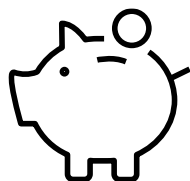




# **LA RENTRÉE CARMIGNAC**

October 2022

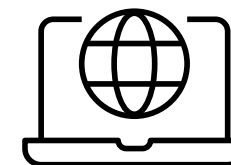
# DRIVERS OF HIGHER STRUCTURAL INFLATION



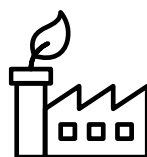
END OF OVER-SAVING ERA



END OF LOW-COST LABOR



END OF E-COMMERCE  
INDUCED DEFLATION



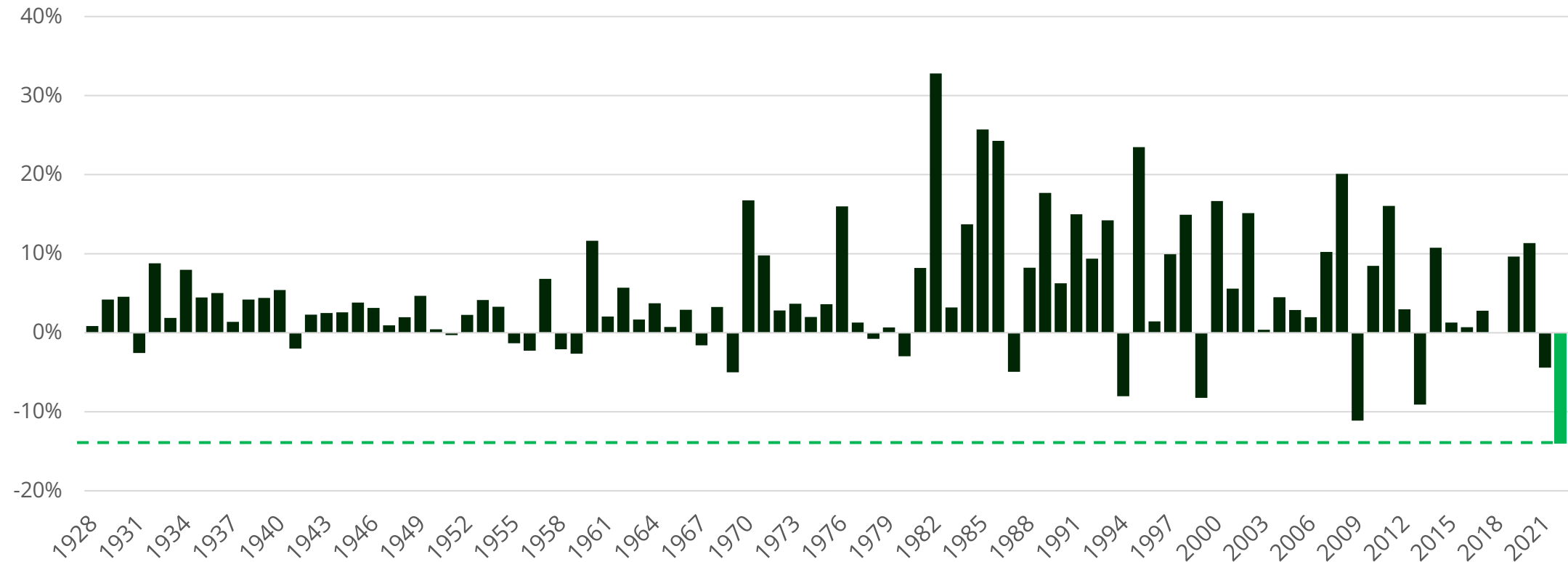
ENERGY  
TRANSITION



PEAK  
GLOBALIZATION

# THE GREAT BOND MASSACRE

## Annual returns of US treasury 10-year bond since 1928



Source: Carmignac, Bloomberg, 2022

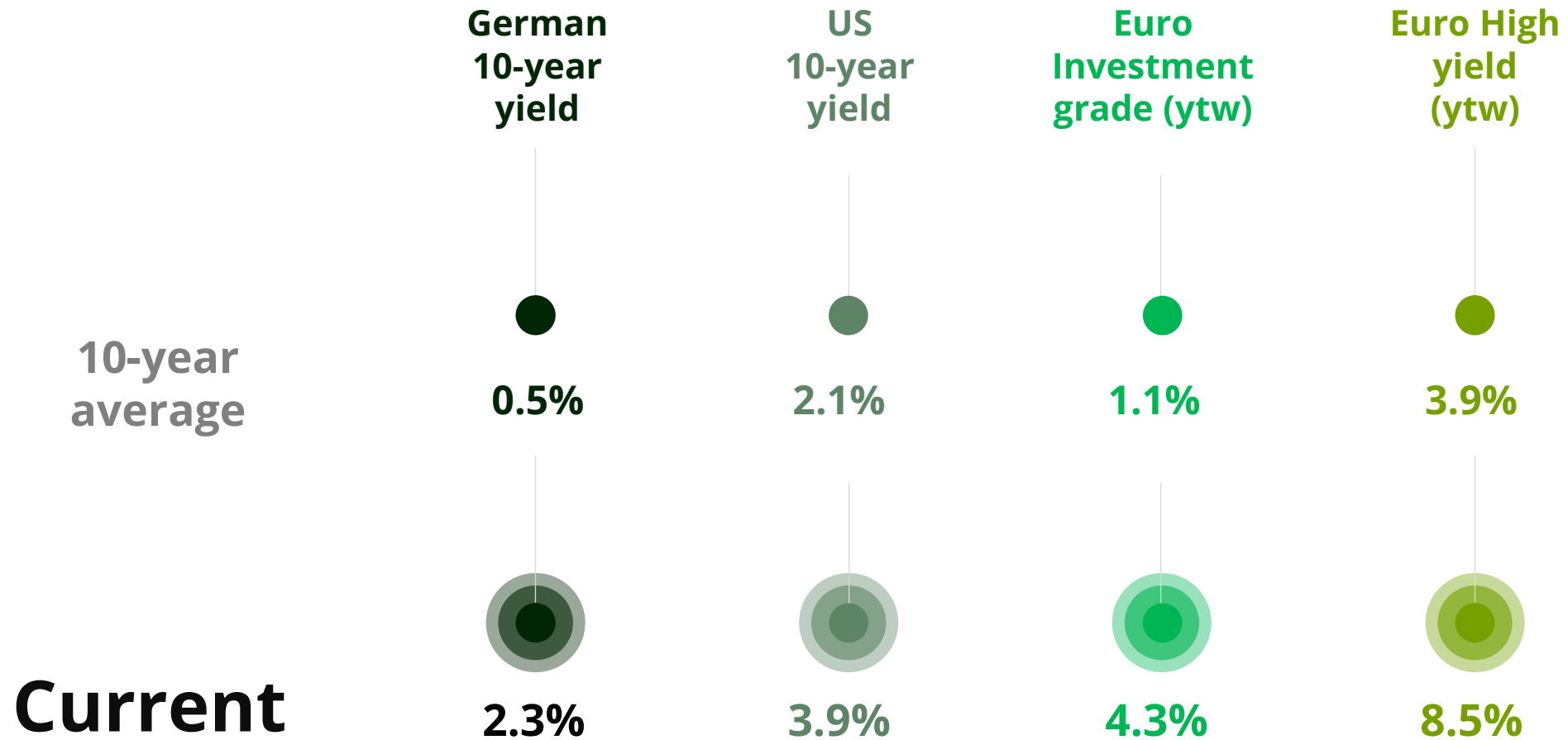
# CONTRACTION OF EQUITY MARKETS' MULTIPLE

