

LWM FUND SPOTLIGHT
FP CARMIGNAC EMERGING MARKETS FUND

INVESTMENT OBJECTIVE

The Fund's investment objective is to achieve capital growth over at least five years. The Fund seeks to achieve its investment objective by directly or indirectly investing through collective investment schemes that it holds in shares of companies whose registered office or core business is located in emerging countries, with no particular emphasis on business sector or company size. The Fund will typically invest between 80% – 95% in shares; however, on rare occasions, such as when the markets are experiencing heavy turmoil, the Fund may decrease its exposure to company shares to no less than 51% and invest a more significant proportion (up to 40%) in debt instruments.

INCEPTION DATE	15 th May 2019
FUND FACTSHEET	https://www.trustnet.com/factsheets/O/q9zr/fp-carmignac-emerging-markets/

MANAGEMENT

Manager Name	Start Date
Xavier Hovasse	15 th May 2019
Haiyan Li-Labbe	1 st January 2021

RATIO DATA (3-years)

Alpha	Beta	Max Gain	Max Loss	Negative Periods	Positive Periods	Tracking Error
0.82	1.22	11.17	-12.24	77	78	8.51

OTHER DATA

Benchmark	MSCI EM
Fund Size	£21.77 million
Fees	0.95% (A Share Class)

FP Carmignac Emerging Markets Fund – October 2023

BULL POINTS (PRO)	BEAR POINTS (CONS)
<ul style="list-style-type: none"> High conviction. Sister Fund is Article 9. Negative and Positive Screening. Quality focus. Consistency in performance. Stable and robust investment team. 	<ul style="list-style-type: none"> Period of underperformance as they took profit in 2021.

FUND PERFORMANCE



Cumulative Performance (GBX)					
	3 Months	6 Months	1 Year	3 Years	5 Years
Fund	-1.48%	4.08%	13.12%	-5.17%	
Sector	-4.56%	-0.74%	5.91%	-4.68%	17.83%
Relative to Sector	3.23%	4.85%	6.81%	-0.52%	
Rank in Sector	6 / 70	3 / 71	7 / 69	31 / 57	
Fund Quartile	1	1	1	3	N/A

Performance by Calendar Year in (GBX)					
	YTD	2022	2021	2020	2019
Fund	2.86%	-9.45%	-15.59%	63.02%	
Sector	-2.29%	-12.45%	0.17%	13.96%	16.81%
Relative to Sector	5.27%	3.43%	-15.74%	43.04%	
Rank in Sector	6 / 69	22 / 63	56 / 57	1 / 54	
Fund Quartile	1	2	4	1	N/A

Discrete Annual Performance to Last Quarter End (GBX)					
	0-12m	12m-24m	24m-36m	36m-48m	48m-60m
Fund	7.47%	-19.17%	15.34%	39.81%	
Sector	2.46%	-15.16%	17.91%	2.00%	7.69%
Relative to Sector	4.89%	-4.72%	-2.17%	37.07%	
Rank in Sector	12 / 68	48 / 62	35 / 57	1 / 53	
Fund Quartile	1	4	3	1	N/A

Fund Price Movement (GBX)					
12 Month High	156.48 (Pence)	12 Month Low	128.66 (Pence)		
Annualised Ratios Over 36 Months					
	Alpha	Beta	Sharpe	r ²	Volatility
Fund	-0.46	1.20	-0.01	0.81	17.21
Fund Quartile	3	1	3	3	4

Please note that past performance is not a reliable indicator of future returns, and the value of your investments can fall and rise. The total return reflects performance without sales charges or the effects of taxation. Still, it is adjusted to reflect all ongoing fund expenses and assumes dividends and capital gains reinvestment. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

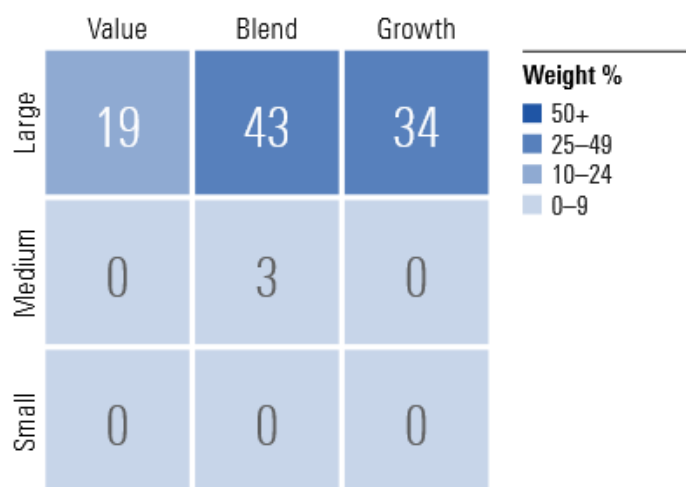
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Stock Style

