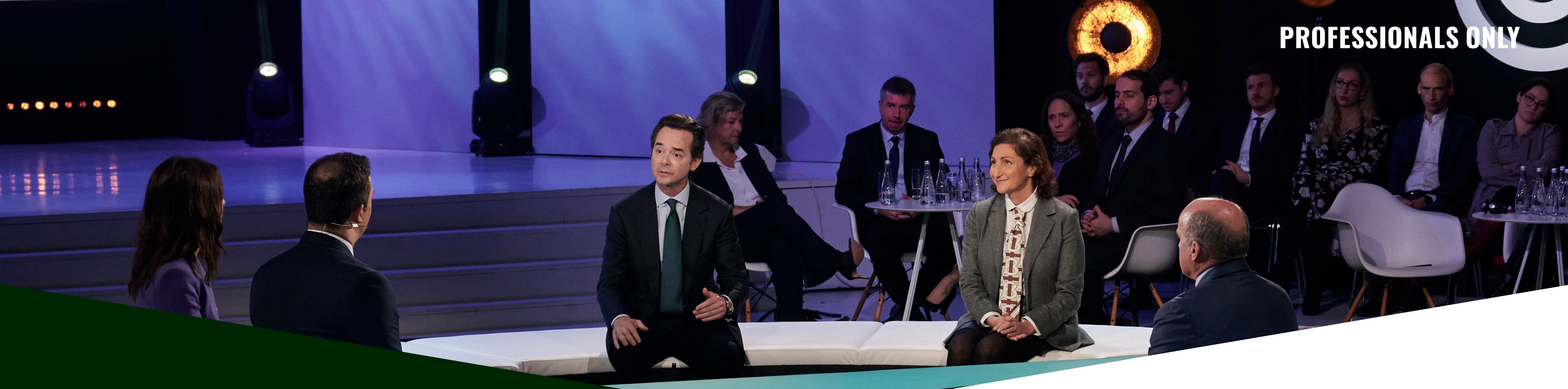


LA RENTRÉE CARMIGNAC

OCTOBER 2022

Raphaël GALLARDO

ECONOMIC PERSPECTIVES

- **The desynchronization of global cycles continues, with Europe and the United States entering recession with a delay, while China consolidates its rebound.**
- **Fiscal activism and currency weakness are cushioning the shock of the gas crisis in Europe and Asia, but at the cost of deteriorating public finances and persistent inflation.**

Europe

The gas crisis represents a shock of around 4% of GDP in real terms. This will be partly cushioned by fiscal stimulus measures and weak currencies.

Government intervention will only smooth out the inflationary shock over time.

The ECB is caught between its price stability mandate and the risk of causing a run on peripheral sovereign debt.

United States

Rising short-term rates (restrictive Fed policy) and long-term rates (the US economy needs to finance its external deficit) are weighing on the value of US household wealth.

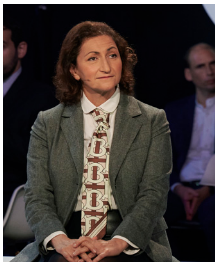
Due to negative wealth effect, households are expected to save more and thus push the US economy into recession by the second half of 2023.

China

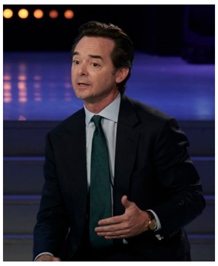
China's economy bottomed out in the second quarter of 2022 due to a costly zero-covid policy and its desire to burst its property bubble.

Stimulus measures are underway and should allow China's GDP to accelerate to 5% by the second quarter of 2023 with the lifting of health restrictions.

Frédéric LEROUX



Rose OUAHBA

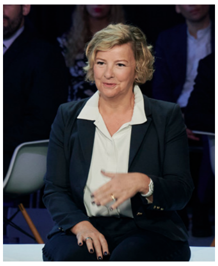


David OLDER

ROUND TABLE
INVESTMENT STRATEGY

The return of inflation leads to a return of the cycle. The key will now be to identify the inflection points. The coming turnaround should benefit firstly to growth stocks and carry trades.

- The simultaneous reversal of several structural factors (labor market, savings, energy transition, evolution of supply chains) will lead to a sustainable return of inflation above 2%. This return of inflation allows the return of interest rates and thus the return to economic and financial normality after years of price distortions linked to overly accommodating monetary policies.
- This return of the cycle therefore allows a comeback of an active management capable of anticipating inflections. It will also increase and diversify opportunities.
- For the time being, we remain cautious due to the risk of a collision between dissonant fiscal and monetary policies, as well as to the still too optimistic outlook for EPS growth. We therefore maintain low equity exposure, limited risk levels on the fixed income front and a high proportion of liquidity in the Patrimoine range.
- Nevertheless, we are ready to buy back our equity, credit and interest rate protections at any time in the face of extreme investor pessimism and as we are approaching the (first) wave of an inflationary decline.
- Which assets seem the most attractive in case of market reversals? Growth stocks, credit and more generally the fixed income assets that are becoming attractive again after years of financial repression.