MSCI World 1-year forward price/earnings ratio



Source: Carmignac, Bloomberg, 2022

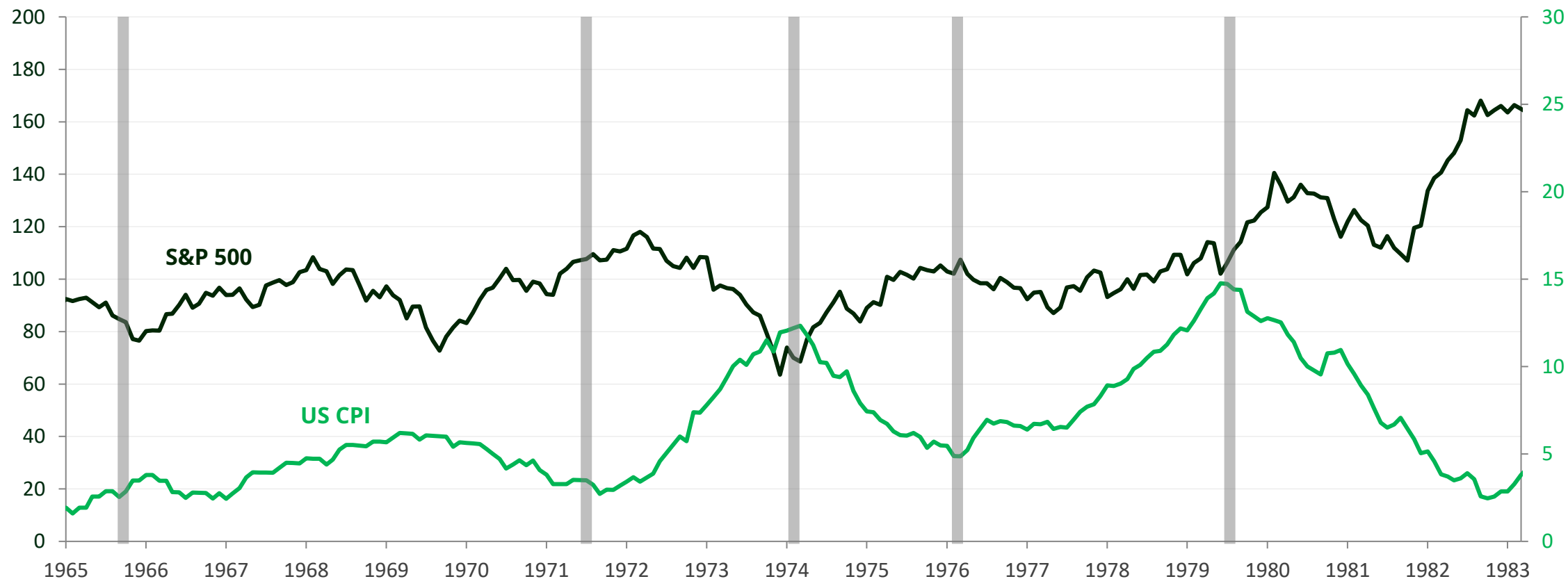
# OPPORTUNITIES HAVE REBUILT ON FIXED INCOME



Source: Carmignac, Bloomberg, 12/10/2022

# INFLATION PEAKING CAUSED MARKETS TO BOTTOM

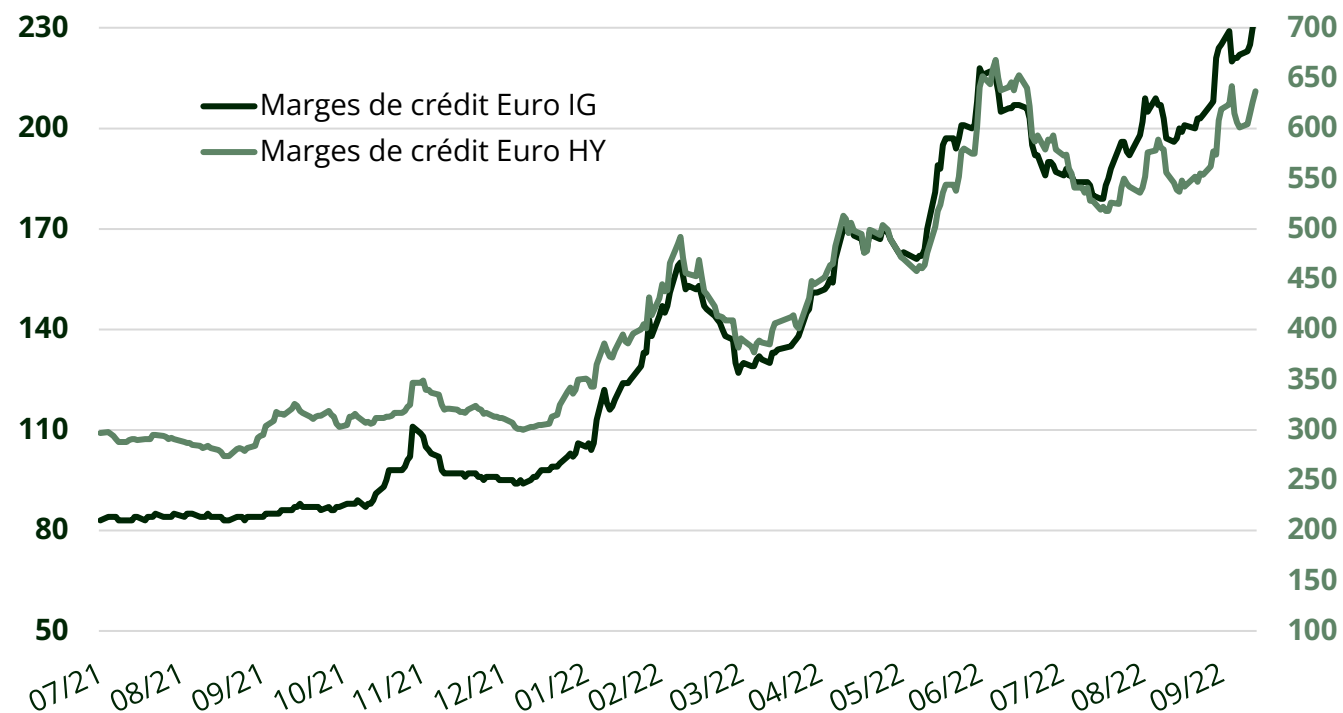
## US equity markets and inflation in the 60's through 80's



