

# ANNUAL MEETING

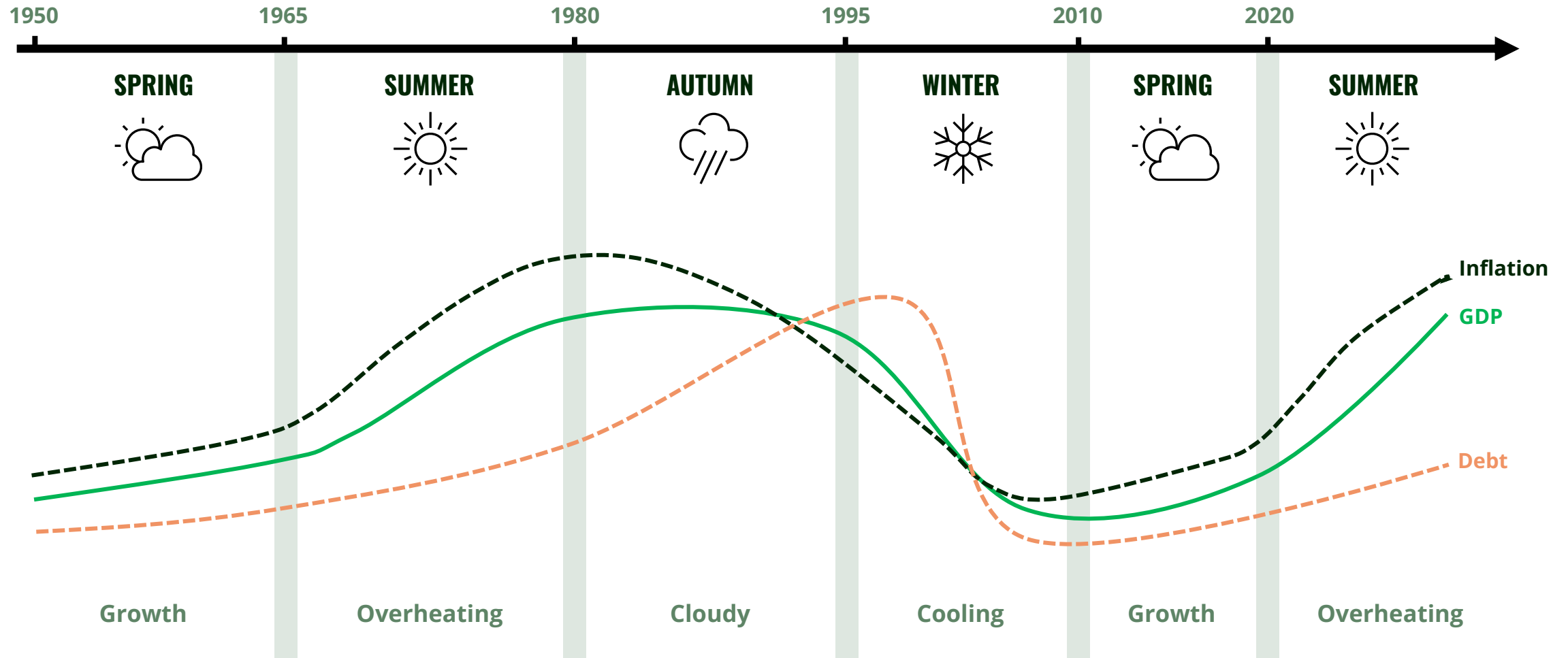
JANUARY 2023



**CARMIGNAC**  
INVESTING IN YOUR INTEREST

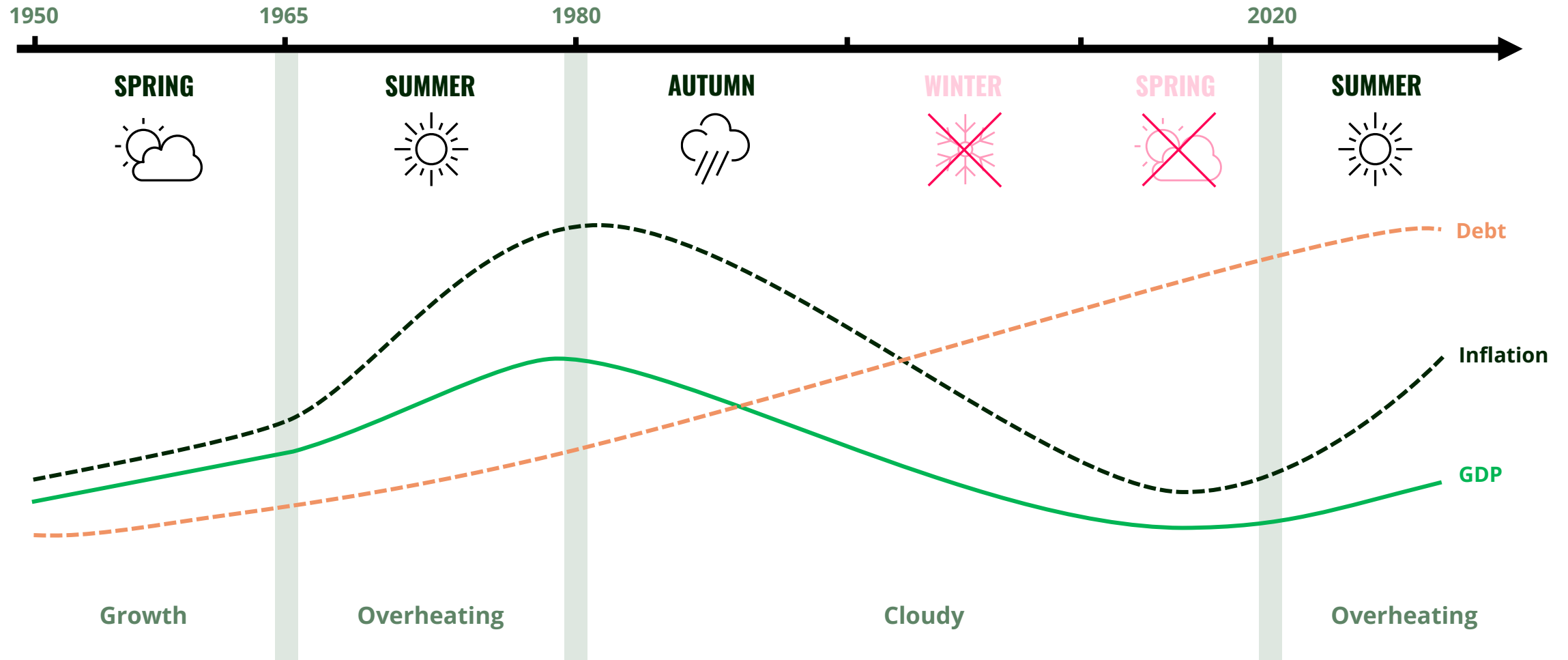
# OUR MACROECONOMIC SCENARIO

# KONDRATIEFF'S CYCLE: THEORY VS PRACTICE



Source: Carmignac, January 2023

# KONDRATIEFF'S CYCLE: THEORY VS PRACTICE

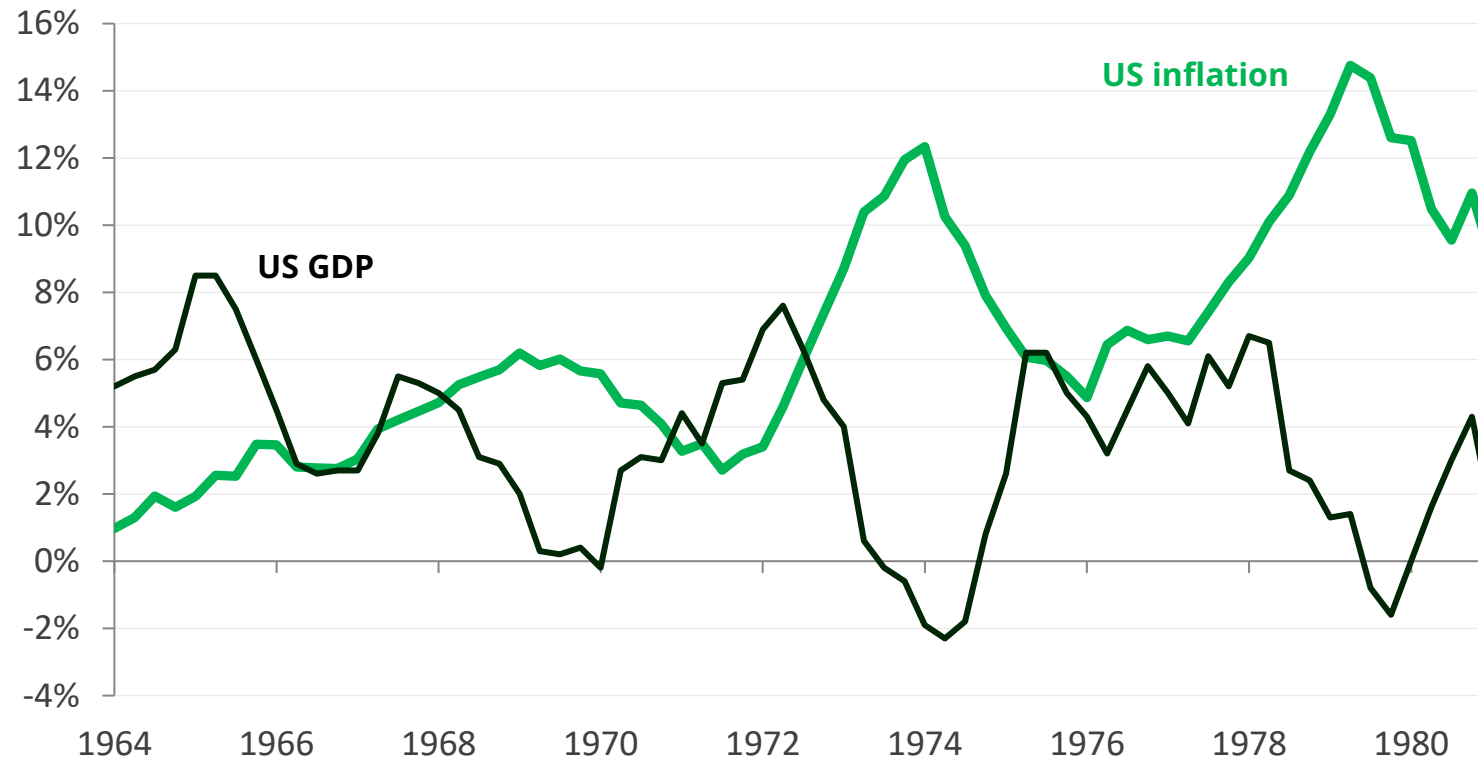


Source: Carmignac, January 2023

# THE LAST SUMMER OF KONDRATIEFF

## US CPI and GDP

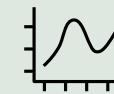
