

**LWM FUND SPOTLIGHT**  
**FP CARMIGNAC EUROPEAN 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 investing, either directly or indirectly, through collective investment schemes that it holds, in shares of companies that have their registered office, conduct the majority of their business, or have business development prospects in the European Union, or Turkey and Russia. There is no particular emphasis on the business sector. 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<sup>th</sup> May 2019

**FUND FACTSHEET**

<https://www.trustnet.com/factsheets/O/q9zs/fp-carmignac-european-leaders/>

**MANAGEMENT**

**Manager Name**

**Start Date**

Mark Denham

15<sup>th</sup> May 2019

**RATIO DATA (3-years)**

Alpha	Beta	Max Gain	Max Loss	Negative Periods	Positive Periods	Tracking Error
-3.40	1.08	12.69	-16.14	76	80	6.81

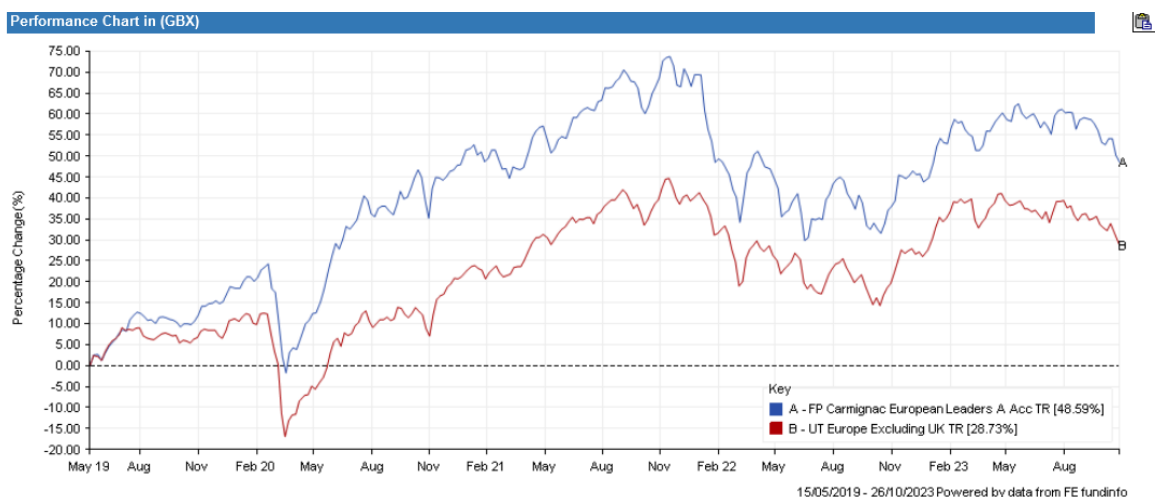
**OTHER DATA**

<b>Benchmark</b>	MSCI Europe ex UK
<b>Fund Size</b>	£21.87 million
<b>Fees</b>	0.89% (A Share Class)

# FP Carmignac European Leaders Fund – October 2023

BULL POINTS (PRO)	BEAR POINTS (CONS)
<ul style="list-style-type: none"> <li>• Same process since 2003.</li> <li>• The manager has been at the helm since its launch in 2019 and has managed the European versions of the strategy since 2017.</li> <li>• Long-only, high-quality, conviction-based strategy.</li> <li>• Similar style to other Carmignac Funds.</li> <li>• Looking for companies that have a positive impact.</li> </ul>	<ul style="list-style-type: none"> <li>• Mixed recent performance.</li> </ul>



## FUND PERFORMANCE



Cumulative Performance (GBX)					
	3 Months	6 Months	1 Year	3 Years	5 Years
Fund	-6.20%	-6.32%	7.63%	6.37%	
Sector	-6.45%	-7.66%	7.51%	16.81%	35.82%
Relative to Sector	0.27%	1.46%	0.12%	-8.93%	
Rank in Sector	64 / 105	31 / 105	59 / 102	68 / 86	
Fund Quartile	3	2	3	4	N/A

Performance by Calendar Year in (GBX)					
	YTD	2022	2021	2020	2019
Fund	1.93%	-14.80%	13.88%	27.10%	
Sector	0.60%	-9.56%	15.74%	10.74%	20.55%
Relative to Sector	1.32%	-5.80%	-1.60%	14.77%	
Rank in Sector	56 / 104	74 / 96	65 / 88	8 / 85	
Fund Quartile	3	4	3	1	N/A