Map

Weight

Historical



Style Measures

Measures

Market Cap

Market Cap

Avg Market Cap

24.04 Bil

Category Avg Market Cap

48.55 Bil

Index Avg Market Cap

34.00 Bil

Size	Investment %	Cat. Average %	Index %
Giant	56.47	63.70	55.90
Large	29.28	19.79	33.99
Mid	4.38	9.75	9.27
Small	0.00	0.79	0.19
Micro	0.00	0.01	0.00

GBP | As of 30 Sept 2023 | Category: Global Emerging Markets Equity | Index: MSCI EM NR USD | Data is based on the long position of the equity holdings.

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Style Measures

Measures

Market Cap

Measures

Value & Growth Measures	Investment	Cat. Average	Index
Price/Earnings	13.53	11.70	11.46
Price/Book	1.66	1.70	1.42
Price/Sales	1.32	1.46	1.16
Price/Cash Flow	6.28	7.30	6.67
Dividend Yield %	2.45	3.41	3.56
Long-Term Earnings %	18.25	10.55	10.09
Historical Earnings %	10.41	12.05	14.10
Sales Growth %	16.47	11.61	13.14
Cash-Flow Growth %	4.37	7.85	13.12
Book-Value Growth %	11.31	9.02	7.75

As of 30 Sept 2023 | Category: Global Emerging Markets Equity | Index: MSCI EM NR USD | Data is based on the long position of the equity holdings.

Holdings

Equity ▾

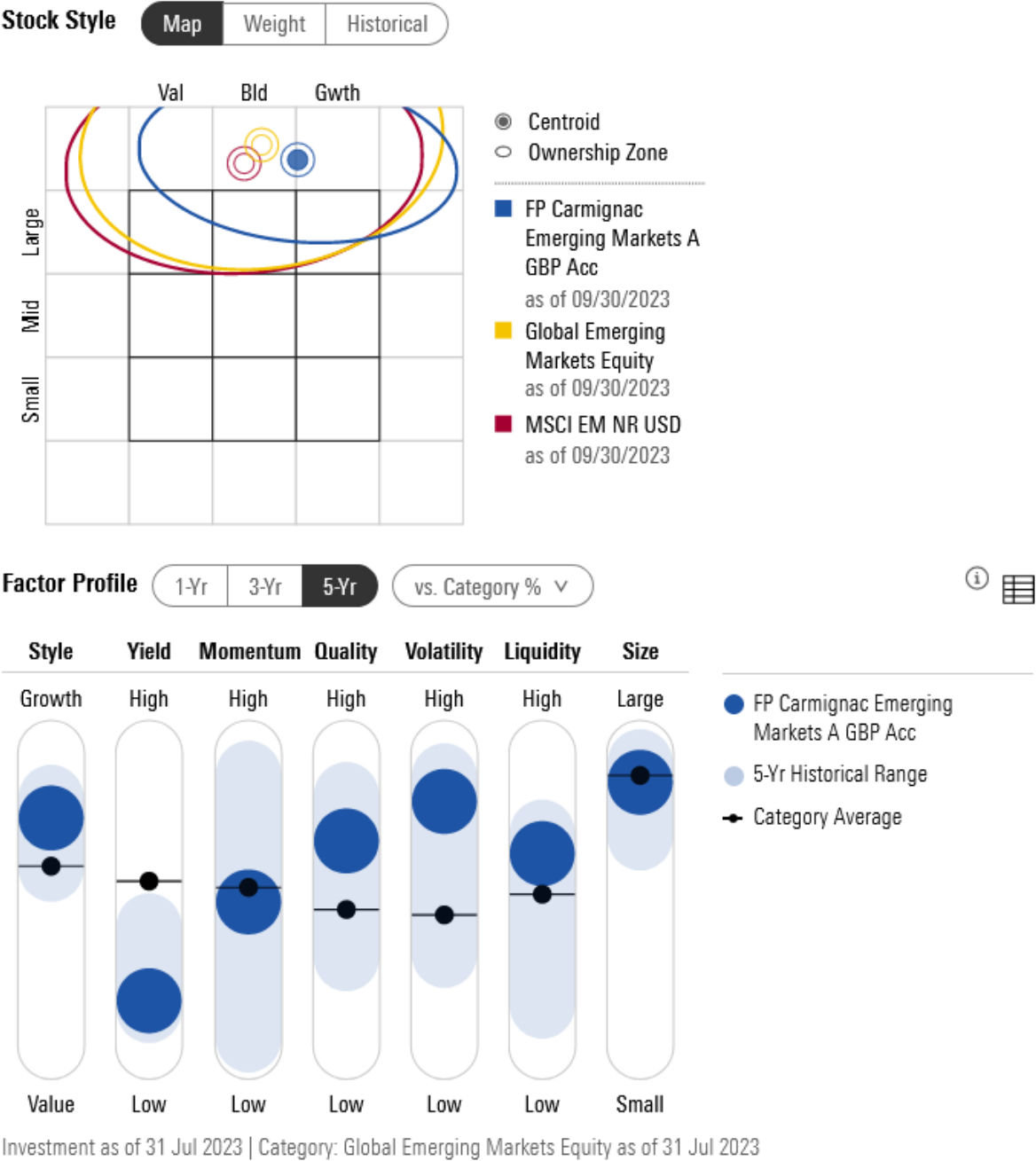
Equity Holdings	Bond Holdings	Other Holdings	% Assets in Top 10 Holdings
38	0	28	37

