

CARMIGNAC PORTFOLIO GLOBAL BOND: LETTER FROM THE FUND MANAGER - Q3 2025

13/10/2025 | ABDELAK ADJRIOU

+0.73%

Performance of the Fund in the 3rd quarter of 2025 (A EUR Acc Share class).

-0.09%

Performance of the reference indicator in the 3rd quarter of 2025 (A EUR Acc Share class).

+16.39%

Outperformance of the Fund over 5-year versus the reference indicator¹ (A EUR Acc Share class).

*In the third quarter of 2025, **Carmignac P. Global Bond** posted a performance of +0.73%, compared with -0.09% for its reference indicator, bringing its year-to-date performance to -0.11%, compared with -5.62% for its reference indicator.*

MARKET REVIEW

The third quarter of 2025 saw resilient economic growth, despite fatigue in the US labour market, and a gradual shift in expectations regarding monetary policy.

US trade policy remained a dominant theme in Q3, with tariff implementation delayed to August before new deals were struck with the EU and Japan at 15%. Additional increases targeted Canada, copper, and pharmaceuticals, with some rates reaching 100%. While the measures sustained mild inflationary pressures, they proved less disruptive than initially feared, allowing global growth and market sentiment to remain broadly resilient through the quarter.

Another key theme in the third quarter was the gradual weakening of the US labour market, which prompted the Federal Reserve (the “Fed”) to begin its easing cycle in September. The turning point came with the July employment report, released in early August, which was much weaker than anticipated and included downward revisions of 258,000 jobs for May and June—the largest since the 2020 pandemic. The subsequent August report confirmed this softening trend, showing payroll growth of just 22,000 and a rise in the unemployment rate to 4.3%, the highest since late 2021.

Against this backdrop, the Fed adopted a more dovish stance. At Jackson Hole, Chair Powell acknowledged that the labour market was “not particularly tight and faced increasing downside risks.” Consequently the Fed implemented its first 25bps rate cut of 2025 to a range of 4.00–4.25%, and its projections indicated the prospect of further easing before year-end.

As a result, US rates declined during the quarter, with yields on 2-year and 10-year down 11 bp and 8 bp, respectively, reflecting a shift in market focus away from inflation risks and towards labour market fragility.

In contrast, the Euro area faced renewed fiscal and political headwinds, particularly in France, where tensions around Prime Minister Bayrou’s austerity plan and the subsequent vote of confidence fuelled market volatility. The French 30-year yield rose 29 basis points during the third quarter to reach 4.35%, and even closed at a post-2009 high of 4.50% on 2 September, leading to

a general upward revaluation of European sovereign yields, with the German 30-year yield rising 18 basis points to 3.28%.

Against this backdrop, the European Central Bank (the “ECB”) maintained its policy rate at 2.0%, signalling a pause after its eight consecutive cuts since mid-2024. The central bank adopted a more balanced tone, acknowledging downside growth risks but limited scope for further easing in light of fiscal uncertainty and balanced inflation risks.

Credit assets continue to show resilience with the iTraxx Xover index tightening by 42 bp to 262 bp, while emerging market hard currency debt remains in demand and continues to benefit from steady inflows, improving credit quality and strong year-to-date net supply.

On the currency front, Q3 saw a positive return for the USD, which had weakened during much of the first half of the year. This was thanks to its best monthly gain since 2022 in July, when US exceptionalism returned, driven by effective trade policy, solid economic data, and strong corporate earnings. However, the USD resumed its decline from August onwards amid expectations of accelerated rate cuts, a poor payroll report, and concerns about the Fed's independence.

PERFORMANCE REVIEW

The fund delivered a positive return in the third quarter, outperforming its reference indicator. Performance was supported mainly by our allocation to spread products, while active duration management and selective currency positions helped navigate a volatile rates environment.

Rate strategies were mixed. The fund was impacted by its short positions on the long end of the US curve and by our long positions on UK and Norwegian debt. On the other hand, we benefited from our long positions on Canada, which benefited from deteriorating data, as well as our short positions in France amid political instability. Finally, local positions in South Africa and certain regions of Eastern Europe also added value.

Spread products were the main performance driver. Credit exposure, notably in the financial and energy sectors, contributed positively, as did our selection of emerging market debt denominated in hard currencies.

Currency strategies were slightly negative during the quarter. The negative contribution from our exposure to the US dollar was partially offset by gains on certain currencies such as the British pound and the Norwegian krone, as well as emerging market currencies, notably the Brazilian real and the Mexican peso.

OUTLOOK

The global backdrop remains one of slowing but resilient growth, with labour markets showing early signs of weakness and fiscal policy still expansionary. In this environment, major central banks in both developed and emerging markets are likely to maintain accommodative stances. The fund is therefore positioned with a relatively high modified duration of around 5, seeking to benefit from ongoing monetary easing while capturing attractive carry opportunities. The portfolio offers a yield close to 7%, including currency carry, and remains well diversified across regions and asset classes.

We maintain a balanced approach to duration management. In the United States, we hold a cautious stance given the market's optimistic pricing of rate cuts amid resilient growth and rising fiscal pressures. In Europe, we favour long positions in core rates where easing expectations have been fully repriced, while maintaining shorts in France to reflect fiscal risk. We remain short Japan, where inflationary pressures persist, and long the United Kingdom, where rates could ease further. In emerging markets, we continue to favour high real-rate countries such as Brazil and parts of Eastern Europe.

Our credit exposure remains selective, focused on attractive carry opportunities in the energy and financial sectors, while partially hedged through iTraxx Xover to protect against widening spreads. Hard-currency emerging market debt continues to represent a core conviction, supported by solid fundamentals and favourable technicals.