Marie-Anne ALLIER

Pierre VERLÉ

Abdelak ADJRIOU

FIXED INCOME ROUND TABLE

Fixed income markets have suffered one of the biggest crises of the last decades. An active and flexible approach is needed to take advantage of this. We see rising interest rates and widening credit spreads as opportunities in the coming years.

- Current central banks' monetary tightening seems to be well priced in by the short end of the yield curves. On the long end of the curves, the divergences between monetary and fiscal policies, particularly in Europe, would imply steeper curves.
- Moreover, we are in the midst of a change in paradigm. In fact, correlations between risky assets and government bonds have turned positive this year, a switch after a decade long of negative correlations. This year's risk aversion sentiment, the drastic rise in US interest rates and the improvement in the US trade balance have largely benefited the US dollar, making the latter an important decorrelating asset class.
- With the significant interest rates hikes that we have witnessed, the debt sustainability question becomes equally of key importance for the most indebted countries (ie. periphery). This is especially relevant if we count in the announced end of ECB asset purchase program, but not taking into account the support of the various European Union plans.
- As for credit markets, they have so far suffered their worst decline in decades and are now offering much more value. For example, yields in the high yield market are at all-time highs, while investment grade yields are currently well above those of the high yield market one year ago.
- However, the underlying rise in default rates should not worry us, as it will undoubtfully create new opportunities in credit markets, whether through long or short strategies. Indeed, not only is the market beta becoming very attractive again, but there should be more value to be found on the alpha in the months to come. For example, we find many opportunities in the financial and energy sectors. We also believe that some structured credit assets, such as CLO tranches, may offer interesting opportunities.
- With a cautious positioning characterized by almost 40% cash and cash equivalents, ready to be deployed, Carmignac Sécurité has one of the highest yields in almost 10 years.
- Likewise, for Carmignac P. Credit, we maintain a significant level of hedging and keep ready to re-expose ourselves at the appropriate time. Despite the cost of these hedges, the portfolio's carry is historically high (c.10%), which should mitigate short-term volatility and offer attractive returns in the medium to long term.
- The US dollar's valuation is likely to remain in the high ranges due to the Fed's monetary policy in response to persistent inflation and a robust labour market. We will therefore continue to favour safe haven currencies (including the USD) in Carmignac P. Global Bond for the time being.

MAIN RISKS OF THE FUND

CARMIGNAC PARIMOINE

Recommended minimum investment horizon: 3 YEARS

LOWER RISK — HIGHER RISK
Potentially lower return — Potentially higher return

1	2	3	**4***	5	6	7

Classification SFDR** ARTICLE 8

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.
The Fund presents a risk of loss of capital.

CARMIGNAC PORTFOLIO GLOBAL BOND

Recommended minimum investment horizon: 3 YEARS

LOWER RISK — HIGHER RISK
Potentially lower return — Potentially higher return

1	2	**3***	4	5	6	7

Classification SFDR** ARTICLE 8

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.
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.
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 SÉCURITÉ

Recommended minimum investment horizon: 2 YEARS

LOWER RISK — HIGHER RISK
Potentially lower return — Potentially higher return

1	2	**3***	4	5	6	7

Classification SFDR** ARTICLE 8

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.
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.
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*A EUR Acc share classes – Carmignac Sécurité : AW EUR Acc share class. SRRI from the KIID (Key Investor Information Document): scale from 1 (lowest risk) to 7 (highest risk); category-1 risk does not mean a risk-free investment.
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MAIN RISKS OF THE FUND

CARMIGNAC PORTFOLIO CREDIT

Recommended minimum investment horizon: 3 YEARS

LOWER RISK						HIGHER RISK
Potentially lower return						Potentially higher return
1	2	3	4*	5	6	7

Classification SFDR**: ARTICLE 6

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.
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.
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.
The Fund presents a risk of loss of capital.

CARMIGNAC CREDIT 2025

Recommended minimum investment horizon: 5 YEARS

LOWER RISK						HIGHER RISK
Potentially lower return						Potentially higher return
1	2	3*	4	5	6	7

Classification SFDR**: ARTICLE 6

CREDIT: Credit risk is the risk that the issuer may default.
INTEREST RATE: Interest rate risk results in a decline in the net asset value in the event of changes in interest rates.
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.
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 CREDIT 2027

Recommended minimum investment horizon: 5 YEARS

LOWER RISK						HIGHER RISK
Potentially lower return						Potentially higher return
1	2	3*	4	5	6	7

Classification SFDR**: ARTICLE 8

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