

Carmignac Portfolio Flexible Bond A EUR Acc

Luxembourg SICAV sub-fund



G. Rigeade

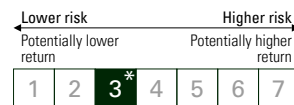


E. Ben zimra

FACT SHEET
10/2021

Recommended
minimum investment
horizon:

3 years



Investment Universe and Objective

Carmignac Portfolio Flexible Bond is an international fixed income UCITS fund that implements interest rates and credit strategies across the globe while systematically hedging the currency risk. Its flexible and opportunistic style enables the Fund to implement a largely unconstrained, conviction-driven allocation strategy across global bond markets. The Fund aims to outperform its reference indicator over 3 years.

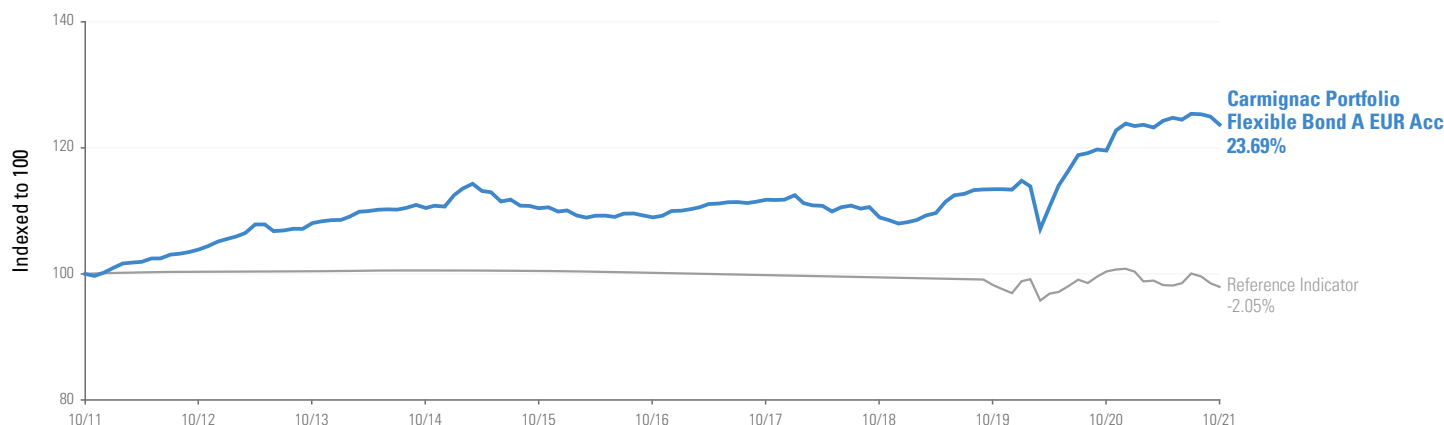
Fund Management analysis can be found on P.5

	Modified Duration: 3.93	Yield to Maturity: 2.84%
	Average Rating: BBB	

PROFILE

- **Fund Inception Date:** 14/12/2007
- **Fund Manager:** Guillaume Rigeade since 09/07/2019, Eliezer Ben zimra since 09/07/2019
- **Fund AUM:** 1681M€ / 1945M\$⁽¹⁾
- **Domicile:** Luxembourg
- **Reference Indicator:** ICE BofA Euro Broad Market Index (coupons reinvested).
- **Base Currency:** EUR
- **NAV:** 1300.57€
- **Dividend Policy:** Accumulation
- **Fund Type:** UCITS
- **Legal Form:** SICAV
- **SICAV Name:** Carmignac Portfolio
- **Subscription/Redemption:** Daily
- **Order Placement Cut-Off Time:** Before 18:00 (CET/CEST)
- **IA Sector:** Targeted Absolute Return
- **SFDR Fund Classification:** Article 8
- **Morningstar Category™:** EUR Flexible Bond

Fund Performance vs. Comparator Benchmark over 10 Years



KEY POINTS



Multi-asset and multi-strategy approach

Access to a wide variety of asset classes (credit, rates, currencies and equities⁽²⁾) and alpha generation through directional and relative strategies.