in %



Source: Carmignac, Bloomberg, 2023  
US inflation YoY

## KEY TAKEAWAYS

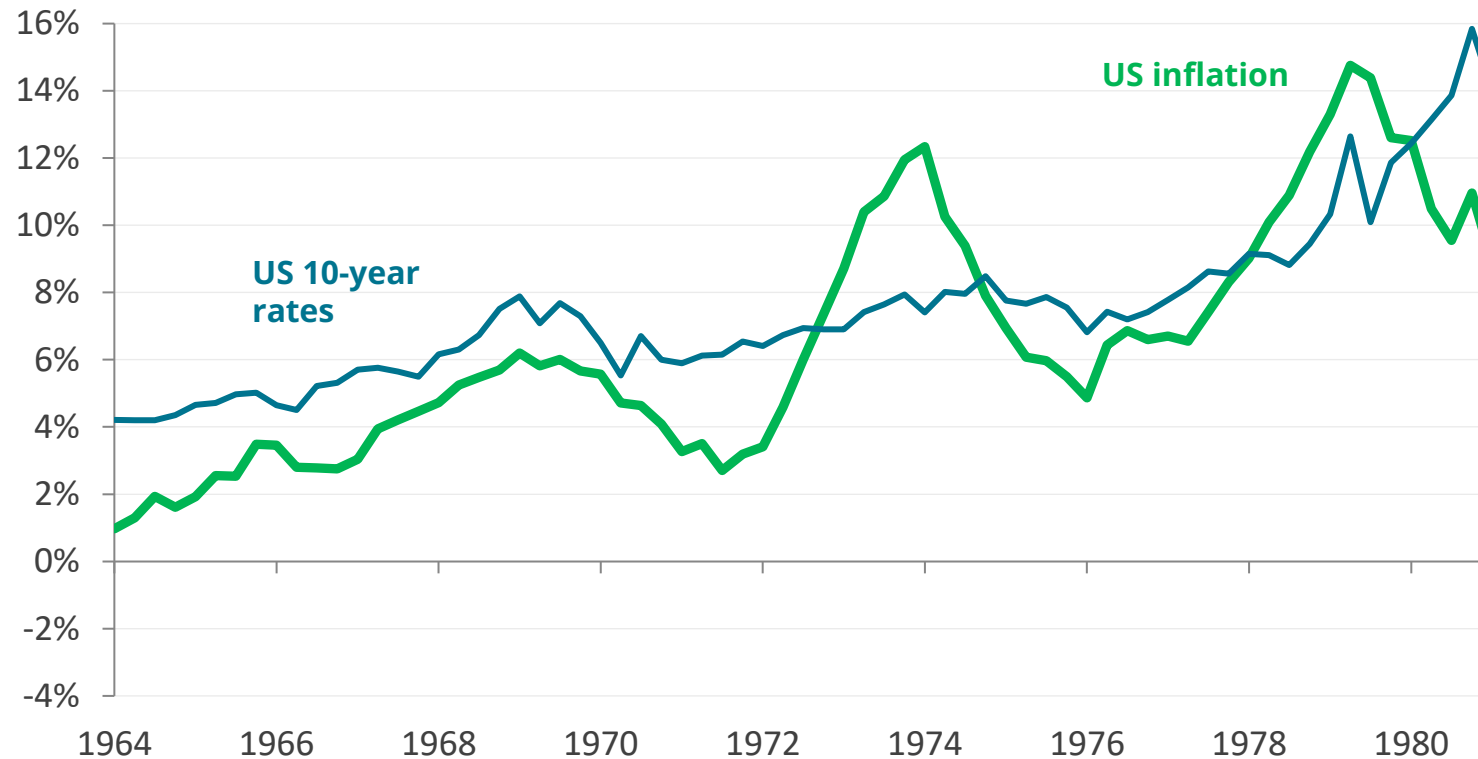
Inflation came in waves, bringing:



The return of the cycle

# THE LAST SUMMER OF KONDRATIEFF

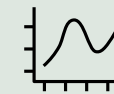
## Inflation and US 10-year rate in %



Source: Carmignac, Bloomberg, 2023  
US inflation YoY

## KEY TAKEAWAYS

Inflation came in waves, bringing:



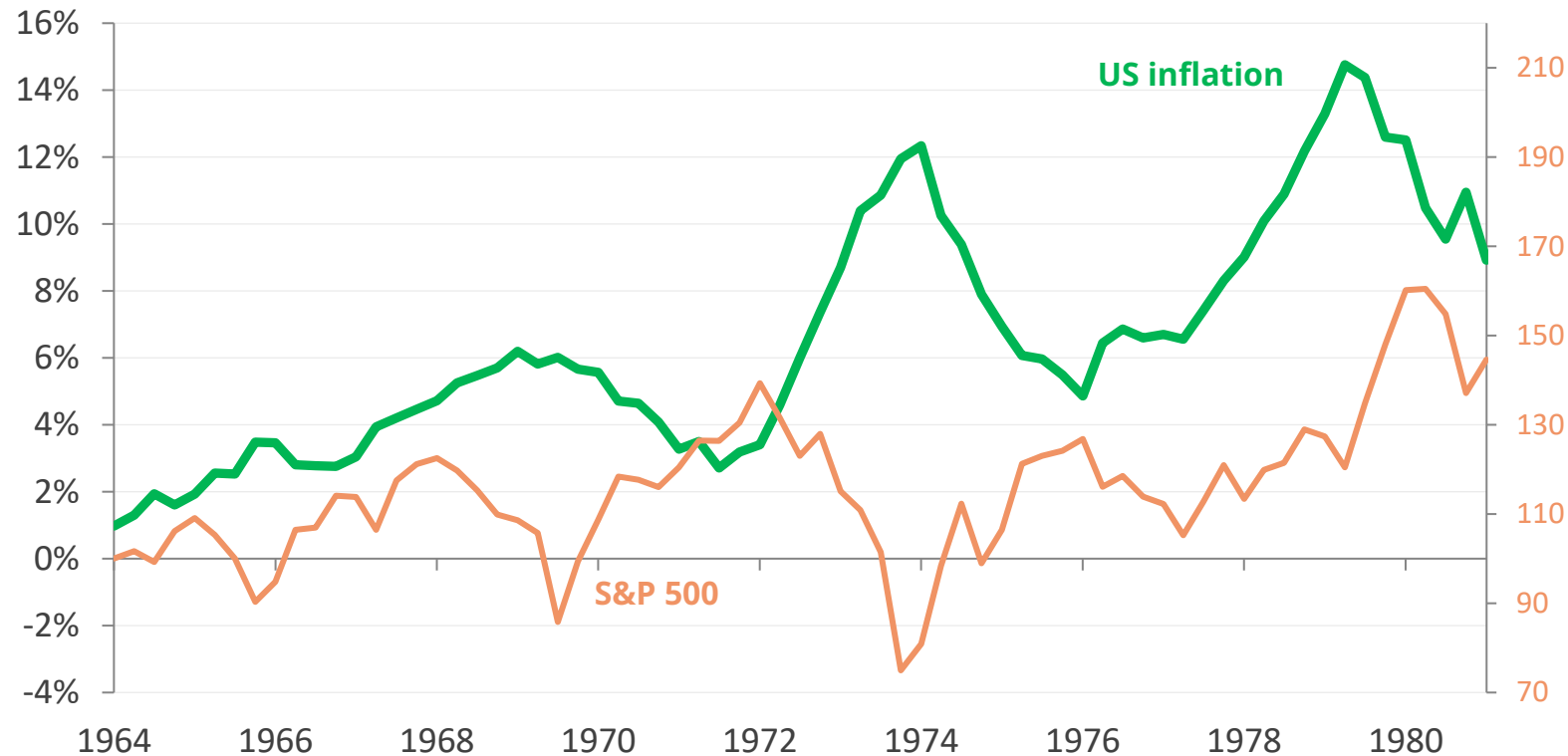
The return of the cycle



Successive rate increases

# THE LAST SUMMER OF KONDRATIEFF

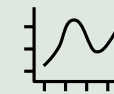
## US inflation and S&P 500 performance in %



Source: Carmignac, Bloomberg, 2023  
US inflation YoY

## KEY TAKEAWAYS

Inflation came in waves, bringing:



The return of the cycle



Successive rate increases



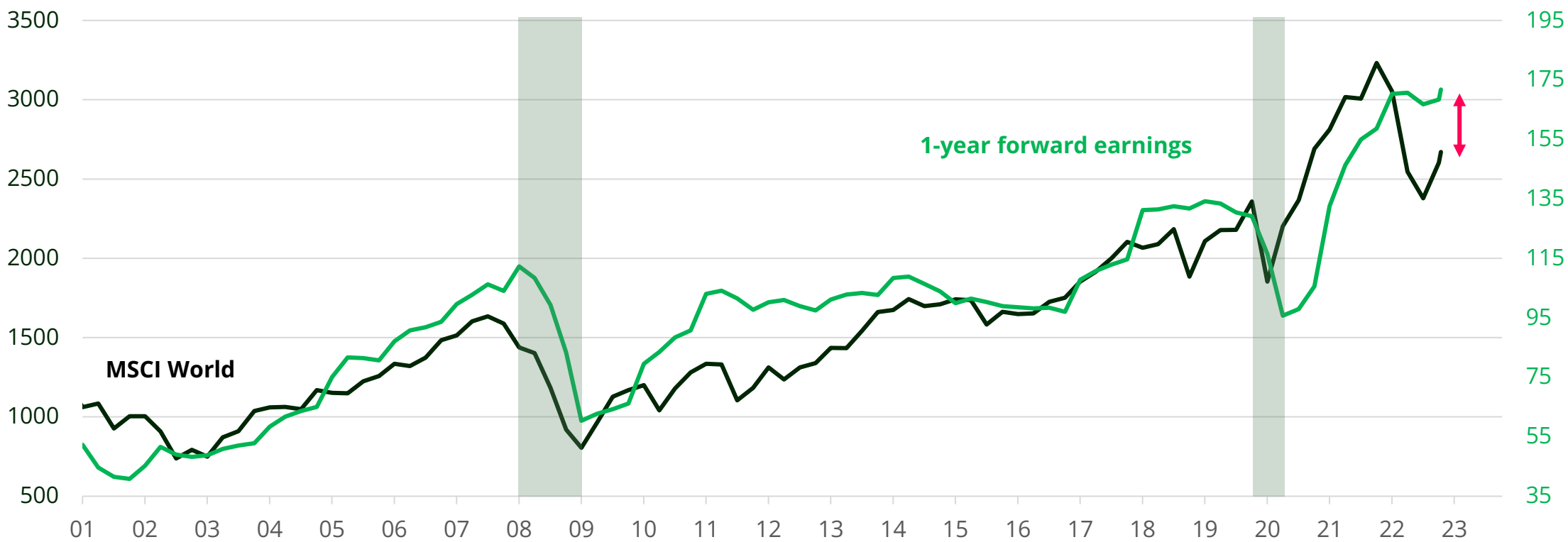
Cyclicality in equity markets

# OUR INVESTMENT STRATEGY



# EARNINGS WARRANT CAUTION

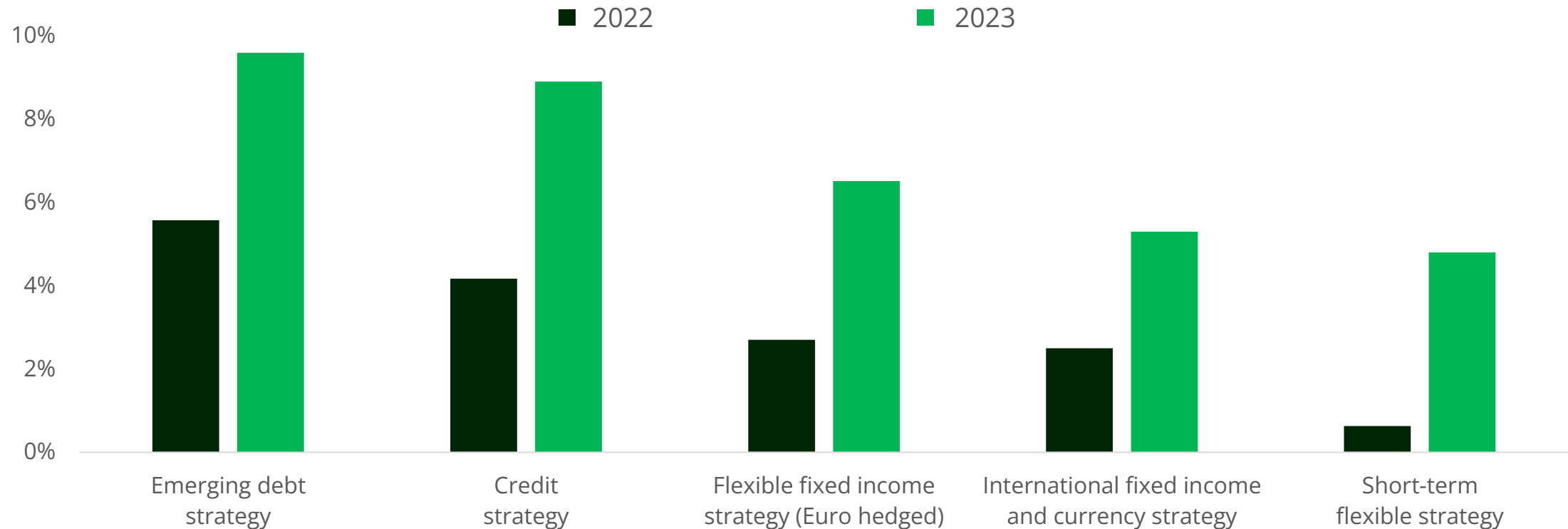
Performance vs earnings of MSCI World



Source: Carmignac, Bloomberg, 06/01/2023

# FIXED INCOME RANGE: ATTRACTIVE CARRY

## Yield evolution of our fixed income range



Source: Carmignac, 31/12/2022

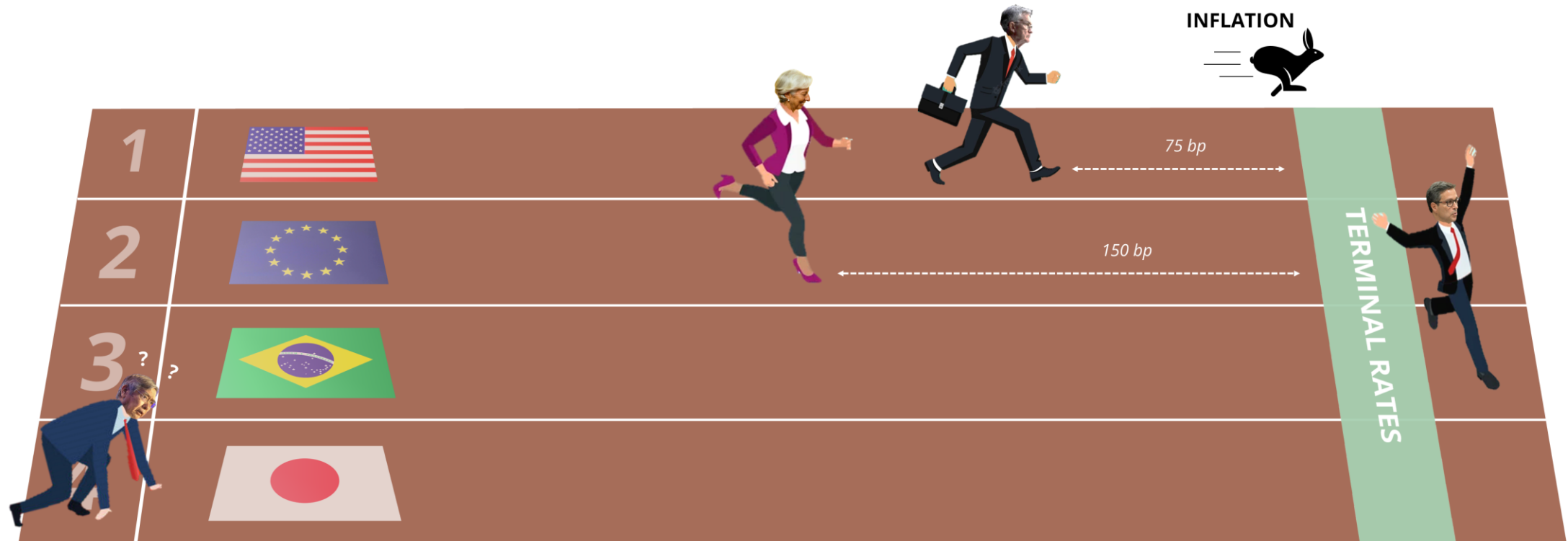
# THE END OF FINANCIAL REPRESSION

**Global negative yielding debt**  
(in USD trillions)



Source: Carmignac, Bloomberg, 01/2023

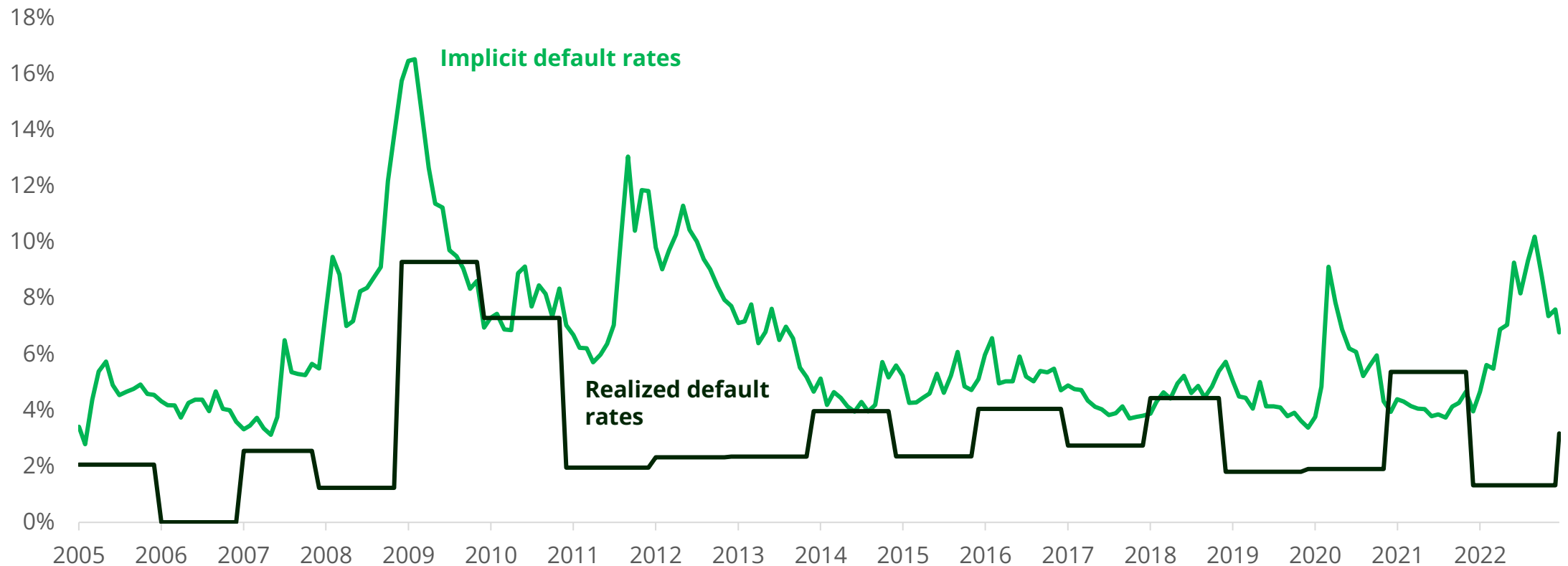
# CENTRAL BANKS: MISSION ACCOMPLISHED?