Reported Turnover %	Women Directors %	Women Executives %
—	16	7
As of —		

Holdings	% Portfolio Weight	First Bought	Market Value GBP as of 30 Sept 2023
Taiwan Semiconductor Manufacturing Co Ltd	8.00	30 Nov 2021	2,045,383
Samsung Electronics Co Ltd Participating Preferred	7.50	31 Mar 2020	1,916,929
Grupo Financiero Banorte SAB de CV Class O	5.73	31 Mar 2020	1,465,742
MINISO Group Holding Ltd	4.83	30 Apr 2023	1,233,611
New Oriental Education & Technology Group Inc Ordinary Shares	3.87	31 Mar 2023	989,878
ANTA Sports Products Ltd	3.56	31 Oct 2021	909,985
Hong Kong Exchanges and Clearing Ltd	3.33	30 Jun 2020	849,905
WuXi Biologics (Cayman) Inc	3.30	31 Dec 2022	843,172
Centrais Eletricas Brasileiras SA	2.91	31 Dec 2022	744,415

Holdings as of 30 Sept 2023 | This investment's holding data is suppressed to show the top 10.

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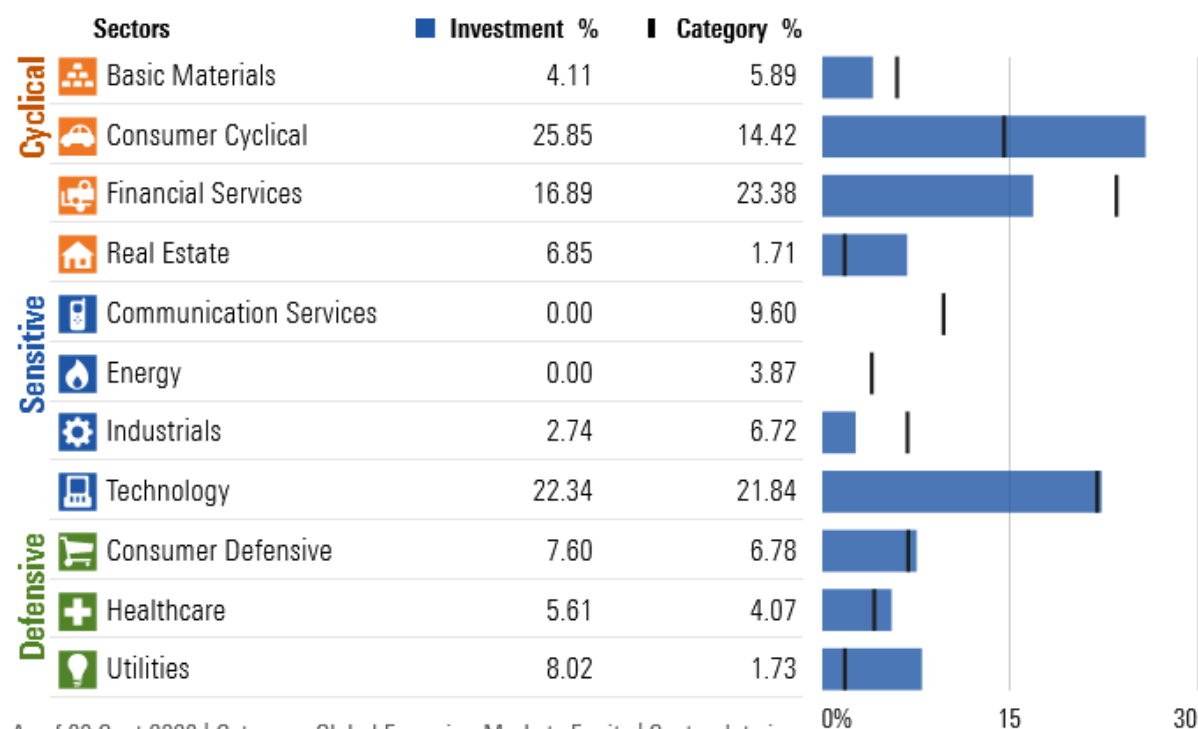
Exposure