Source: Carmignac, Bloomberg, BNP, Exane, 2022

# CURRENT VALUATIONS IN CREDIT MARKETS

## European Market Credit Spreads (bp)



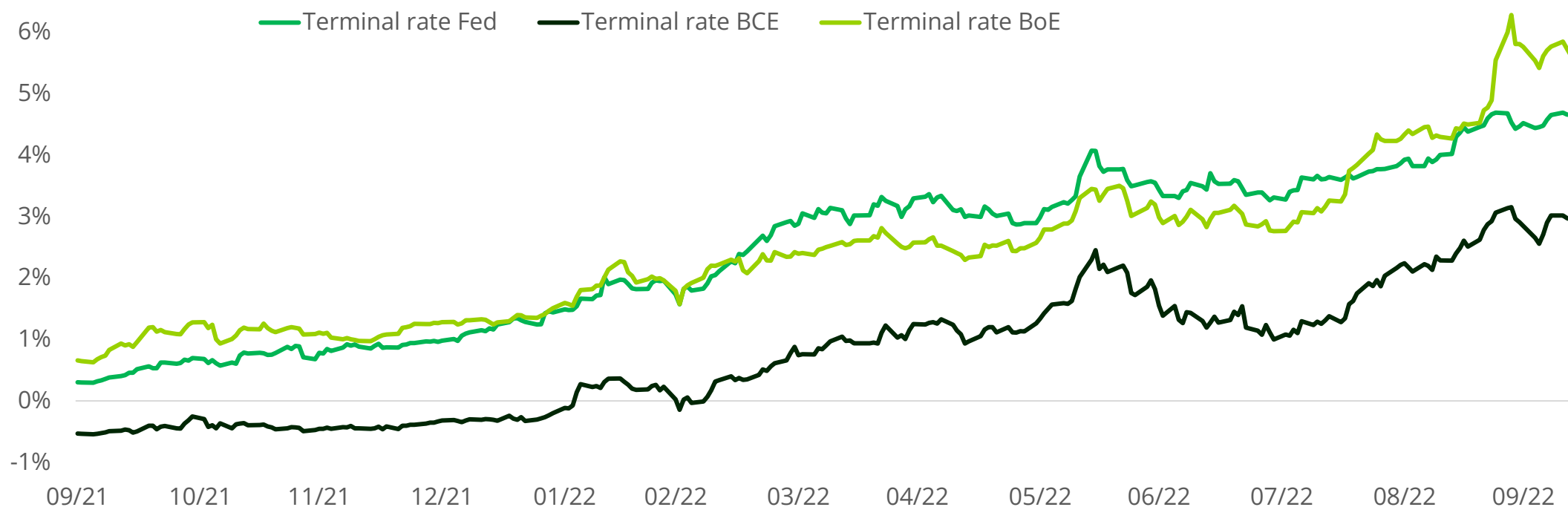
Yield <sup>1</sup>	30/07/2021	13/10/2022
€ Investment Grade	0.2%	4.4%
€ High Yield	2.4%	8.5%
Carmignac P. Credit	3.8%	10.5%