Bp = basis point – ~0,01%  
Source: Carmignac, Bloomberg, January 2023

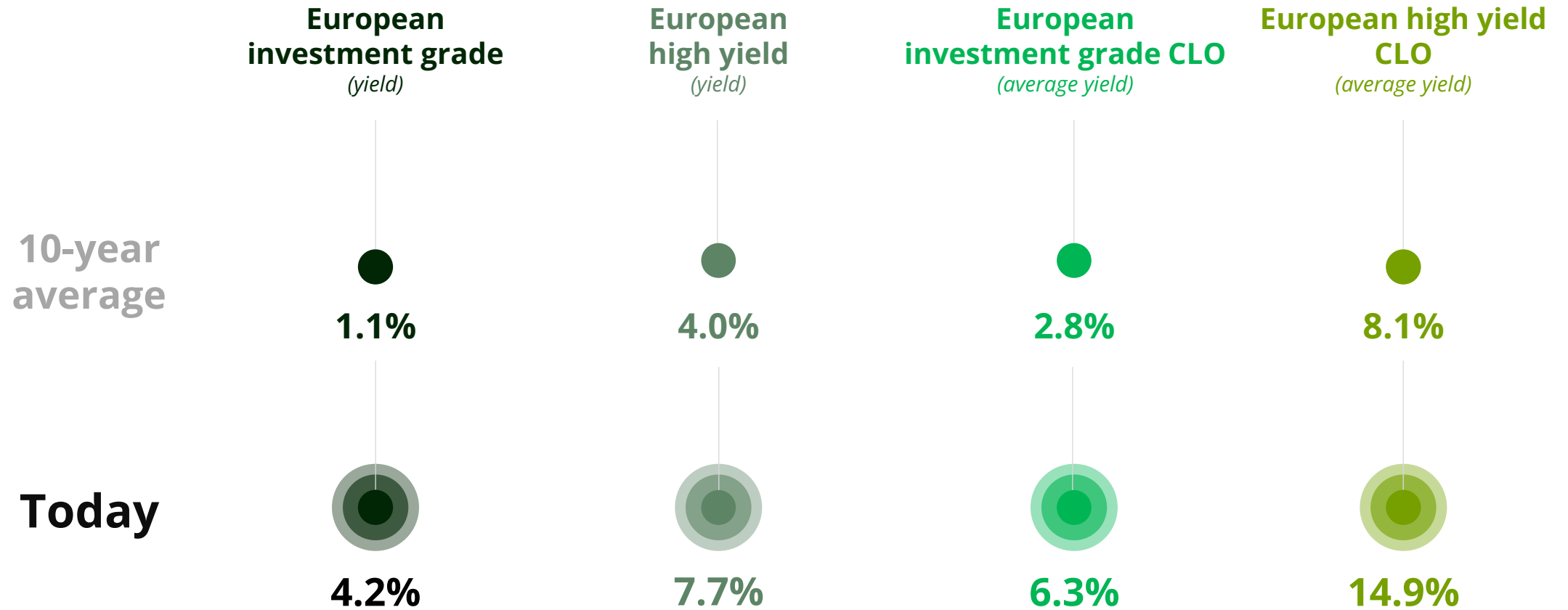
# CREDIT: ATTRACTIVE VALUATIONS

## Changes in implicit and realized default rates



Source: Carmignac, Bloomberg, Moodys, 12/2022

# NEW OPPORTUNITIES ON CREDIT MARKETS

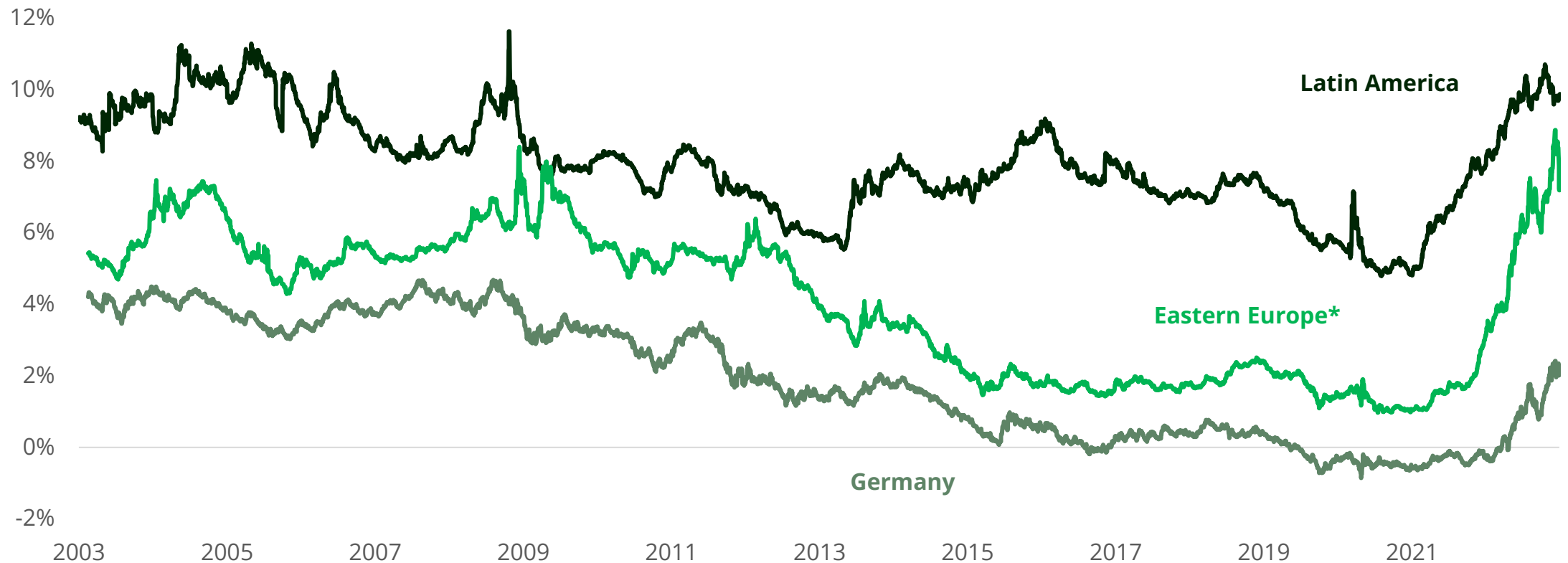


Source: Carmignac, Bloomberg, 06/01/2023

# EMERGING DEBT: TARGETED OPPORTUNITIES

## Yields in Latin America and Eastern Europe

(sovereign local debt yield, 10-year)

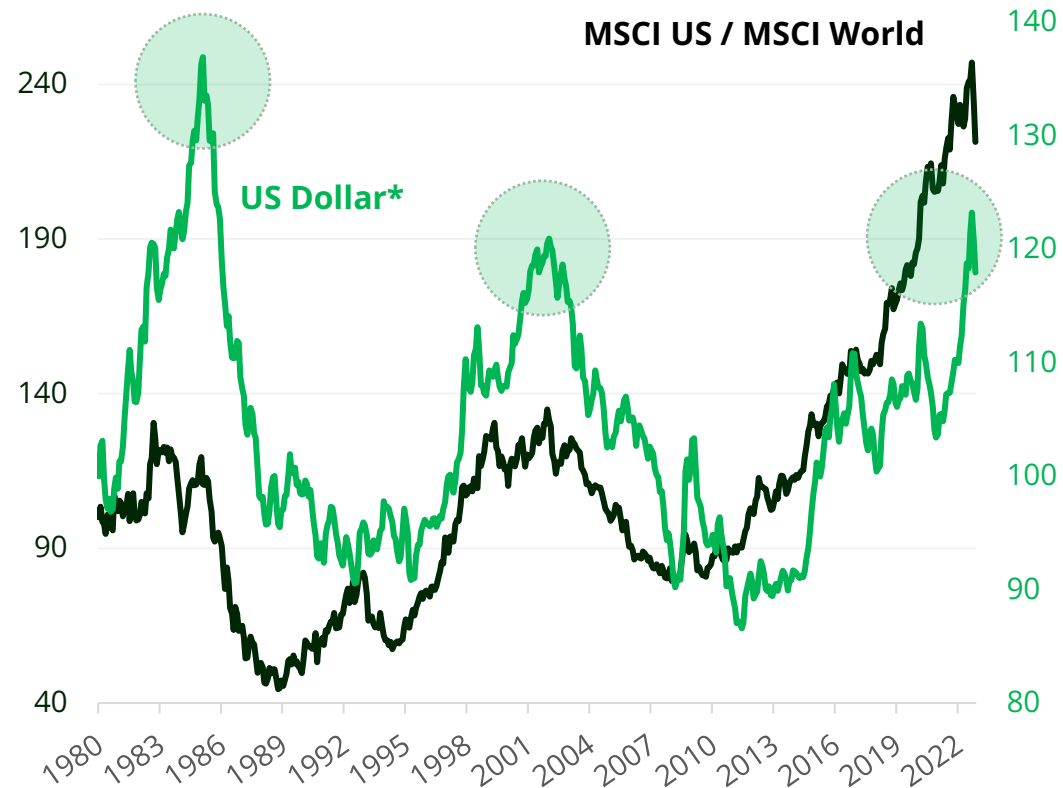


\*Average yield of Czech, Polish and Hungarian bonds.  
Sources: Carmignac, Bloomberg, 31/12/2022.

# GAIN IN EXCHANGE?





The comeback of global currencies vs USD

## Historical value of the USD



Source: Carmignac, Bloomberg 13/01/2023. \* Dollar index (DXY)

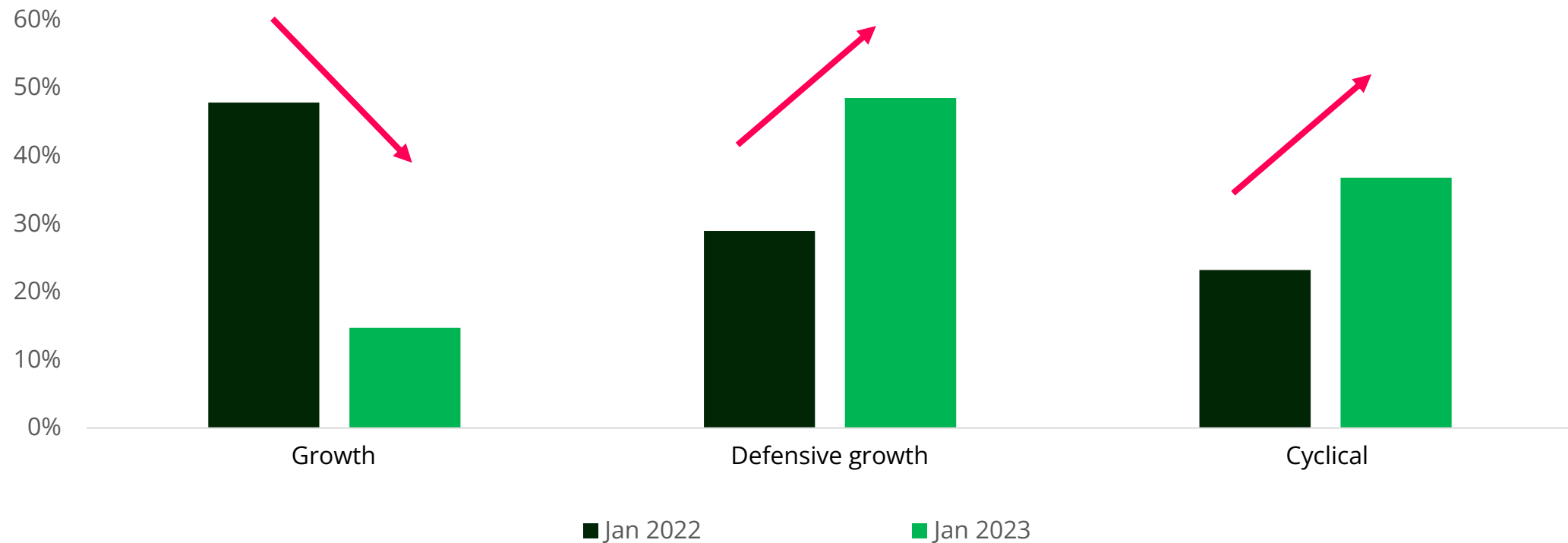
## Two major currency themes driven by:

Monetary Policy Convergence	China reopening
 Euro	 Chilean Peso
 Japanese Yen	 Brazilian Real
	 Mexican Peso
	 Indonesian Rupiah



# RESILIENCE THROUGH DIVERSIFICATION

**Exposure by type of sector within Carmignac Patrimoine's equity portfolio**  
(rebased to 100%)

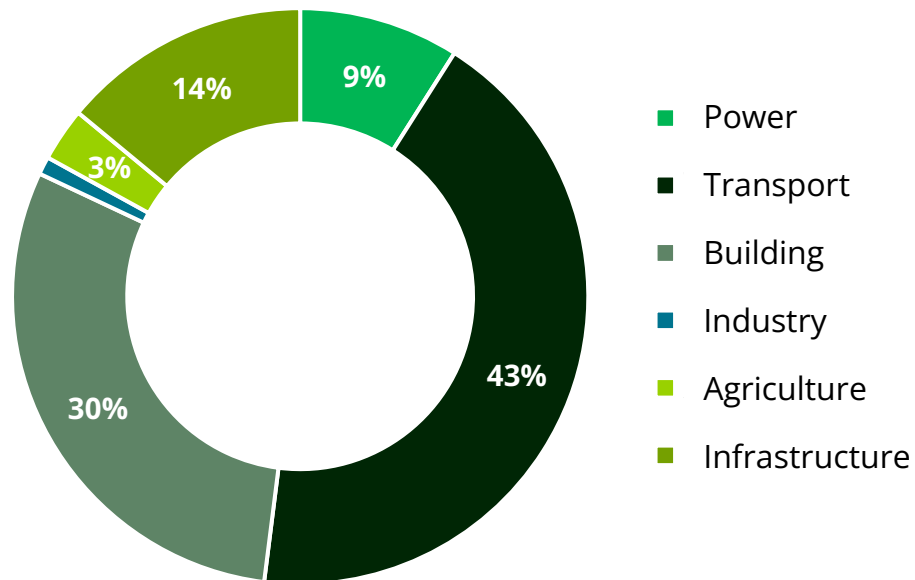


**Growth:** IT, Consumer Discretionary, Communication Services / **Defensive Growth:** Commodities, Healthcare, Gold stocks / **Cyclical:** Materials, Industrials, Financials, Energy, Utilities, Real Estate  
Source: Carmignac, Bloomberg, 16/01/2023

# REACHING NET ZERO – KEY WINNERS AND LOSERS

~28 EUR TRILLION OF INVESTMENTS NEEDED OVER THE NEXT 30 YEARS

% of total capital expenditure in EU-27, 2021-50



## Direct winners

- > Industrial equipment
- > Semiconductor
- > Commodities

## Indirect winners

- > Energy producers

## Losers

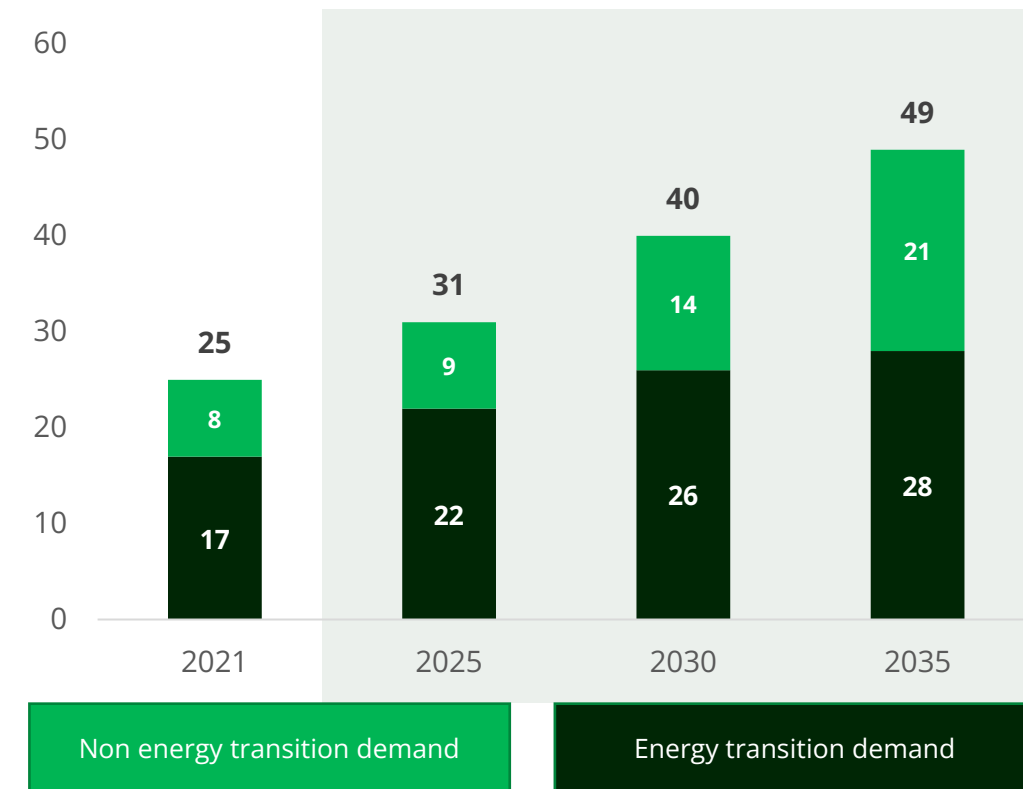
- > **Slow movers**  
*Ex: traditional car manufacturers*
- > **Fast commoditization**  
*Ex: battery cathodes materials*
- > **Hyped stocks**

Source: McKinsey Study, Carmignac, 31/12/2022

# FAVORABLE BACKDROP FOR COPPER

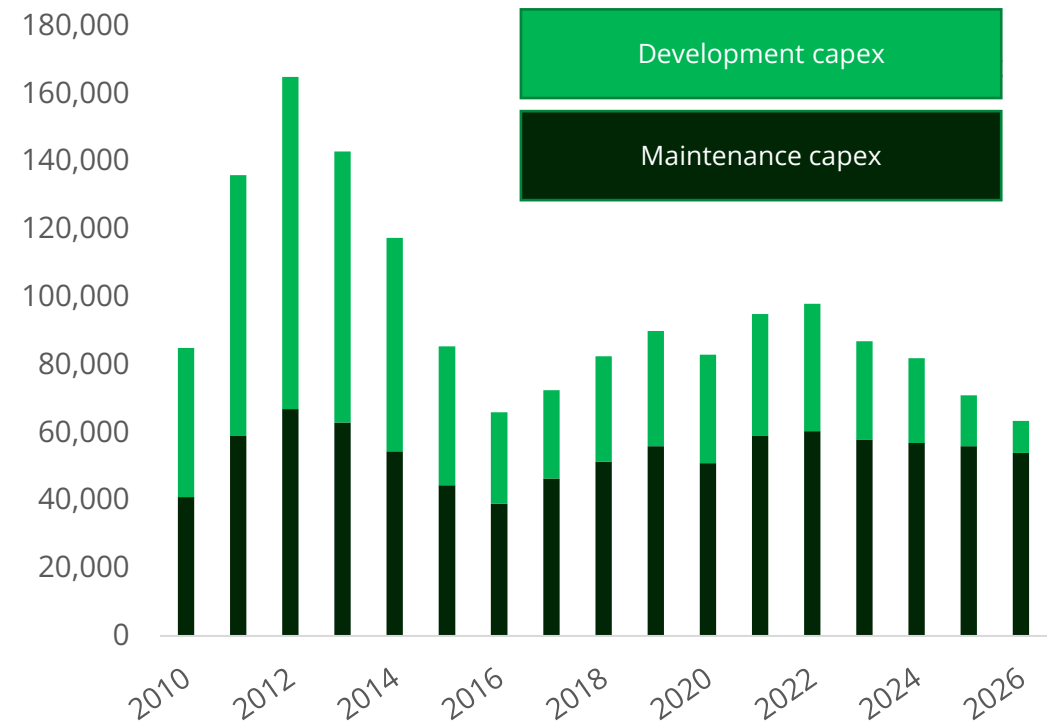
## An exponential increase in copper demand

