

# ANNUAL MEETING KEY MESSAGES

## 1 OUR MACROECONOMIC SCENARIO

### Global slowdown and desynchronization of economic and monetary cycles:

We expect global growth to slow in 2023, with the driving force shifting from the United States to China and to a lesser extent Europe.

Lower inflationary pressures should support consumption in the first half of the year. However, the persistence of certain components of core inflation could prompt central banks to continue their restrictive policies.



### UNITED STATES

**Consumer resilience** delays U.S. entry into recession.

The latter is expected in the second half of the year due to the delayed effect of a **particularly rapid monetary tightening**.

### EUROPE

In Europe, the **mild winter, generous fiscal support** and the **ability of companies to adapt** give us hope for a **more modest recession** in the first quarter.

Nevertheless, we still expect a **sluggish recovery** from the second quarter onwards, due to the ongoing **ECB's monetary tightening**.

### CHINA

With the complete lifting of covid restrictions, **consumption** should be the **leading growth engine**.

The Chinese recovery stands out as being sustainable and non-inflationary, as the starting point is a **negative output gap**, i.e. a **situation of massive under-utilization of production factors**.



*We expect the growth engine of the world economy to shift from the Atlantic bloc, i.e. Europe and the United States, to China*

**Raphaël Gallardo**  
Chief Economist

## 2 OUR LONG-TERM FRAMEWORK



“  
*The cycle is back!*”

**Frédéric Leroux**  
*Head of Cross Asset*  
**Fund Manager**



**By injecting liquidity ad infinitum, central banks have prevented for years any reversal of the economic cycle, prolonging for decades a period characterized by:**

higher **debt**;

—  
limited **inflation**;

—  
lower **growth**.



The reversal of several disinflationary factors will lead to structurally higher **inflation in the coming decades**.

—  
The key for active managers will be to **anticipate future waves of inflation**, which will determine future economic cycles.

## 3 OUR INVESTMENT STRATEGY

**Rose Ouahba**  
*Head of Fixed Income,*  
**Fund Manager**



*A new era for fixed income*

**David Older**  
*Head of Equities,*  
**Fund Manager**



*Diversification will be more important than ever in 2023*

After the fastest rate hike cycle in history, interest **rate volatility should stabilize in 2023**.

—  
**Rising yields** around the world have made fixed income assets more attractive, especially compared to equity markets.

—  
In emerging markets, **diversification opportunities** exist in countries that have experienced the largest rate hikes and where inflation is slowing.

**Consensus earnings expectations** for 2023 remain overly optimistic.

—  
We focus on **diversification**, with **investments** in **low valuation** segments balanced by **low beta** sectors, as well as **carefully** selected growth stocks.

—  
**Investment opportunities** are emerging from the East (China and Japan).

# Focus on our Experts



The **high carry and attractive valuations of the credit market** contribute to a **reduction in volatility** while offering **attractive performance** prospects.

**Pierre Verlé**  
Head of Credit,  
Fund Manager



*When fear takes hold of the markets, it is important to remain rational in order to seize the best investment opportunities - and we have rarely in our career identified such an interesting window of opportunity*



Diverging global monetary policies are **changing currency dynamics**, creating opportunities in 2023.

**Abdelak Adjriou**  
Global Fixed Income,  
Fund Manager



*The green revolution and the reopening of China offer many investment opportunities in Asia and Latin America*



As with any disruption, **decarbonization** will create winners and losers from which a **long/short active manager** can benefit.

**Jean-François Louvrier**  
Global Long-Short Equities,  
Fund Manager



*Decarbonization offers opportunities, both Long and Short, within multiple sectors over the medium-long term*



**Copper** and **oil** are benefiting from both the reopening of China and long-term imbalances between supply and demand.