Discrete Annual Performance to Last Quarter End (GBX)					
	0-12m	12m-24m	24m-36m	36m-48m	48m-60m
Fund	19.29%	-19.91%	14.48%	28.55%	
Sector	17.78%	-16.51%	22.53%	3.52%	2.26%
Relative to Sector	1.29%	-4.07%	-6.57%	24.18%	
Rank in Sector	45 / 101	71 / 95	79 / 85	4 / 84	
Fund Quartile	2	3	4	1	N/A

Fund Price Movement (GBX)					
12 Month High	163.83 (Pence)	12 Month Low	129.45 (Pence)		
Annualised Ratios Over 36 Months					
	Alpha	Beta	Sharpe	r <sup>2</sup>	Volatility
Fund	-2.91	1.00	0.00	0.83	16.74
Fund Quartile	4	3	4	3	3

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.

## FP Carmignac European Leaders Fund – October 2023

### Stock Style

Map

Weight

Historical



### Style Measures

Measures

Market Cap

#### Market Cap

**Avg Market Cap**  
38.86 Bil

**Category Avg Market Cap**  
48.31 Bil

**Index Avg Market Cap**  
57.44 Bil

Size	Investment %	Cat. Average %	Index %
Giant	39.27	39.37	44.02
Large	39.50	39.21	43.01
Mid	15.66	15.01	11.62
Small	1.16	0.58	0.00
Micro	0.00	0.02	0.00

GBP | As of 30 Sept 2023 | Category: Europe ex-UK Equity | Index: MSCI Europe Ex UK NR EUR | Data is based on the long position of the equity holdings.

## FP Carmignac European Leaders Fund – October 2023

### Style Measures

Measures

Market Cap

#### Measures

Value & Growth Measures	Investment	Cat. Average	Index
Price/Earnings	21.03	12.48	12.12
Price/Book	3.88	1.95	1.79
Price/Sales	3.30	1.22	1.13
Price/Cash Flow	15.12	7.99	7.49
Dividend Yield %	1.51	3.30	3.58
Long-Term Earnings %	11.36	11.42	11.96
Historical Earnings %	22.24	15.24	17.18
Sales Growth %	12.79	10.32	10.89
Cash-Flow Growth %	-3.08	8.46	10.96
Book-Value Growth %	12.77	6.68	7.88

As of 30 Sept 2023 | Category: Europe ex-UK Equity | Index: MSCI Europe Ex UK NR EUR | Data is based on the long position of the equity holdings.

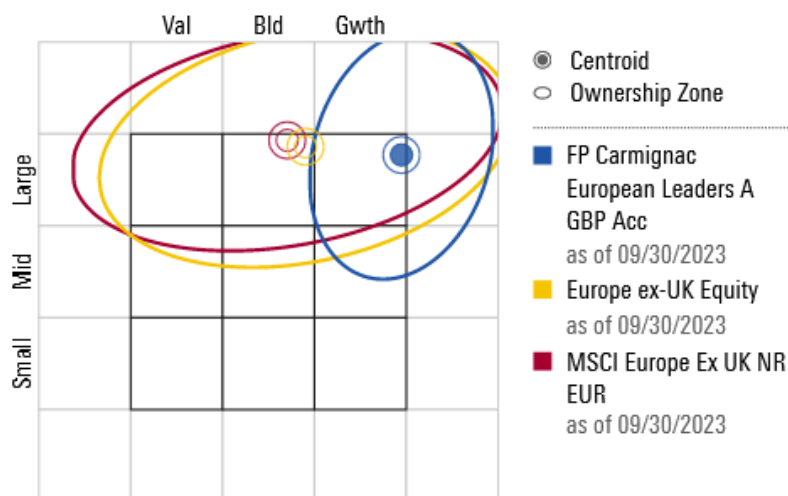
# FP Carmignac European Leaders Fund – October 2023