Source: Bloomberg, 13/10/2022  
<sup>1</sup>YTW: Yield-to-Worst

# CORE RATES: TOWARDS A STABILISATION?

## Evolution of the terminal rates of main central banks

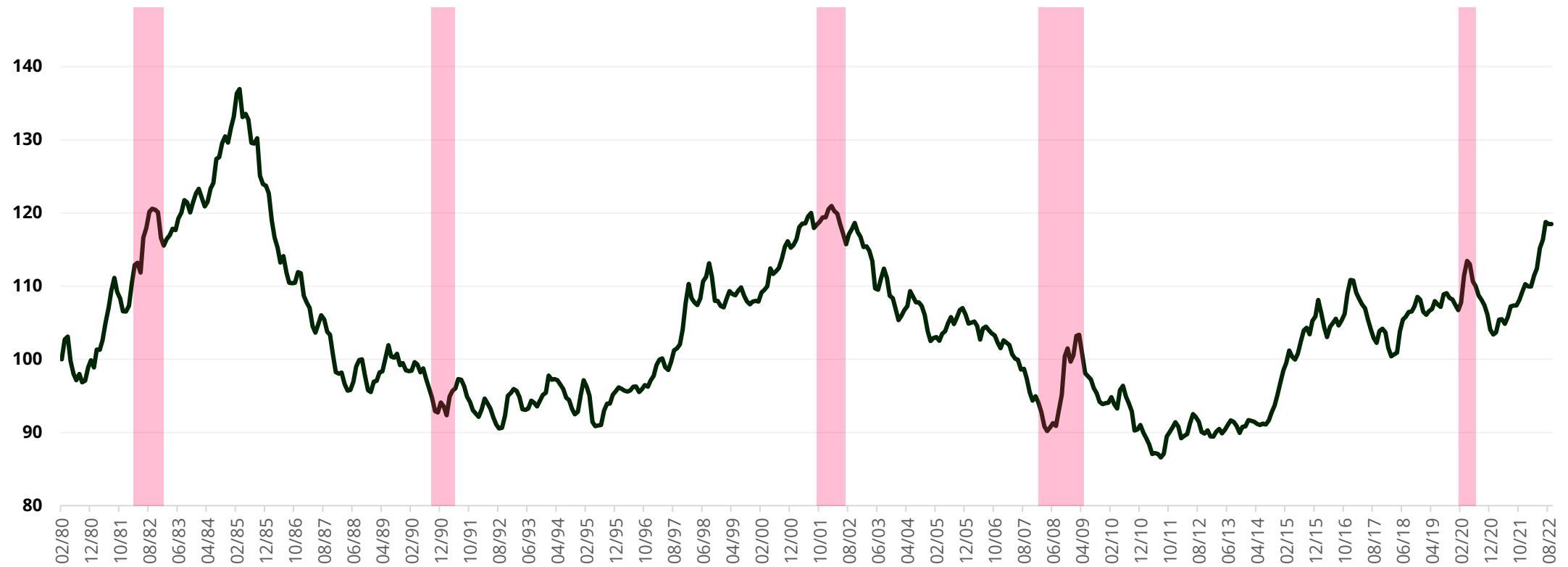


Source: Bloomberg, Carmignac, 14/10/2022



# HAS THE USD PEAKED?

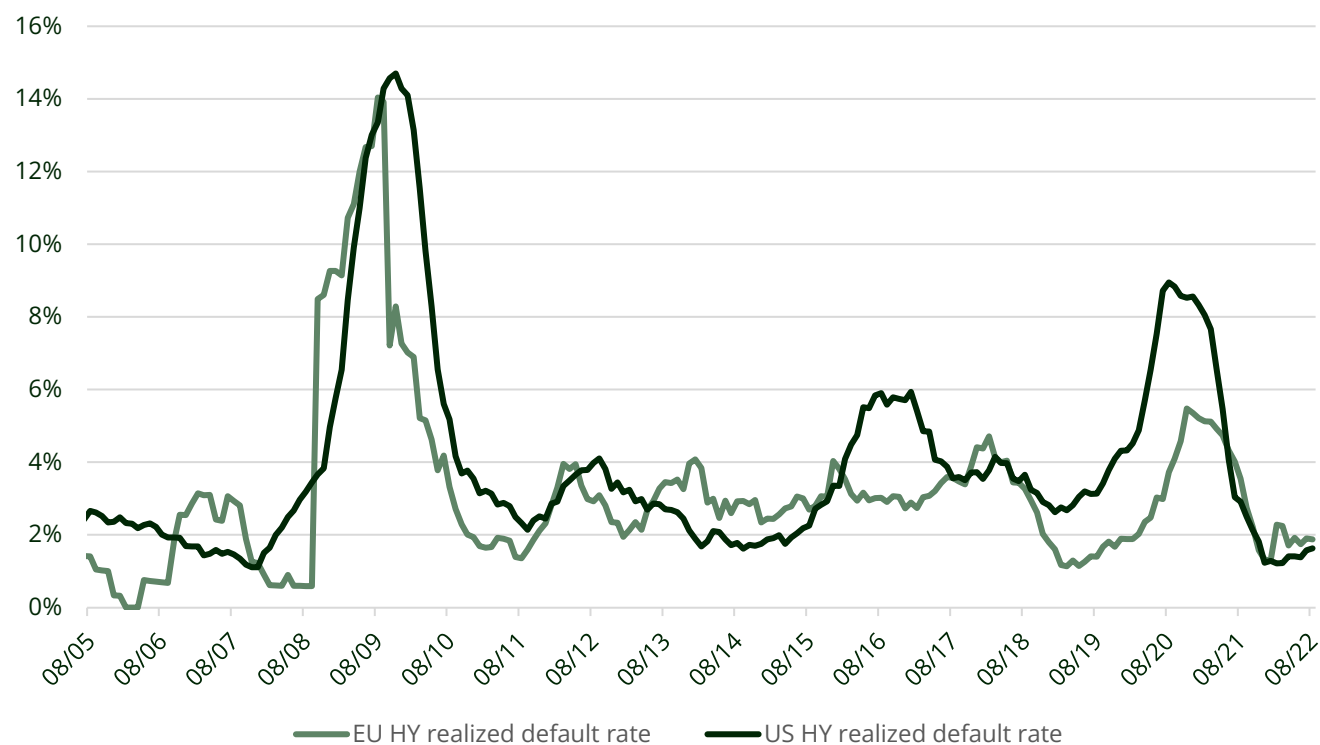
## Historical value of the USD & US Recession periods



Sources : Bloomberg, Carmignac 30/09/2022

# CREDIT PERFORMANCE DRIVERS WILL BE IDIOSYNCRATIC

Default rates have been kept at artificially low levels



Rising default rates imply:

- Short opportunities
- Special situations
- Overestimation of risks

# HIGHER YIELDS AND HIGHER SPREADS OFFER GREATER OPPORTUNITIES FOR CARMIGNAC SÉCURITÉ

## Evolution of the yield to maturity



Source: Bloomberg, BAML ICE index, 12/10/2022

# CURRENCIES: AN IMPORTANT ADVANTAGE IN THIS CYCLE

Correlations between asset classes (year-on-year)

	UST 10y	EM FX	US IG	Dollar Index	US HY	EM Debt	EM Local Debt
UST 10y	1,00	0,39	0,83	-0,52	0,45	0,56	0,48
EM FX	0,39	1,00	0,50	-0,73	0,43	0,65	0,85
US IG	0,83	0,50	1,00	-0,68	0,79	0,78	0,71
Dollar Index	-0,52	-0,73	-0,68	1,00	-0,72	-0,83	-0,88
US HY	0,45	0,43	0,79	-0,72	1,00	0,78	0,69
EM Debt	0,56	0,65	0,78	-0,83	0,78	1,00	0,88
EM Local Debt	0,48	0,85	0,71	-0,88	0,69	0,88	1,00

Source: Carmignac, Bloomberg, for illustration purposes only.  
Date: as of 30/09/2022, 1 year rolling correlation