Limited volatility

Constant and active re-adjustment of risk/return parameters to respect the annual volatility limit.



Opportunistic investment style

Assessing markets in terms of valuations and positioning to identify and exploit opportunities.



Risk allocation

Investment views and convictions are quantified based on correlations and volatility levels.

Performance (%)	Cumulative Performance						Annualised Performance		
	Since 31/12/2020	1 Month	1 Year	3 Years	5 Years	10 Years	3 Years	5 Years	10 Years
Carmignac Portfolio Flexible Bond A EUR Acc	-0.13	-1.01	3.44	13.52	13.50	23.69	4.32	2.57	2.15
Reference Indicator	-2.84	-0.58	-2.43	-1.50	-2.22	-2.05	-0.50	-0.45	-0.21
Category Average	0.51	-0.40	2.78	6.49	6.56	33.14	2.12	1.28	2.90
Ranking (Quartile)	3	4	2	1	1	3	1	1	3

Source: Morningstar for the category average and quartiles Past performance is not necessarily indicative of future performance. Performances are net of fees (excluding possible entrance fees charged by the distributor).

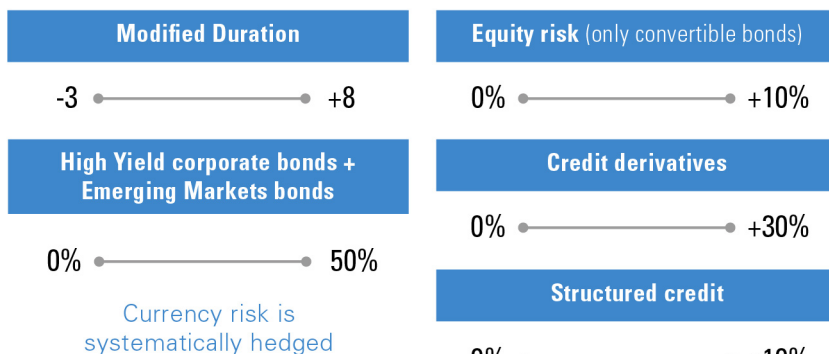
* For the share class Carmignac Portfolio Flexible Bond A EUR Acc. Risk Scale from the KIID (Key Investor Information Document). Risk 1 does not mean a risk-free investment. This indicator may change over time. (1) Exchange Rate EUR/USD as of 29/10/21. The reference to a ranking or prize, is no guarantee of the future results of the UCIS or the manager. (2) Net equity exposure via derivatives is limited to 10%.

PROMOTIONAL MATERIAL

The risk management at the heart of the investment process

A flexible allocation combined with disciplined risk management

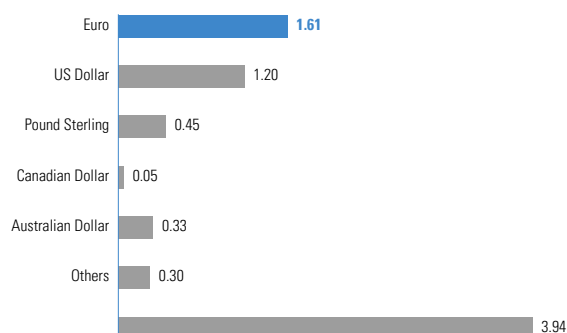
By adopting an unconstrained approach, the Fund can navigate diverse market environments globally, with the aim of benefiting from both rising and declining rates; but this cannot go without a rigorous risk management framework which includes both investment limits and a constant risk monitoring through a wide range of tools.