**Michel Wiskirski**  
Commodity Equities,  
Fund Manager



*Copper is benefiting from two factors: a reinvigorated China and the acceleration of the energy transition*



**China is back!**

**Haiyan Li-Labbé**  
Emerging Equities,  
Fund Manager



*Despite the recent rebound, we remain constructive on the Chinese market as global investors are underweight and valuations remain very reasonable*

# MAIN RISKS OF THE FUNDS

	EQUITY	INTEREST RATE	CREDIT	CURRENCY	RISK OF CAPITAL LOSS	DISCRETIONARY MANAGEMENT	LIQUIDITY	EMERGING MARKETS	COMMODITIES															
Carmignac Patrimoine	●	●	●	●	●					<table border="1"> <tr> <td>LOWER RISK</td> <td>Potentially lower returns</td> <td>Potentially higher returns</td> <td>Recommended minimum investment horizon:</td> <td>3 YEARS</td> <td>SFDR Fund Classification**</td> <td>ARTICLE 8</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> </table>	LOWER RISK	Potentially lower returns	Potentially higher returns	Recommended minimum investment horizon:	3 YEARS	SFDR Fund Classification**	ARTICLE 8	1	2	3	4	5	6	7
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Carmignac Emergents	●			●	●		●			<table border="1"> <tr> <td>LOWER RISK</td> <td>Potentially lower returns</td> <td>Potentially higher returns</td> <td>Recommended minimum investment horizon:</td> <td>5 YEARS</td> <td>SFDR Fund Classification**</td> <td>ARTICLE 9</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> </table>	LOWER RISK	Potentially lower returns	Potentially higher returns	Recommended minimum investment horizon:	5 YEARS	SFDR Fund Classification**	ARTICLE 9	1	2	3	4	5	6	7
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Carmignac Portfolio China New Economy	●			●	●		●	●		<table border="1"> <tr> <td>LOWER RISK</td> <td>Potentially lower returns</td> <td>Potentially higher returns</td> <td>Recommended minimum investment horizon:</td> <td>5 YEARS</td> <td>SFDR Fund Classification**</td> <td>ARTICLE 8</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> </table>	LOWER RISK	Potentially lower returns	Potentially higher returns	Recommended minimum investment horizon:	5 YEARS	SFDR Fund Classification**	ARTICLE 8	1	2	3	4	5	6	7
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Carmignac Portfolio Climate Transition	●			●	●			●		<table border="1"> <tr> <td>LOWER RISK</td> <td>Potentially lower returns</td> <td>Potentially higher returns</td> <td>Recommended minimum investment horizon:</td> <td>5 YEARS</td> <td>SFDR Fund Classification**</td> <td>ARTICLE 9</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> </table>	LOWER RISK	Potentially lower returns	Potentially higher returns	Recommended minimum investment horizon:	5 YEARS	SFDR Fund Classification**	ARTICLE 9	1	2	3	4	5	6	7
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Carmignac Portfolio Global Bond		●	●	●	●					<table border="1"> <tr> <td>LOWER RISK</td> <td>Potentially lower returns</td> <td>Potentially higher returns</td> <td>Recommended minimum investment horizon:</td> <td>3 YEARS</td> <td>SFDR Fund Classification**</td> <td>ARTICLE 8</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> </table>	LOWER RISK	Potentially lower returns	Potentially higher returns	Recommended minimum investment horizon:	3 YEARS	SFDR Fund Classification**	ARTICLE 8	1	2	3	4	5	6	7
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Carmignac Portfolio Credit		●	●	●	●					<table border="1"> <tr> <td>LOWER RISK</td> <td>Potentially lower returns</td> <td>Potentially higher returns</td> <td>Recommended minimum investment horizon:</td> <td>3 YEARS</td> <td>SFDR Fund Classification**</td> <td>ARTICLE 6</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> </table>	LOWER RISK	Potentially lower returns	Potentially higher returns	Recommended minimum investment horizon:	3 YEARS	SFDR Fund Classification**	ARTICLE 6	1	2	3	4	5	6	7
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Carmignac Portfolio Flexible Bond	●	●	●	●	●					<table border="1"> <tr> <td>LOWER RISK</td> <td>Potentially lower returns</td> <td>Potentially higher returns</td> <td>Recommended minimum investment horizon:</td> <td>3 YEARS</td> <td>SFDR Fund Classification**</td> <td>ARTICLE 8</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> </table>	LOWER RISK	Potentially lower returns	Potentially higher returns	Recommended minimum investment horizon:	3 YEARS	SFDR Fund Classification**	ARTICLE 8	1	2	3	4	5	6	7
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\*Source: Carmignac, 19/01/2023. A 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. 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>

# MAIN RISKS OF THE FUNDS

**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.

**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.

**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.

**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.

**COMMODITIES:** Changes in commodity prices and the volatility of the sector may cause the net asset value to fall.

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