Sector

Region

Country

vs. Category % ▾



Exposure

Sector

Region

Country

vs. Category % ▾

Country	Investment %	Category %
China	37.83	27.40
South Korea	15.93	11.10
Brazil	11.00	7.03
Mexico	9.35	3.43
India	9.18	15.20
Taiwan	8.88	14.63
Hong Kong	3.69	1.59
Singapore	2.20	0.14
Malaysia	1.95	0.93
Argentina	0.00	0.00

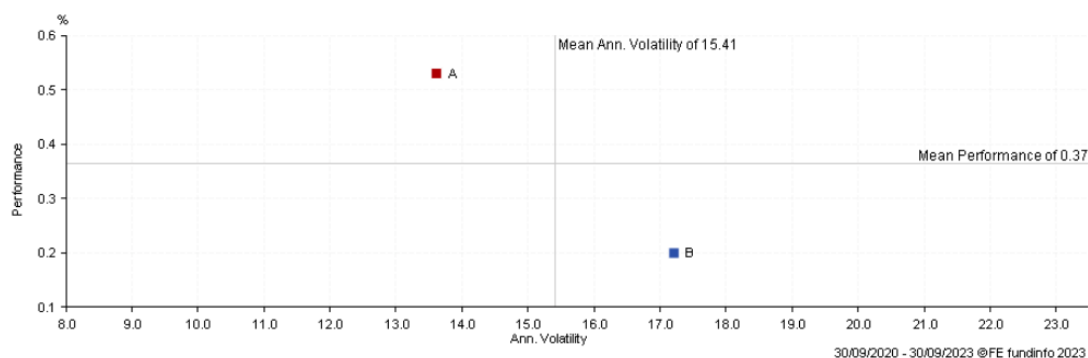
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As of 30 Sept 2023 | Category: Global Emerging Markets Equity | Country data is based on the rescaled long position of the holdings | Source: Holdings-based calculations.