Million of tons



## Declining mining capital expenditures

Million of dollars

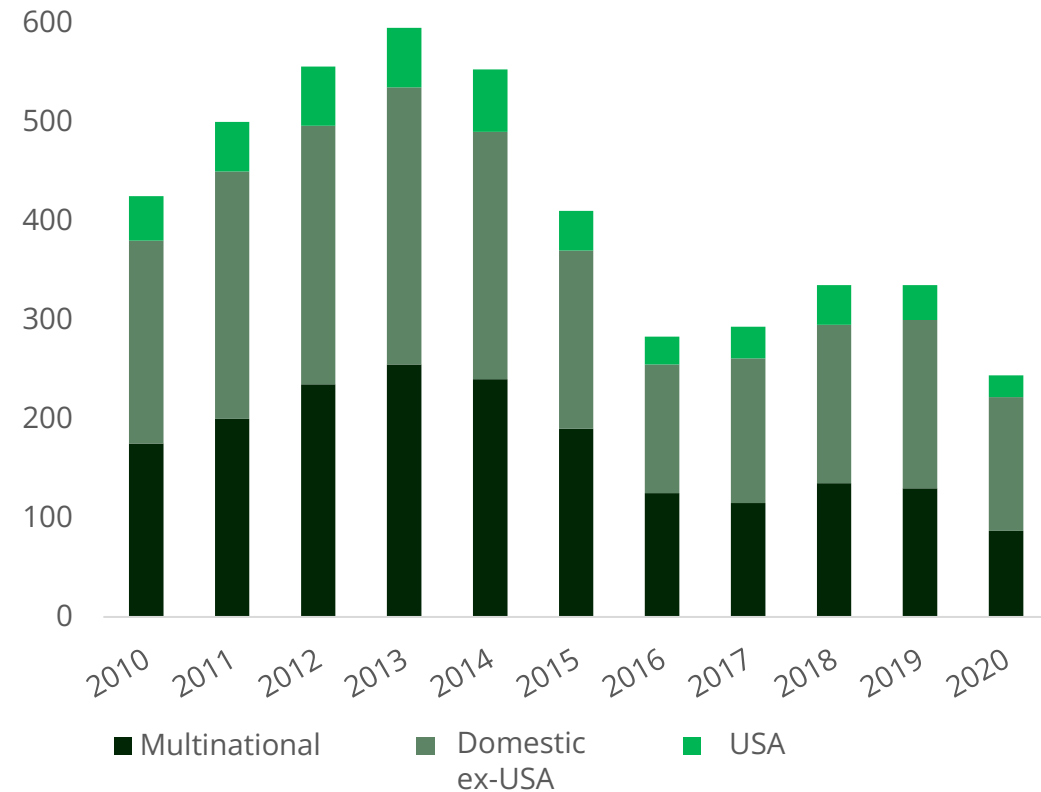


Source: Carmignac, BNEF, New Energy Outlook 2022, S&P Global Market Intelligence, October 2022

# OIL: SHRINK SUPPLY

## Structural underinvestment in oil exploration

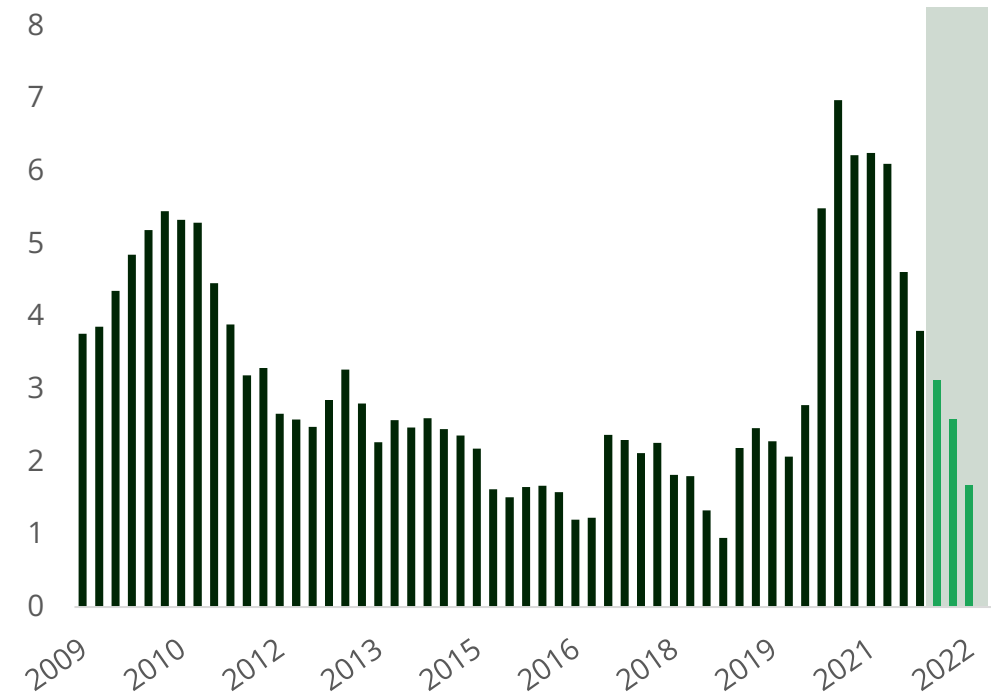
Billion of dollars



\*Quarterly average barrels per day  
Source: US Energy Information Administration, Refinitiv, LSEG Business 10/01/2023

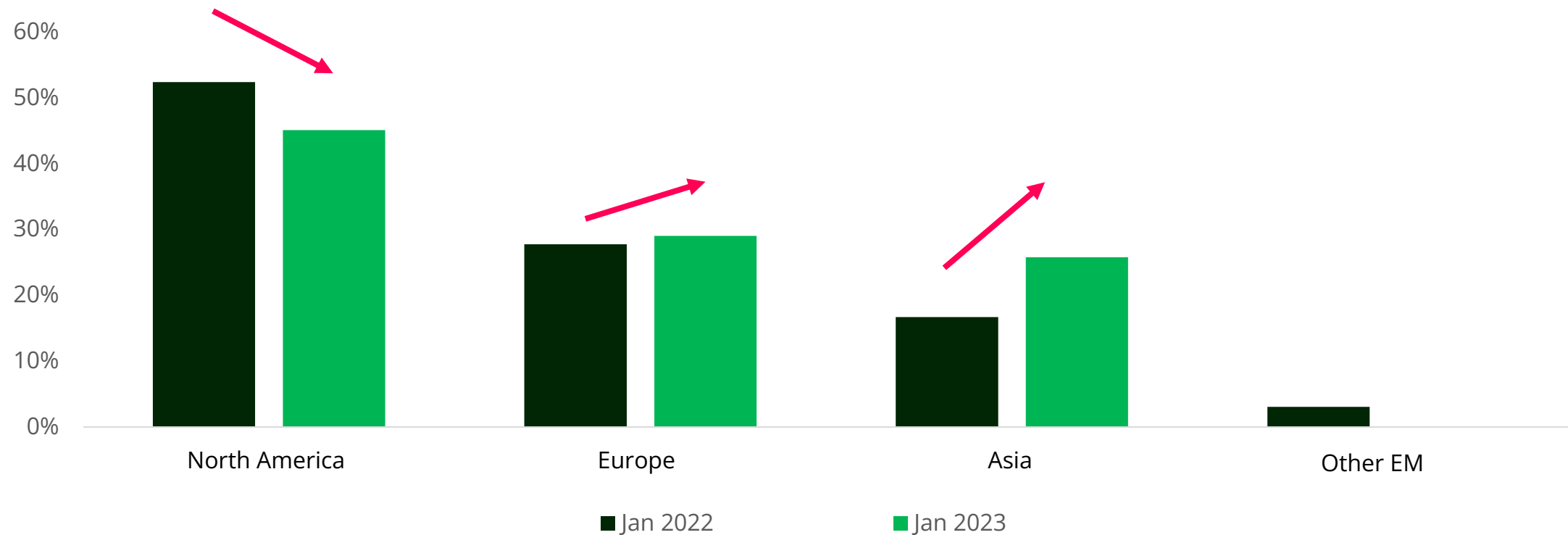
## Spare capacity: little room for maneuver