## Stock Style

Map

Weight

Historical



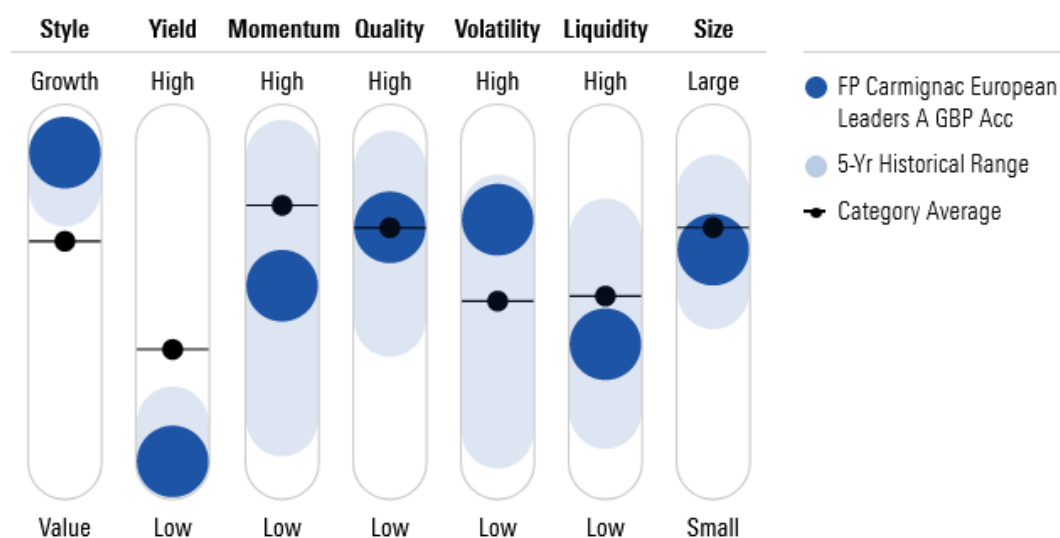
## Factor Profile

1-Yr

3-Yr

5-Yr

vs. Category %



Investment as of 31 Jul 2023 | Category: Europe ex-UK Equity as of 31 Jul 2023

## FP Carmignac European Leaders Fund – October 2023

### Exposure

Sector

Region

Country

vs. Category % ▾

### Country

	■ Investment %	■ Category %
France	29.73	24.12
Germany	17.41	14.83
Denmark	14.66	7.86
Switzerland	14.65	15.96
Netherlands	7.72	10.22
United States	5.46	1.71
Sweden	5.41	5.46
Ireland	2.91	1.61
Spain	2.05	4.44