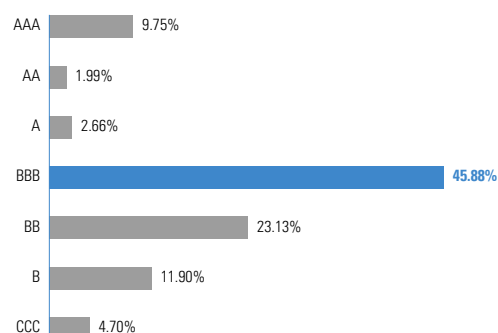
Asset Allocation

	10/21	09/21	12/20
Bonds	82.39%	86.55%	84.87%
Government Bonds	37.41%	36.05%	34.99%
Developed Countries	24.28%	24.27%	30.04%
Emerging Markets	13.13%	11.79%	4.95%
Corporate Bonds	24.60%	27.07%	26.26%
High Yield	9.24%	11.92%	13.62%
Investment Grade	3.48%	2.93%	5.68%
Emerging Markets	11.88%	12.23%	6.95%
Financials	15.29%	17.08%	16.39%
Senior debt	6.78%	9.36%	4.36%
Subordinated debt	8.50%	7.72%	12.02%
Supranational Bonds	0.63%	1.78%	—
ABS	4.47%	4.56%	7.24%
Cash, Cash Equivalents and Derivatives Operations	17.61%	13.45%	15.13%
Money Market	5.96%	6.06%	—
OPCVM Money Market	4.52%	4.60%	8.66%
Cash and Derivatives Operations	7.12%	2.79%	6.47%

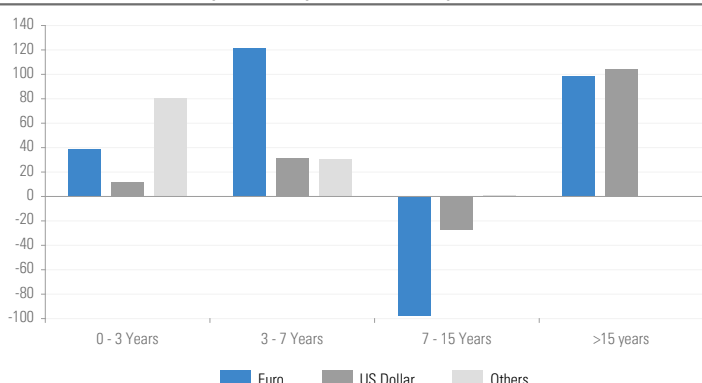
Modified duration by yield curve (in bps)



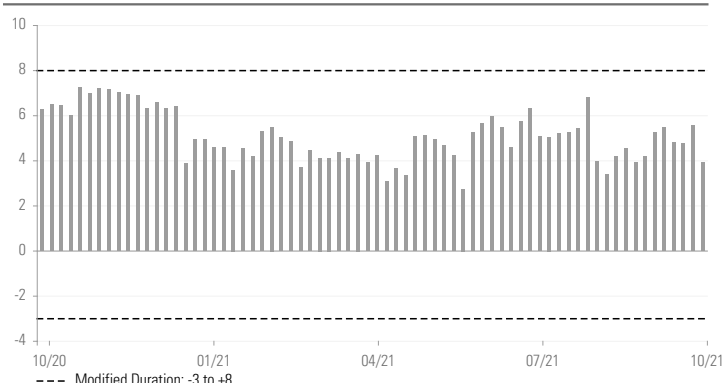
Rating Breakdown



Modified duration by maturity bucket (in bps)



Modified Duration - 1 Year Period



Statistics (%)

	1 Year	3 Years
Fund Volatility	2.26	4.46
Comparator Benchmark Volatility	2.32	2.81
Sharpe Ratio	1.74	0.86

VaR

Fund VaR	3.89%
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Monthly Gross Performance Contribution

Bond Portfolio	-0.43%
Equity Derivatives	-0.00%
Bond Derivatives	-0.51%
Currency Derivatives	-0.03%
Mutual Fund	-0.00%
	-0.97%

