

## Global Equities: Quality is the name of the game

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The FP Carmignac Global Equity Compounders fund looks for quality companies across the globe – companies that today show the characteristics we believe are needed to successfully grow overtime. These typically demonstrate high sustainable profitability and strong environmental, social and governance (ESG) credentials, as testified by Maxime Carmignac – Managing Director Carmignac UK, and Mark Denham and Obe Ejikeme – the Fund Managers.

### Do you feel the pandemic has changed investors' mindset?

**Maxime Carmignac:** The pandemic has caused investors to reconsider the way they invest, shifting towards strategies that are geared to the long-term and mindful of the impact on the planet. People have recentred towards living essentials – family, healthcare and environmental issues – thinking more about the future and their legacy, not only for their loved ones but also for future generations and the planet. We have seen a shift in companies' practices too: boosted by regulations and the growing demand from investors for sustainable solutions, they are acting on ESG issues, understanding the associated risks and opportunities.

### How is this mindset reflected in the fund?

**Mark Denham:** The backbone of our process is to identify quality companies; companies that not only grow financially but do so in a sustainable way. Quality companies offer a high compounding effect and tend to be more robust during economic downturns. They are typically less leveraged and have stable margins, making them more cash generative and in turn, allowing them to reinvest for the future. But for us, the concept of quality is also linked to the ESG trail these companies leave behind.

## In practice, how does it translate in your investment process?

**Mark Denham:** We start by mapping out the entire global equity universe, trying to identify the companies that score well on our profitability and reinvestment criteria. Then, we apply our socially responsible filters, consisting of both negative and positive screens. Once we have a sustainable investment universe, we refine it through in-depth fundamental research with the help of our sector analysts' expertise. The result is a concentrated portfolio of ~40 high-conviction names.

**Obe Ejikeme:** In addition to our rigorous stock selection, we finetune the portfolio by adjusting its cyclicity based on the direction of the cycle. In other words, we look to optimise the portfolio to make sure we benefit from where we are in the business cycle. How? We adjust the sizing of our positions, increasing or decreasing our sensitivity depending on where we currently are on the cycle, but also on where we are heading next.

## As 'architect' of this fund, could you tell us why investors should consider it?

**Maxime Carmignac:** I see myself more as its 'mother' than its 'architect'! FP Carmignac Global Equity Compounders is a great 'buy and hold' product, with a socially responsible investment approach, suitable for investors seeking to achieve long-term capital growth while putting their capital to good use. The process is simple and straightforward, that investors can benefit serenely from the magic of the compounding effect – the 8th wonder of the world according to Albert Einstein. Mark and Obe are experienced professionals and form a complementary duo. Finally, the Fund is living up to its promises: [since its launch over a year ago](#), it has delivered a performance of +33%, despite particularly complex and volatile markets<sup>1</sup>.

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### Want to know more?

Listen to Mark Denham & Obe Ejikeme


For further information you can [access the Fund page](#) and/or [contact us](#).

### Want to know more?

Access the Fund page

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(1) Versus +31.41% for the comparative benchmark, the MSCI World (USD), reinvested net dividends, converted daily, for unhedged share classes into the reference share class currency and into EUR for hedged share classes. Performance as of 15/06/2021. For the A GBP acc share class. 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.



## FP Carmignac Global Equity Compounders A GBP ACC

ISIN: GB00BMGLBK75

Recommended  
minimum  
investment horizon



### 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.

**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.

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