# MAIN RISKS OF THE FUND

	EQUITY	INTEREST RATE	CREDIT	CURRENCY	RISK OF CAPITAL LOSS	DISCRETIONARY MANAGEMENT	LIQUIDITY	
<b>Carmignac Patrimoine</b>	●	●	●	●	●			<p>← LOWER RISK                      HIGHER RISK →</p> <p>Potentially lower return                      Potentially higher return</p> <p>1 2 3 4* 5 6 7</p> <p>Recommended minimum investment horizon: <b>3 YEARS</b></p>
<b>Carmignac Sécurité</b>		●	●	●	●			<p>← LOWER RISK                      HIGHER RISK →</p> <p>Potentially lower return                      Potentially higher return</p> <p>1 2 3* 4 5 6 7</p> <p>Recommended minimum investment horizon: <b>2 YEARS</b></p>
<b>Carmignac Portfolio Global Bond</b>		●	●	●		●		<p>← LOWER RISK                      HIGHER RISK →</p> <p>Potentially lower return                      Potentially higher return</p> <p>1 2 3* 4 5 6 7</p> <p>Recommended minimum investment horizon: <b>3 YEARS</b></p>
<b>Carmignac Portfolio Credit</b>		●	●	●	●			<p>← LOWER RISK                      HIGHER RISK →</p> <p>Potentially lower return                      Potentially higher return</p> <p>1 2 3 4* 5 6 7</p> <p>Recommended minimum investment horizon: <b>3 YEARS</b></p>
<b>Carmignac Credit 2025 et Credit 2027</b>		●	●			●	●	<p>← LOWER RISK                      HIGHER RISK →</p> <p>Potentially lower return                      Potentially higher return</p> <p>1 2 3* 4 5 6 7</p> <p>Recommended minimum investment horizon: <b>5 YEARS</b></p>