Share Class	Date of 1st NAV	Bloomberg	ISIN	SEDOL	CUSIP	WKN	Fixed Management Fee	Ongoing Charge ⁽¹⁾	Minimum Initial Subscription ⁽²⁾	Single Year Performance (%)					Cumulative Performance (%)		
										29.10.20	29.10.19	29.10.18	27.10.17	28.10.16	3 Years	5 Years	10 Years
										-	-	-	-	-			
A EUR Acc	14/12/2007	CARCSHP LX	LU0336084032	B3K7RF5	L1455N146	ADM9A2	1%	1.2%	—	3.25	5.80	4.03	-2.56	2.46	13.52	13.50	23.69
A EUR Ydis	15/11/2013	CARCAEY LX	LU0992631050	BGP6SP5	L1455N294	A1W94Z	1%	1.2%	—	3.25	5.79	4.02	-2.55	2.60	13.50	13.65	—
A CHF Acc Hdg	19/07/2012	CARCSHA LX	LU0807689665	BH899W2	L15064105	A1J2R1	1%	1.2%	—	3.21	5.36	3.51	-3.04	2.03	12.45	11.41	—
A USD Acc Hdg	19/07/2012	CARCSHU LX	LU0807689749	BH899X3	L15064113	A1J2R2	1%	1.2%	—	3.98	7.33	6.85	-0.14	4.13	19.12	24.08	—
F EUR Acc	15/11/2013	CARCFEA LX	LU0992631217	BGP6SQ6	L1455N310	A1W940	0.55%	0.75%	—	3.65	6.22	4.47	-2.16	2.85	14.88	15.78	—
F CHF Acc Hdg	15/11/2013	CARCFCH LX	LU0992631308	BH899Y4	L1455N328	A116MQ	0.55%	0.75%	—	3.35	5.80	3.94	-2.59	2.47	13.53	13.47	—

Variable Management Charge: 10% of the outperformance of the Fund relative to its reference indicator in the case of a positive performance. (1) Ongoing charges are based on the expenses for the last financial year ended. They may vary from year to year and do not include performance fees or transaction costs. (2) Please refer to the prospectus for the minimum subsequent subscription amounts. The prospectus is available on the website: www.carmignac.com.

PORTFOLIO ESG SUMMARY

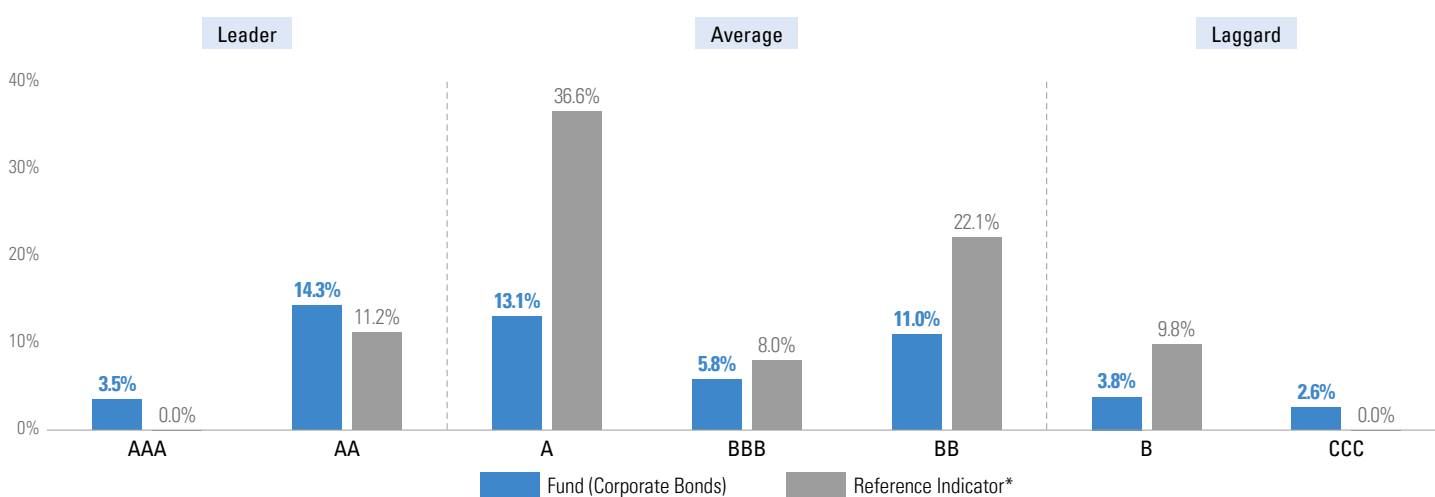


ESG Score - Portfolio ESG Coverage: 54.1%

Carmignac Portfolio Flexible Bond A EUR Acc	Reference Indicator*
A	BBB

Source MSCI ESG

MSCI ESG Score Portfolio vs Reference Indicator



Source: MSCI ESG Score. ESG Leaders represent companies rated AAA and AA by MSCI. ESG Average represent companies rated A, BBB, and BB by MSCI. ESG Laggards represent companies rated B and CCC by MSCI.