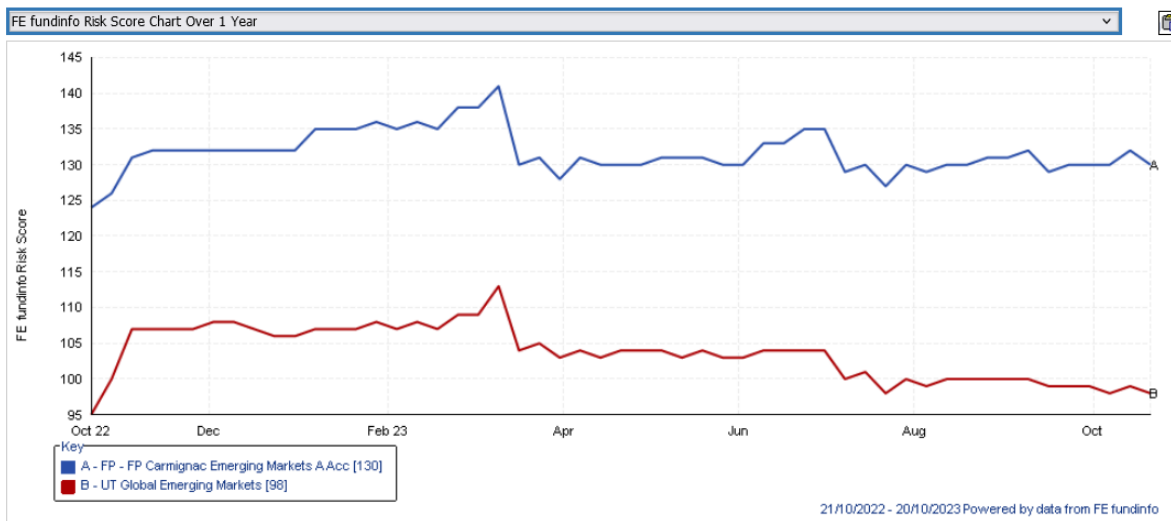
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Volatility

Pricing Spread: Bid-Bid • Currency: Pounds Sterling



Key	Name	Performance	Annualised Volatility
■ A	MSCI Emerging Markets TR in GB	0.53	13.61
■ B	FP - Carmignac Emerging Markets A Acc in GB	0.20	17.21



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LWM FUND ANALYSIS

Xavier has managed the Carmignac Portfolio Emergents Fund since 25 February 2015. This is a European strategy and is an Article 9 Fund. The UK version of this was launched in 2019. During this period, the Carmignac Portfolio Emergents Fund has outperformed the index.

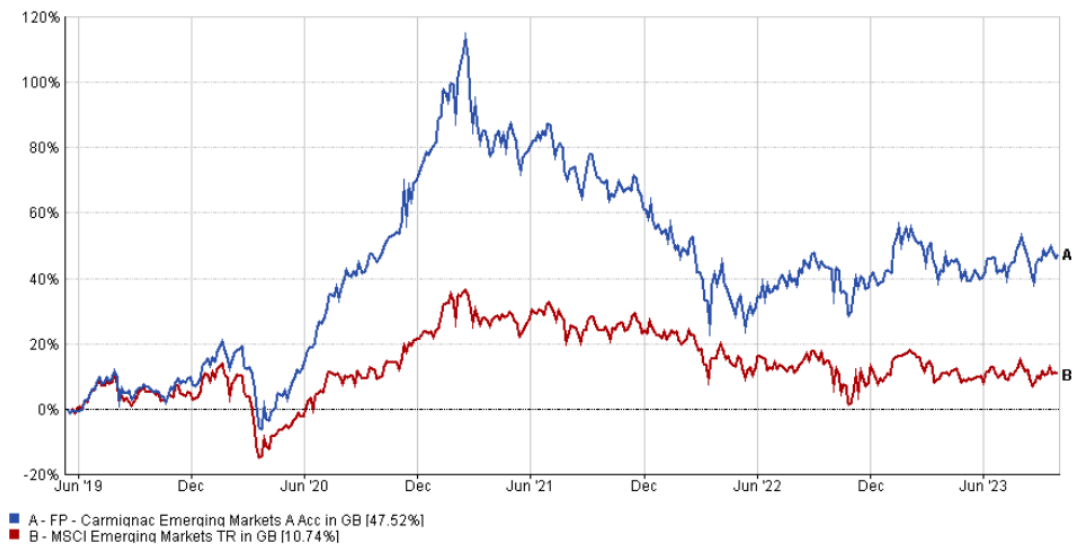
Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling



25/02/2015 - 29/09/2023 Data from FE fundinfo 2023

The UK version launched in 2019 has outperformed the index since its launch.

Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling



15/05/2019 - 29/09/2023 Data from FE fundinfo 2023

Although the UK version is a relatively small fund size, the overall strategy invests e1.2 billion.

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We have always seen this as a hidden gem. The two key objectives of the strategy are to benefit from the growth in emerging markets and to contribute to sustainable development and the reduction of greenhouse gas emissions.

Effectively, investors invest in a strategy that delivers a positive outcome without sacrificing returns.

