CARMIGNAC PATRIMOINE: LETTER FROM THE FUND MANAGERS

16/04/2025 | CHRISTOPHE MOULIN, ELIEZER BEN ZIMRA, GUILLAUME RIGEADE, KRISTOFER BARRETT, JACQUES HIRSCH

+1.46% Carmignac Patrimoine's performance in Q1 2025 for the A EUR Share class.	**-2.56%** Reference indicator's[1] performance in Q1 2025.	**+8.71%** Performance of the Fund over 3 years compared with +8.36% for the reference indicator.

***Carmignac Patrimoine** A EUR Acc delivered a performance of +1.46% in the first quarter of 2025, outperforming its reference indicator, which declined by -2.56%.*

MARKET ENVIRONMENT DURING THE PERIOD

Everything's been Trumped. The year-end optimism, driven by hopes of a pro-business Trump 2.0 administration, quickly faded during the first quarter.

The first shock came from China. The country demonstrated its determination to challenge American technological dominance. The DeepSeek project provided investors with a prime opportunity to cash in on American tech stocks, which had enjoyed years of strong performance.

Next came the second act. Germany's new chancellor announced an ambitious €500 billion investment plan focused on infrastructure and defence?an amount equivalent to Austria's annual GDP. This bold move shattered Germany's long-standing "debt brake" policy and signaled a potential European revival, something Mario Draghi had long advocated for without success.

Finally, the United States delivered the final blow. The Trump administration's threat of new tariffs triggered heightened market volatility, causing investors to question the idea of American exceptionalism. This uncertainty led to a reversal in key U.S. economic indicators, raising fears of a stagflationary environment.

In the markets, this quarter marked a turning point for global dynamics. Europe surged ahead, buoyed by its domestic sectors. Even the European bond market felt the impact: German Bunds saw their largest daily spike since the fall of the Berlin Wall, while the euro made significant gains against the dollar. China also thrived as investor enthusiasm for its tech sector grew. Emerging markets benefited from a weakened dollar as well. Meanwhile, the United States emerged as the big loser of the quarter. Former market darlings?particularly tech stocks?dropped more than 10% from their recent highs. Concerns over an economic slowdown pushed interest rates lower, but inflationary pressures remained strong. Gold, a traditional safe haven during times of political and geopolitical turmoil, continued its upward trajectory after a record-breaking 2024.

This turbulent quarter reflected a shift in global power dynamics: Europe is reawakening, China is becoming more assertive, and the United States is grappling with the consequences of its own strategic decisions.

HOW DID WE FARE IN THIS CONTEXT?

In a volatile environment marked by declining U.S. markets, Carmignac Patrimoine delivered strong performance, ending the quarter on a positive note.

While our long-term equity investments in the technology sector faced challenges, our diversification strategies played a crucial role in offsetting these losses. Exposure to emerging markets and Europe proved advantageous, benefiting from more favourable market dynamics. Positions in gold stocks also performed well, driven by renewed demand for safe-haven assets amid uncertainty. Additionally, our active hedging strategies added value: put options on equity indices and specific stocks allowed us to capitalize on tactical opportunities, while our exposure to the VIX (volatility index) effectively mitigated market fluctuations. These strategic decisions contributed significantly to the Fund's outperformance in equities.

Our bond positioning was another key contributor to performance. A long position on U.S. rates, which eased during the quarter, generated positive returns, while timely short positions on European rates benefited from developments in Germany. At the same time, concerns over tariffs and their potential inflationary effects supported our inflation-linked strategies, which performed strongly. Credit carry strategies also delivered steady returns, reflecting the high quality of the issuers we selected.

Finally, increased exposure to the euro further boosted performance. By diversifying our performance drivers while staying true to our core convictions, we successfully protected invested capital and achieved returns that exceeded the Fund's reference indicator.

OUTLOOK & POSITIONING

We are entering a new era shaped by the Trump 2.0 administration. While this period is marked by uncertainty, certain trends are already beginning to take shape. The trade war initiated by the new administration, combined with a tentative deficit reduction plan, is steering the United States toward a stagflationary environment?unless Trump changes course. In Europe, significant investments in infrastructure and defence point to potentially stronger growth, albeit accompanied by higher budget deficits. However, retaliatory measures and escalating trade tensions could temporarily slow this growth momentum.

In this context, we anticipate increased volatility in risk assets and have adopted a cautious stance on equities and credit. We have strengthened our hedging strategies, reducing our net equity exposure to around 25%. That said, the current environment may present interesting opportunities in specific stocks, particularly within the technology sector. We are investing selectively in these areas while maintaining options to ensure balanced overall exposure. Additionally, following a notable rally in non-U.S. markets, we are rebalancing our geographic equity allocation, anticipating that this outperformance may wane if global economic prospects deteriorate. In credit markets, given high valuations, we took profits on financials in February and March while increasing protections through Xover.