Top 5 ESG Rated Portfolio Holdings

Company	Weight	ESG Rating
BANCO BILBAO 6.00% 15/01/2026	0.49%	AAA
ENEL SPA 8.75% 24/09/2023	0.24%	AAA
INTESA SANPAO 5.88% 01/09/2031	0.21%	AAA
ARCELIK AS 3.00% 27/02/2026	0.21%	AAA
BANCO BILBAO 5.88% 24/09/2023	0.17%	AAA

Top 5 Active Weights and ESG Scores

Company	Weight	ESG Score
GAZPROM PJSC 1.50% 17/02/2027	0.95%	BB
NATWEST GROUP 3.75% 01/11/2024	0.81%	AA
PERSHING SQUA 3.25% 01/07/2031	0.79%	
LA BANQUE POS 3.88% 20/05/2026	0.73%	
PEMEX 4.75% 26/02/2029	0.70%	

* Reference Indicator: ICE BofA Euro Broad Market Index (coupons reinvested). The reference to a ranking or prize, is no guarantee of the future results of the UCIS or the manager.

FUND MANAGEMENT ANALYSIS

Market environment



Yield curves flattened considerably over the month as growth was revised to more moderate levels and inflation expectations continued to rise. Many central banks, including the Bank of England and Bank of Canada, made statements and took a more orthodox approach, causing interest rates to rise sharply. New Zealand and Canadian 2-year yields climbed by 70 and 60 basis points respectively – movements that we had not seen in decades. In Europe, the ECB failed to calm matters, which explains the extent of the rate jumps seen at the end of the month. The situation caused emerging debt markets to fall, but left credit spreads at a rather indifferent level.

Performance commentary



The Fund mainly suffered from its emerging debt exposure, particularly its duration on the Russian yield curve. In the developed world, a surge in yields also weighed on our Australian curve positioning. Although our long positions on European semi core and peripheral countries lost ground, these losses were almost entirely offset by our short positions on German and Italian debt. In the United States, our short derivative positions proved costly, but our curve strategies raised performance. Our long strategies on breakeven inflation benefitted from steadily rising inflation expectations in Europe and the United States.

Outlook and Investment strategy



We reduced our modified duration during the month by taking more short positions on medium-dated issues in Europe. We are remaining cautiously positioned in the United States, with low duration. The scale of the movements seen in October may seem excessive and have cost us money, but it also revealed some opportunities, prompting us to revise our duration strategy and our allocation. This meant going longer on the UK, Canadian and New Zealand yield curves. In terms of allocation, although we remain exposed to the theme of reopening, to subordinated financial bonds and emerging market debt, we decided to neutralise our exposure to the high yield segment by building up our hedging and have started to increase our exposure to emerging market debt, focusing on external debt for the time being. We decided to take some profits on our European and US inflation strategies at the end of the month.

GLOSSARY

Alpha: Alpha measures the performance of a portfolio compared to its reference indicator. Negative alpha means the fund performed less well than its reference indicator (e.g. if the indicator increased by 10% in one year and the fund increased by only 6%, its alpha is -4). Positive alpha means the fund performed better than its reference indicator (e.g. if the indicator increased by 6% in one year and the fund increased by 10%, its alpha is 4).