A PORTFOLIO WITH A POSITIVE OUTCOME

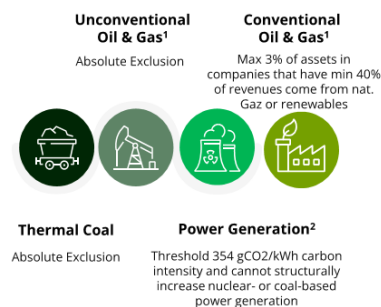
SFOR Fund Classification** Article 9

100% of the equity holdings* are invested in companies that derive their revenues or capex from business activities that are positively aligned with **1 of the 9 investable Sustainable Development Goals**

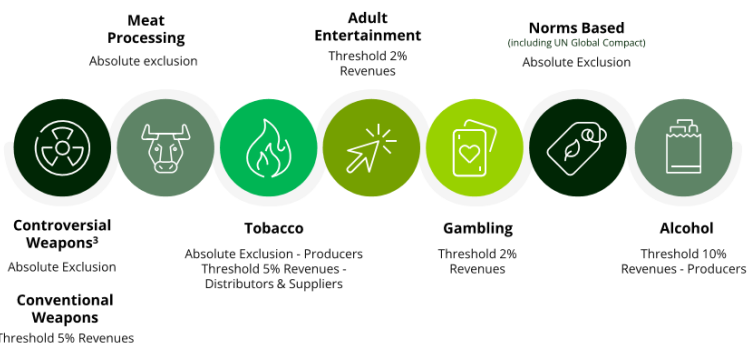


The strategy has specific exclusions:

Energy exclusions



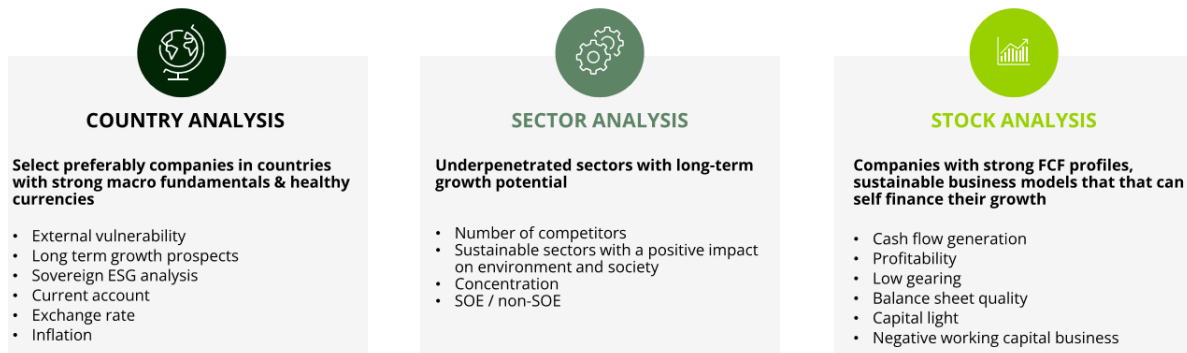
Ethical exclusions



Our Energy and Ethical policies are aligned with the Quality Standards of the Belgian SRI label (1) Conventional energy extraction sources: oil and gas. Unconventional energy extraction sources: Tar/oil sands, shale oil, shale gas and Arctic drilling. Conventional energy extraction sources: oil and gas. (2) Power generation companies may be deemed investable if they (i) have a SBTi target set at well below 2° or 1.5° C, or (ii) generate >50% of revenues from renewable energy power source, or (iii) dedicate > 50% capex to renewable energy power source. (3) Companies that do not comply with: The Ottawa Treaty (1997) which prohibits the use, stockpiling, production and transfer of anti-personnel mines; The Convention on Cluster Munitions (2008) which prohibits the use, stockpiling, production and transfer of cluster munitions; The Belgian Loi Mahoux, the ban on uranium weapons; The Chemical Weapons Convention (1997) which prohibits the use, stockpiling, production and transfer of chemical weapons; The Treaty on the Non-Proliferation of Nuclear Weapons (1968), which limits the spread of nuclear weapons to the group of so-called nuclear weapons states (USA, Russia, UK, France and China); Biological Weapons Convention (1975) which prohibits the use, stockpiling, production and transfer of biological weapons. 1980 Convention on certain conventional weapons concerning non detectable fragments, mines, incendiary weapons, blinding laser weapons. Exclusion lists are updated on a quarterly basis. Source: Carmignac 2023

The team focuses on stock picking and understanding the macro picture.