The bulk of the U.S. dollar's decline now appears behind us, reducing its drag on performance. We maintain limited dollar exposure, preferring select emerging and commodity-linked currencies, including the Brazilian real, Chilean peso, Australian dollar, and Norwegian krone. We also retain a long position in the Japanese yen, anticipating further policy normalisation by the Bank of Japan.

Source: Carmignac, Bloomberg, 30/09/2025. Performance of the A EUR Acc share class, ISIN code: LU0336083497. ¹Reference indicator: JP Morgan Global Government Bond Index EUR Unhedged. (coupons reinvested).

CARMIGNAC PORTFOLIO GLOBAL BOND A EUR ACC

(ISIN: LU0336083497)

SFDR - Fund Classification** :

Article **8**



Recommended
minimum
investment horizon

3 YEARS

MAIN RISKS OF THE FUND

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. **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.

*Risk Scale from the KID (Key Information Document). Risk 1 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>.

FEES

Entry costs : 2.00% of the amount you pay in when entering this investment. This is the most you will be charged. Carmignac Gestion doesn't charge any entry fee. The person selling you the product will inform you of the actual charge.

Exit costs : We do not charge an exit fee for this product.

Management fees and other administrative or operating costs : 1.21% of the value of your investment per year. This estimate is based on actual costs over the past year.

Performance fees : 20.00% when the share class overperforms the Reference indicator during the performance period. It will be payable also in case the share class has overperformed the reference indicator but had a negative performance. Underperformance is clawed back for 5 years. The actual amount will vary depending on how well your investment performs. The aggregated cost estimation above includes the average over the last 5 years, or since the product creation if it is less than 5 years.

Transaction Cost : 0.74% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the investments underlying the product. The actual amount varies depending on the quantity we buy and sell.

PERFORMANCE (ISIN: LU0336083497)

Calendar Year Performance (as %)	2016	2017	2018	2019	2020
Carmignac Portfolio Global Bond	+9.5 %	+0.1 %	-3.7 %	+8.4 %	+4.7 %
Reference Indicator	+4.6 %	-6.2 %	+4.3 %	+8.0 %	+0.6 %

Calendar Year Performance (as %)	2021	2022	2023	2024	2025
Carmignac Portfolio Global Bond	+0.1 %	-5.6 %	+3.0 %	+1.8 %	-0.1 %
Reference Indicator	+0.6 %	-11.8 %	+0.5 %	+2.8 %	-5.6 %

Annualised Performance	3 Years	5 Years	10 Years
Carmignac Portfolio Global Bond	+1.0 %	+0.2 %	+1.7 %
Reference Indicator	+2.4 %	+3.2 %	+0.2 %

Source: Carmignac at Sep 30, 2025.

Past performance is not necessarily indicative of future performance. Performances are net of fees (excluding possible entrance fees charged by the distributor).

Marketing communication. Please refer to the KID/KIID, prospectus of the fund before making any final investment decisions. This document is intended for professional clients.

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The risks, fees and ongoing charges are described in the KID (Key Information Document). The KID must be made available to the subscriber prior to subscription. The subscriber must read the KID. Investors may lose some or all their capital, as the capital in the funds are not guaranteed. The Funds present a risk of loss of capital.

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- **In the United Kingdom:** the Funds' respective prospectuses, KIDs and annual reports are available at www.carmignac.com/en-gb, or upon request to the Management Company, or for the French Funds, at the offices of the facilities Agent, Carmignac UK Ltd, 2 Carlton House Terrace, London, SW1Y 5AF. This document was prepared by Carmignac Gestion, Carmignac Gestion Luxembourg or Carmignac UK Ltd. FP Carmignac ICVC (the "Company") is an Investment Company with variable capital incorporated in England and Wales under registered number 839620 and is authorised by the FCA with effect from 4 April 2019 and launched on 15 May 2019. FundRock Partners Limited is the Authorised Corporate Director (the "ACD") of the Company and is authorised and regulated by the FCA. Registered Office: Hamilton Centre, Rodney Way, Chelmsford, Essex, CM1 3BY, UK; Registered in England and Wales with number 4162989. Carmignac Gestion Luxembourg SA has been appointed as the Investment Manager and distributor in respect of the Company. Carmignac UK Ltd (Registered in England and Wales with number 14162894) has been appointed as a sub-Investment Manager of the Company and is authorised and regulated by the Financial Conduct Authority with FRN:984288.
- **In Switzerland:** the prospectus, KIDs and annual report are available at www.carmignac.com/en-ch, or through our representative in Switzerland, CACEIS (Switzerland), S.A., Route de Signy 35, CH-1260 Nyon. The paying agent is CACEIS Bank, Montrouge, Nyon Branch / Switzerland, Route de Signy 35, 1260 Nyon. The Management Company can cease promotion in your country anytime. Investors have access to a summary of their rights in English on the following links: [UK](#) ; [Switzerland](#) ; [France](#) ; [Luxembourg](#) ; [Sweden](#).

For Carmignac Portfolio Long-Short European Equities: Carmignac Gestion Luxembourg SA in its capacity as the Management Company for Carmignac Portfolio, has delegated the investment management of this Sub-Fund to White Creek Capital LLP (Registered in England and Wales with number OCC447169) from 2nd May 2024. White Creek Capital LLP is authorised and regulated by the Financial Conduct Authority with FRN : 998349.

Carmignac Private Evergreen refers to the Private Evergreen sub-fund of the SICAV Carmignac S.A. SICAV – PART II UCI, registered with the Luxembourg RCS under number B285278.