For sovereign rates, given the current instability, we are maintaining a low modified duration while preserving flexibility. Optional strategies remain a key tool, offering both convexity and protection. At the same time, we favour real rates, which could benefit from upward revisions in inflation expectations driven by tariff barriers and retaliatory trade measures. Lastly, we are maintaining our exposure to the euro due to the dollar's high valuation and because this time, economic turbulence is originating from the United States.

This approach allows us to maintain a resilient portfolio focused primarily on capital preservation in an uncertain environment over the coming weeks.

Source: Carmignac, 31/03/2025, portfolio composition may vary over time. Carmignac Patrimoine, A EUR Acc. [1]Reference indicator: 40% MSCI ACWI (USD) (Reinvested net dividends) + 40% ICE BofA Global Government Index (USD) + 20% ESTER capitalised. Quarterly rebalanced. Until 31 December 2012, the reference indicators' equity indices were calculated ex-dividend. Since 1 January 2013, they have been calculated with net dividends reinvested. Until 31 December 2020, the bond index was the FTSE Citigroup WGBI All Maturities Eur. Until 31 December 2021, the Fund's reference indicator comprised 50% MSCI AC World NR (USD) (net dividends reinvested), and 50% ICE BofA Global Government Index (USD) (coupons reinvested). Performances are presented using the chaining method. From 01/ 01/ 2013 the equity index reference indicators are calculated net dividends reinvested. **Past performance is not necessarily indicative of future performance. The return may increase or decrease as a result of currency fluctuations. Performances are net of fees (excluding possible entrance fees charged by the distributor).**

CARMIGNAC PATRIMOINE A EUR ACC

(ISIN: FR0010135103)

SFDR - Fund Classification** :

Article 8

LOWEST RISK ← → HIGHEST RISK

1	2	3*	4	5	6	7

Recommended minimum investment horizon **3 YEARS**

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. **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.

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 : 4,00% 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 : 1,50% of the value of your investment per year. This estimate is based on actual costs over the past year.

Performance fees : 20,00% max. of the outperformance once performance since the start of the year exceeds that of the reference indicator and if no past underperformance still needs to be offset. 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 : 0,79% 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: FR0010135103)

Calendar Year Performance (as %)	2016	2017	2018	2019	2020
Carmignac Patrimoine	+3.9 %	+0.1 %	-11.3 %	+10.5 %	+12.4 %
Indicateur de référence	+8.1 %	+1.5 %	-0.1 %	+18.2 %	+5.2 %

Calendar Year Performance (as %)	2021	2022	2023	2024	2025
Carmignac Patrimoine	-0.9 %	-9.4 %	+2.2 %	+7.1 %	+1.5 %
Indicateur de référence	+13.3 %	-10.3 %	+7.7 %	+11.4 %	-2.6 %

Annualised Performance	3 Years	5 Years	10 Years
Carmignac Patrimoine	+2.8 %	+3.6 %	+0.2 %
Indicateur de référence	+2.7 %	+6.3 %	+4.5 %

Source: Carmignac at Mar 31, 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.

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, for the shares which are not currency-hedged.

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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.

The Funds' prospectus, KIDs, NAVs and annual reports are available at www.carmignac.com, or upon request to the Management Carmignac Portfolio refers to the sub-funds of Carmignac Portfolio SICAV, an investment company under Luxembourg law, conforming to the UCITS Directive. The French investment funds (fonds communs de placement or FCP) are common funds in contractual form conforming to the UCITS or AIFM Directive under French law.

- **In France, Luxembourg, Sweden**: 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. The Funds' prospectus, KIDs, NAV and annual reports are available at www.carmignac.com, or upon request to the Management.
- **In the United Kingdom:** the Funds' respective prospectuses, KIIDs and annual reports are available at www.carmignac.co.uk, or upon request to the Management Company, or for the French Funds, at the offices of the Facilities Agent at BNP PARIBAS SECURITIES SERVICES, operating through its branch in London: 55 Moorgate, London EC2R. 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.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.
- **In Spain** : The Funds are registered with the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores) under the following numbers: Carmignac Sécurité 395, Carmignac Portfolio 392, Carmignac Patrimoine 386, Carmignac Absolute Return Europe 398, Carmignac Investissement 385, Carmignac Emergents 387, Carmignac Credit 2027 2098, Carmignac Credit 2029 2203, Carmignac Credit 2031 2297, Carmignac Court Terme 1111.

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