Source: Carmignac, 18/10/2022. \*Anteilklassen A EUR Acc - Carmignac Sécurité: Anteilsklasse AW EUR Acc. Risiko Skala von KIID (Wesentliche Anlegerinformationen). Das Risiko 1 ist nicht eine risikolose Investition. Dieser Indikator kann sich im Laufe der Zeit verändern.

# 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.

**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.

**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.

**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.

# DISCLAIMER

Video created on 18/10/2022.

This video is intended for professional clients.

This is a marketing communication. This video may not be reproduced, in whole or in part, without prior authorisation from the management company. It does not constitute a subscription offer, nor does it constitute investment advice. The information contained in this video may be partial information and may be modified without prior notice. The Management Company can cease promotion in your country anytime. Investors have access to a summary of their rights in French, English, German, Dutch, Spanish, Italian on the link (paragraph 6): [https://www.carmignac.com/en\\_US/article-page/regulatory-information-1788](https://www.carmignac.com/en_US/article-page/regulatory-information-1788).

The Funds are common funds in contractual form (FCP) conforming to the UCITS Directive under French law. Carmignac Portfolio refers to the sub-funds of Carmignac Portfolio SICAV, an investment company under Luxembourg law, conforming to the UCITS Directive. 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. Access to the Fund may be subject to restrictions with regard to certain persons or countries. The Funds are not registered in North America, nor in South America. 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/or FATCA. The Funds present a risk of loss of capital. The risks, fees and ongoing charges are described in the KIID (Key Investor Information Document). The Funds' prospectus, KIIDs, NAV and annual reports are available at [www.carmignac.com](http://www.carmignac.com) or upon request to the Management Company. • **In Switzerland**, the Funds' prospectus, KIIDs and annual reports are available at [www.carmignac.ch](http://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, Paris, succursale de Nyon / Suisse, Route de Signy 35, 1260 Nyon. The KIID must be made available to the subscriber prior to subscription. • **In the United Kingdom**, the Funds' prospectus, KIIDs and annual reports are available at [www.carmignac.co.uk](http://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 material was prepared by Carmignac Gestion and/or 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). • **In Belgium, this video has not been submitted to the FSMA for validation.** This video is intended for professional clients. This video is published by Carmignac Gestion S.A., a portfolio management company approved by the Autorité des Marchés Financiers (AMF) in France, and its Luxembourg subsidiary Carmignac Gestion Luxembourg, S.A., an investment fund management company approved by the Commission de Surveillance du Secteur Financier (CSSF), pursuant to section 15 of the Luxembourg Law of 17 December 2010. "Carmignac" is a registered trademark. "investing in your interest" is a slogan associated with the Carmignac trademark. This video does not constitute advice on any investment or arbitrage of transferable securities or any other asset management or investment product or service. The information and opinions contained in this video do not take into account investors' specific individual circumstances and must never be interpreted as legal, tax or investment advice. The information contained in this video may be partial and could be changed without notice. This document may not be reproduced in whole or in part without prior authorisation.

**CARMIGNAC GESTION** - 24, place Vendôme - F-75001 Paris - Tél : (+33) 01 42 86 53 35

Investment management company approved by the AMF – Public limited company with share capital of € 15,000,000 - RCS Paris B 349 501 676

**CARMIGNAC GESTION Luxembourg** - City Link - 7, rue de la Chapelle - L-1325 Luxembourg - Tel : (+352) 46 70 60 1

Subsidiary of Carmignac Gestion. Investment fund management company approved by the CSSF – Public limited company with share capital of € 23,000,000 - RC Luxembourg B 67 549