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We talked about what the team like. China is a relatively high weighting, especially compared to the index. Xavier accepts that there is a great deal of negativity towards the region, especially around the property sector. However, he sees opportunities with relatively low crime, good education, and robust healthcare alongside being one of the world's core exporters and a skilled workforce. Plenty of options exist, so this is one of his highest country weightings.

On the flip side, although there are opportunities in India, it is harder to make money, so the weighting to the region is less than the index. As countries look to de-risk from China, countries such as Mexico are benefiting. They, therefore, have a higher weighting to Mexico than the index. Examples of holdings are Banorte, a banking and financial services company, and Vesta, a real estate company benefiting from the reshoring from China to the US. 22% of Teslas are now manufactured in Mexico.

They also like Brazil, with a higher weighting than the index. They don't have exposure to Vietnam on the weakness of the equity market. They have a small amount of exposure to Malaysia.

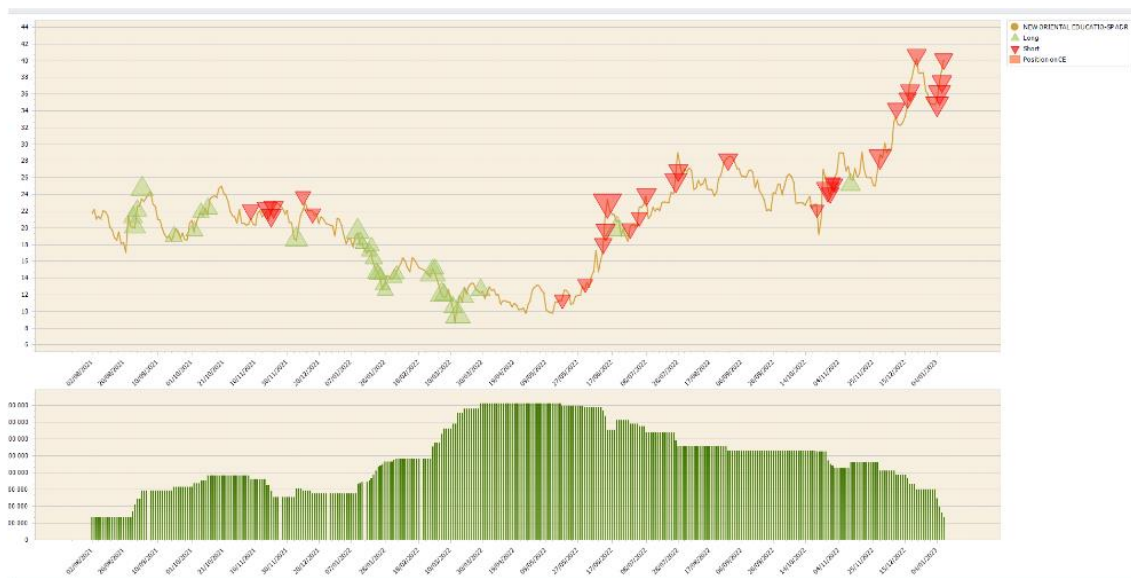
In terms of the green transition, they see that Middle Eastern countries that are dependent on oil as drivers for the economy declining, so they are looking to increase exposure to those countries that will benefit from the change.

There have been different cycles in emerging markets, whether it was commodities, consumer and then technology. Now, it is likely to be more about valuations and the companies. As parts of emerging markets mature, it is all about the companies, and quality is a vital factor in this strategy.

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Although they are long-term stockholders, they actively move the sizing of holdings to take profit and recycle this into other opportunities. This could be where a price has come down on a stock. The chart below shows how they have applied this to New Oriental.



Source: Carmignac, 10/01/2023

They do actively engage and publish this data. This can be done via voting as well as face-to-face engagement.

To end, we have always felt this is different. The consistency of performance, the stability of the team and the ability to deliver returns with a sustainable focus make this an exciting way to invest in emerging markets. Carmignac may not be a household name, but they have been involved with emerging markets since 1989.

Xavier has been with Carmignac since 2008. He spent nine years at BNP Paribas Asset Management as a Manager of Emerging and Global Equities. Haiyan joined Carmignac in 2011. She joined Soc Gen in 2001 with a focus on Asia, and her specialism is Greater China Markets.