Beta: Beta measures the relationship between the fluctuations of the net asset values of the fund and the fluctuations of the levels of its reference indicator. Beta of less than 1 indicates that the fund "cushions" the fluctuations of its index (beta = 0.6 means that the fund increases by 6% if the index increases by 10% and decreases by 6% if the index falls by 10%). Beta higher than 1 indicates that the fund "magnifies" the fluctuations of its reference indicator (beta = 1.4 means that the fund increases by 14% when the index increases by 10% but also decreases by 14% when the index decreases by 10%). Beta of less than 0 indicates that the fund reacts inversely to the fluctuations of its reference indicator (beta = -0.6 means that the fund falls by 6% when the index increases by 10% and vice versa).

Capitalisation: A company's stock market value at any given moment. It is obtained by multiplying the number of shares of a company by its stock exchange price.

Duration: A bond's duration is the period beyond which interest rate variations will no longer affect its return. The duration is like a discounted average lifetime of all flows (interest and capital).

ESG: E for Environment, S for Social, G for Governance

ESG score Calculation: Only the Equity portion of the fund considered. Overall Fund Rating calculated using MSCI Fund ESG Quality Score methodology: excluding cash and non ESG-rated holdings, performing a weighted average of the normalized weights of the holdings and the Industry-Adjusted Score of the holdings, multiplied by (1+Adjustment%) which consists of the weight of positively trending ESG ratings minus the weight of ESG Laggards minus the weight of negatively trending ESG ratings. For a detailed explanation see "MSCI ESG Fund Ratings Methodology", Section 2.3. Updated April 2020.

<https://www.msci.com/documents/1296102/15388113/MSCI+ESG+Fund+Ratings+Exec+Summary+Methodology.pdf/ec622acc-42a7-158f-6a47-ed7aa4503d4f?t=1562690846881>.

FCP: Fonds commun de placement (French common fund).

High yield: A loan or bond rated below investment grade because of its higher default risk. The return on these securities is generally higher.

Investment grade: A loan or bond that rating agencies have rated AAA to BBB-, generally indicating relatively low default risk.

Investment/exposure rate: The investment rate constitutes the volume of assets invested expressed as a percentage of the portfolio. Adding the impact of the derivatives to this investment rate results in the exposure rate, which corresponds to the real percentage of asset exposure to a certain risk. Derivatives can be used to increase the underlying asset's exposure (stimulation) or reduce it (hedging).

Modified duration: A bond's modified duration measures the risk attached to a given change in the interest rate. Modified duration of +2 means that for an instantaneous 1% rate increase, the portfolio's value would drop by 2%.

Net asset value: Price of all units (in an FCP) or shares (in a SICAV).

Rating: The rating measures the creditworthiness of a borrower (bond issuer). Ratings are published by rating agencies and offer the investor reliable information on the risk profile associated with a debt security.

Sharpe ratio: The Sharpe ratio measures the excess return over the risk-free rate divided by the standard deviation of this return. It thus shows the marginal return per unit of risk. When it is positive, the higher the Sharpe ratio, the more risk-taking is rewarded. A negative Sharpe ratio does not necessarily mean that the portfolio posted a negative performance, but rather that it performed worse than a risk-free investment.

SICAV: Société d'Investissement à Capital Variable (Open-ended investment company with variable capital)

VaR: Value at Risk (VaR) represents an investor's maximum potential loss on the value of a financial asset portfolio, based on a holding period (20 days) and confidence interval (99%). This potential loss is expressed as a percentage of the portfolio's total assets. It is calculated on the basis of a sample of historical data (over a two-year period).

Volatility: Range of price variation of a security, fund, market or index, which enables the measurement of risk over a given period. It is determined using the standard deviation obtained by calculating the square root of the variance. The variance is obtained by calculating the average deviation from the mean, which is then squared. The greater the volatility, the greater the risk.

Yield to Maturity: Yield to maturity corresponds to the concept of actuarial yield. It is, at the time of calculation, the rate of return offered by a bond in the event it is held until maturity by the investor.

Main risks of the fund

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.

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. The Fund presents a risk of loss of capital.

Important legal information

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Investment management company approved by the AMF

Public limited company with share capital of € 15,000,000 - RCS Paris B 349 501 676

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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

PROMOTIONAL MATERIAL