Million barrels per day\*



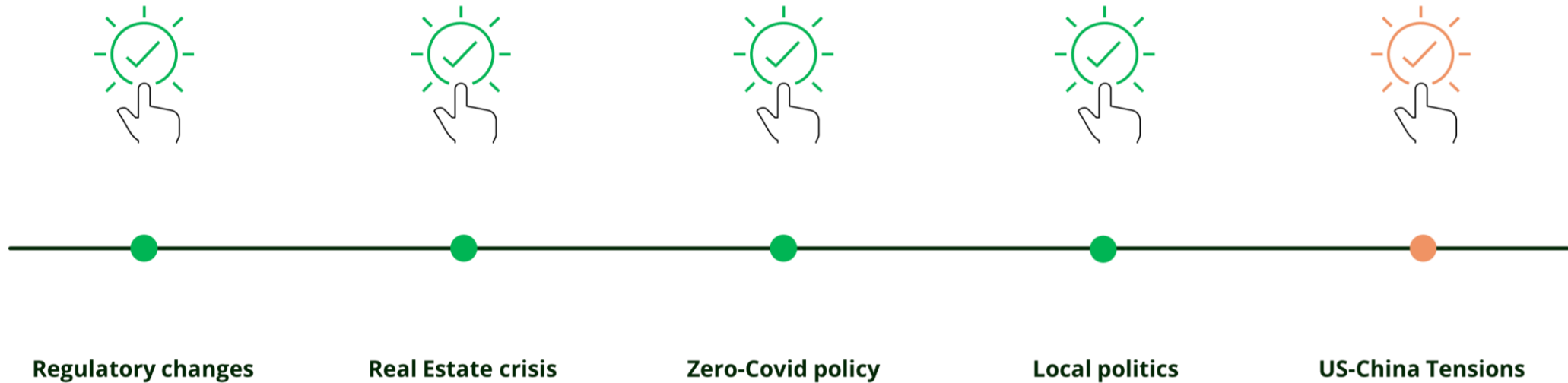
# RESILIENCE THROUGH DIVERSIFICATION

**Regional exposure within the Carmignac Patrimoine equity portfolio**  
(rebased to 100%)



Source: Carmignac, Bloomberg, 16/01/2023

# WHAT HAPPENED IN CHINESE MARKETS IN THE PAST 2 YEARS?

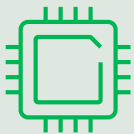


Source: Carmignac 31/12/2022

# KEY INVESTMENT THEMES WE FAVOR IN CHINA

1

**INDUSTRIAL AND  
TECH INNOVATION**



2

**HEALTHCARE**



3

**ECOLOGICAL  
TRANSITION**



4

**CONSUMPTION  
UGRADE**

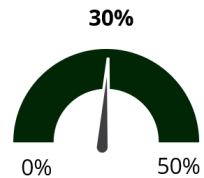


Source: Carmignac 31/12/2022

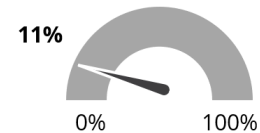
# PORTFOLIO CONSTRUCTION

Carmignac Patrimoine

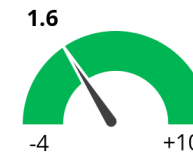
Net Equity Exposure



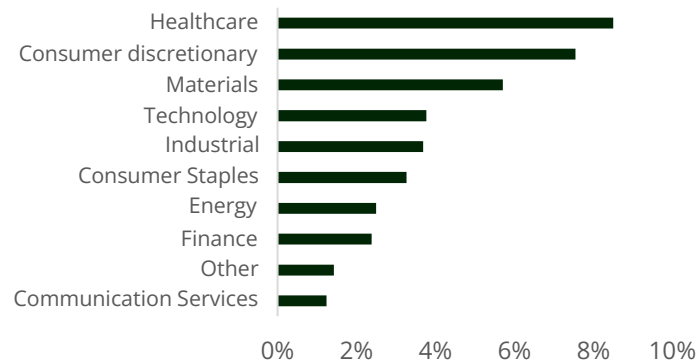
Cash & Equivalent



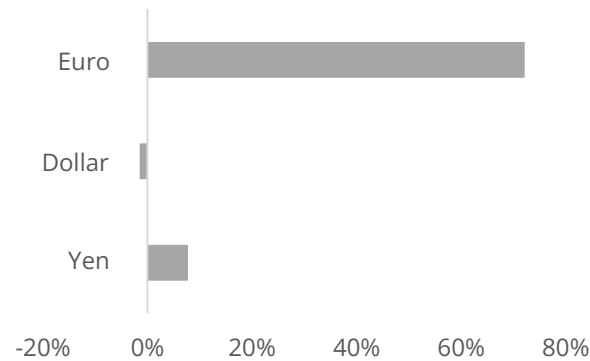
Modified Duration



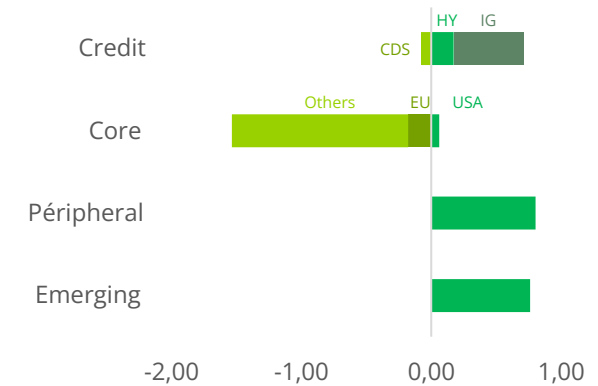
Equity sector breakdown  
(% of investments)



Main currency exposures  
(% of exposure)



Bond allocation



CDS = "Credit default swap" / HY = "High Yield" corresponding to high-yield bonds / IG = "Investment Grade" corresponding to ratings between AAA and BBB- according to the Standard & Poor's rating scale.  
Source: Carmignac, 16/01/2023



# MAIN RISKS OF THE FUNDS

	EQUITY	INTEREST RATE	CREDIT	CURRENCY	RISK OF CAPITAL LOSS	DISCRETIONARY MANAGEMENT	LIQUIDITY	EMERGING MARKETS	COMMODITIES	
Carmignac Patrimoine	●	●	●	●	●					<div> <div> <div>LOWER RISK</div> <div>HIGHER RISK</div> <div> <div>1</div> <div>2</div> <div>3*</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> </div> <div>Recommended minimum investment horizon: 3 YEARS</div> <div>SFDR Fund Classification**</div> <div>ARTICLE 8</div> </div>
Carmignac Emergents	●			●	●	●		●		<div> <div> <div>LOWER RISK</div> <div>HIGHER RISK</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4*</div> <div>5</div> <div>6</div> <div>7</div> </div> </div> <div>Recommended minimum investment horizon: 5 YEARS</div> <div>SFDR Fund Classification**</div> <div>ARTICLE 9</div> </div>
Carmignac Portfolio China New Economy	●			●	●		●	●		<div> <div> <div>LOWER RISK</div> <div>HIGHER RISK</div> <div> <div>1*</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6*</div> <div>7</div> </div> </div> <div>Recommended minimum investment horizon: 5 YEARS</div> <div>SFDR Fund Classification**</div> <div>ARTICLE 8</div> </div>
Carmignac Portfolio Climate Transition	●			●	●	●			●	<div> <div> <div>LOWER RISK</div> <div>HIGHER RISK</div> <div> <div>1*</div> <div>2</div> <div>3</div> <div>4</div> <div>5*</div> <div>6</div> <div>7</div> </div> </div> <div>Recommended minimum investment horizon: 5 YEARS</div> <div>SFDR Fund Classification**</div> <div>ARTICLE 9</div> </div>
Carmignac Portfolio Global Bond		●	●	●	●	●				<div> <div> <div>LOWER RISK</div> <div>HIGHER RISK</div> <div> <div>1</div> <div>2*</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> </div> <div>Recommended minimum investment horizon: 3 YEARS</div> <div>SFDR Fund Classification**</div> <div>ARTICLE 8</div> </div>
Carmignac Portfolio Credit		●	●	●	●					<div> <div> <div>LOWER RISK</div> <div>HIGHER RISK</div> <div> <div>1</div> <div>2</div> <div>3*</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> </div> <div>Recommended minimum investment horizon: 3 YEARS</div> <div>SFDR Fund Classification**</div> <div>ARTICLE 6</div> </div>
Carmignac Portfolio Flexible Bond	●	●	●	●	●					<div> <div> <div>LOWER RISK</div> <div>HIGHER RISK</div> <div> <div>1</div> <div>2*</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> </div> <div>Recommended minimum investment horizon: 3 YEARS</div> <div>SFDR Fund Classification**</div> <div>ARTICLE 8</div> </div>

\*Source: Carmignac, 19/01/2023. A EUR Acc share class. SRI from the KID (Key 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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