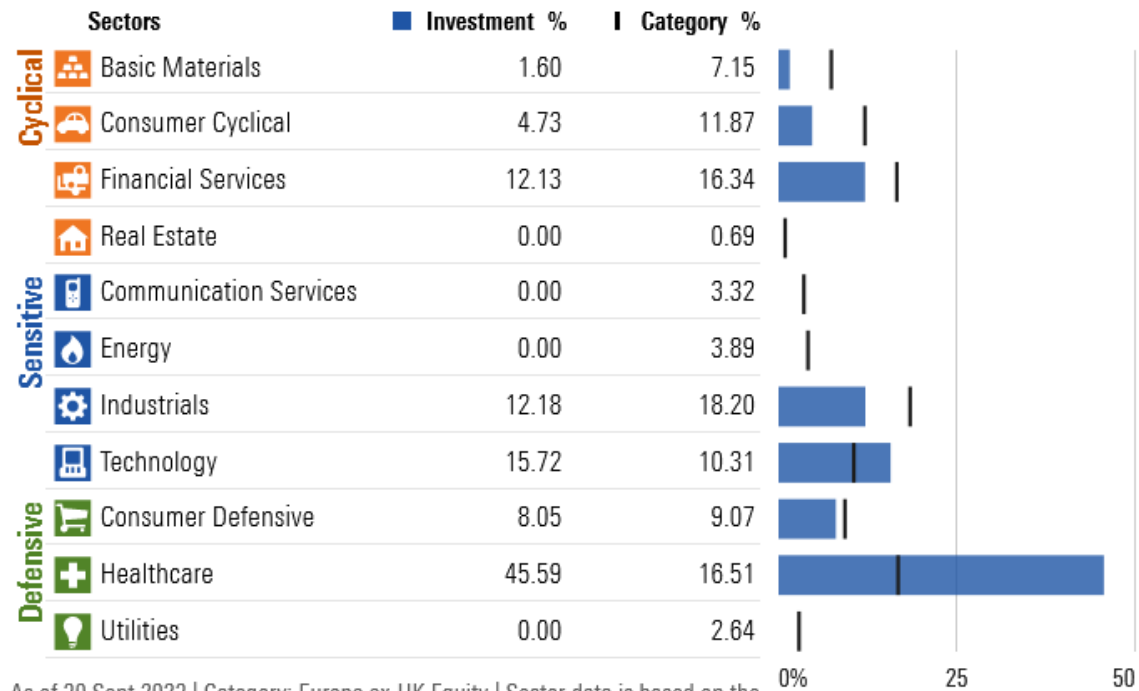
### Exposure

Sector

Region

Country

vs. Category % ▾



As of 30 Sept 2023 | Category: Europe ex-UK Equity | Sector data is based on the rescaled long position of the holdings. | Source: Holdings-based calculations.

## FP Carmignac European Leaders Fund – October 2023

### Holdings

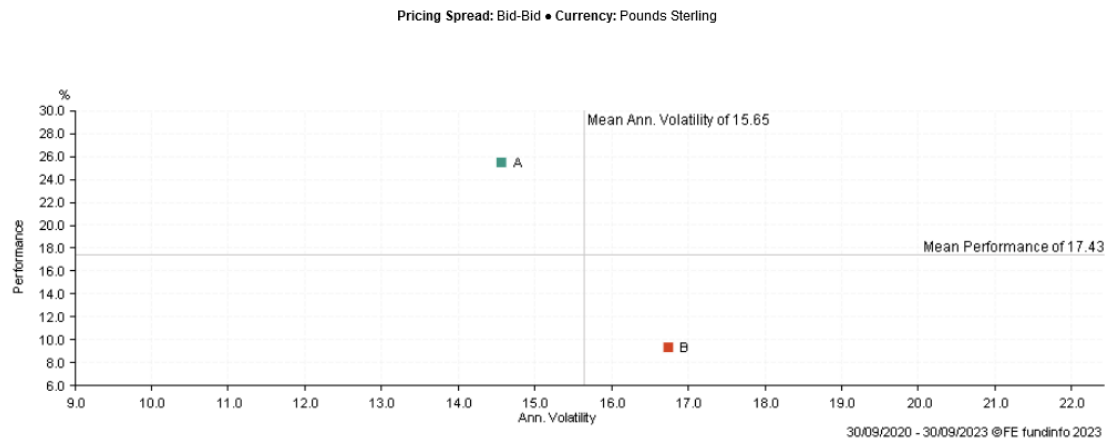
Equity Holdings	Bond Holdings	Other Holdings	% Assets in Top 10 Holdings
34	0	14	55
<b>Reported Turnover %</b>	<b>Active Share</b> ⓘ	<b>Women Directors %</b>	<b>Women Executives %</b>
—	79.56	42	20
As of —			

Holdings	% Portfolio Weight	First Bought	Market Value GBP as of 30 Sept 2023	C
Novo Nordisk A/S Class B	9.34	31 Mar 2020	9,156,641	
L'Oreal SA	6.61	31 Mar 2020	6,485,651	
SAP SE	5.67	31 Mar 2020	5,555,925	
argenx SE	5.22	31 Mar 2020	5,120,242	
Lonza Group Ltd	5.20	31 Jul 2022	5,099,712	
Alcon Inc	4.83	31 May 2022	4,733,861	
ASML Holding NV	4.81	31 Mar 2020	4,720,899	
Deutsche Boerse AG	4.71	31 Dec 2022	4,613,730	
Schneider Electric SE	4.45	31 Mar 2020	4,367,874	
Essilorluxottica	4.19	31 Mar 2020	4,112,770	

