmignac Gestion Luxembourg UK Branch (Registered in England and Wales with number FC031103, CSSF agreement of 10/06/2013).

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References to specific securities and their issuers are for illustrative purposes only and are not intended and should not be interpreted as recommendations to purchase or sell such securities.

We cannot guarantee risk ratings will remain static. The model portfolio is mapped against a selection of third party risk profiling tools to assist advisers as part of suitability assessments for clients. Such tools are however only one aspect of an adviser's suitability process and other such as the clients' investment term/horizon and knowledge and experience should also be considered.

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Subsidiary of Carmignac Gestion - Investment fund management company approved by the CSSF.

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