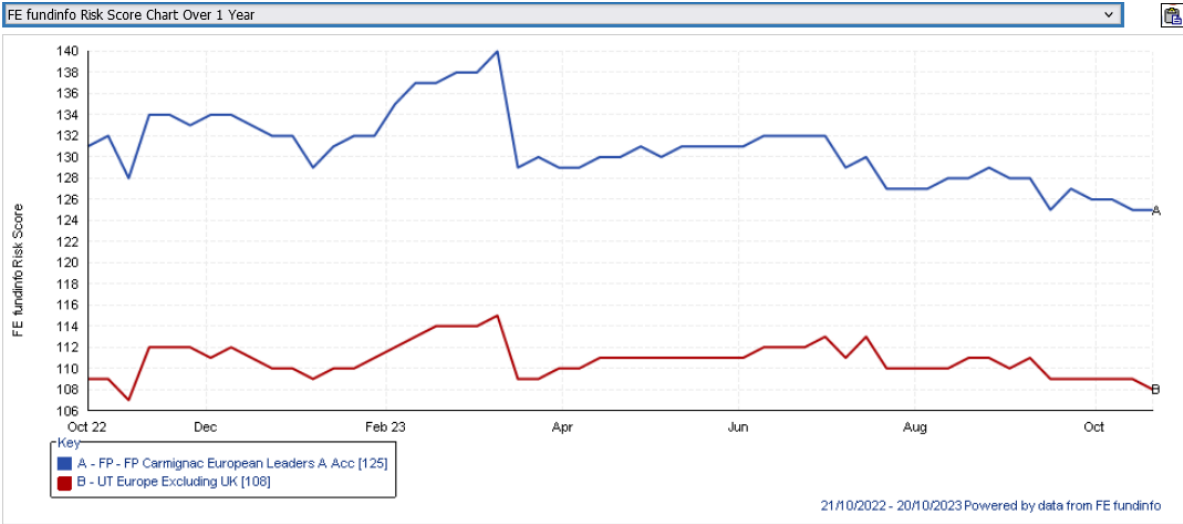
Holdings as of 30 Sept 2023 | This investment's holding data is suppressed to show the top 10. Active Share as of 30 Sept 2023. Active Share index: iShares MSCI Europe ex-UK ETF

# FP Carmignac European Leaders Fund – October 2023

## Volatility



Key	Name	Performance	Annualised Volatility
A	MSCI Europe ex UK TR in GB	25.48	14.56
B	FP - Carmignac European Leaders A Acc in GB	9.38	16.74



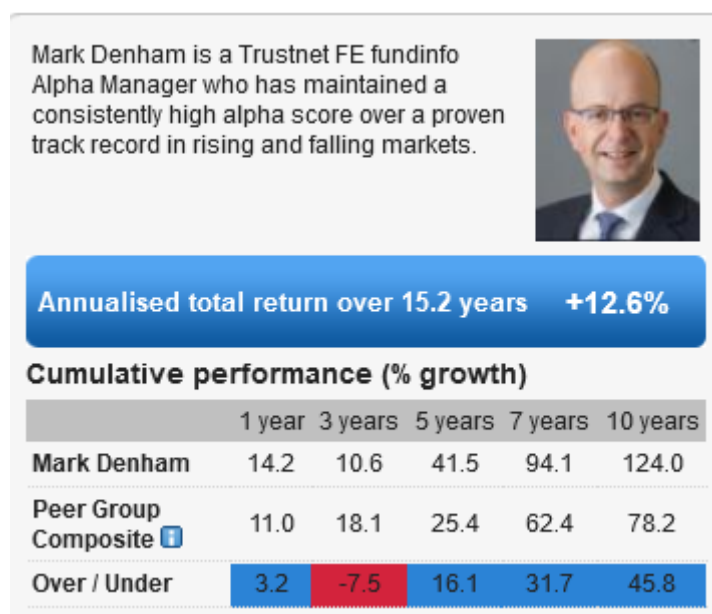


# FP Carmignac European Leaders Fund – October 2023

## LWM FUND ANALYSIS

This is one of Carmignac's flagship strategies. Mark Denham joined Carmignac in 2016 to manage their European Funds; the UK version of the strategies was launched in 2019. He has a solid long-term track record; however, his recent performance has been challenged.

Below are some data points from Trustnet on his record.



Discrete performance										
	0-12m	12-24m	24-36m	36-48m	48-60m	60-72m	72-84m	84-96m	96-108m	108-120m
Mark Denham	14.2	-18.0	18.1	20.5	6.1	9.9	25.3	5.6	5.5	3.7
Peer Group Composite	11.0	-12.8	22.0	3.5	2.5	7.1	20.6	3.2	2.5	3.7
Over / Under	3.2	-5.2	-3.9	17.0	3.6	2.8	4.7	2.4	3.0	0.0

### Performance vs peer group composite: Mark Denham

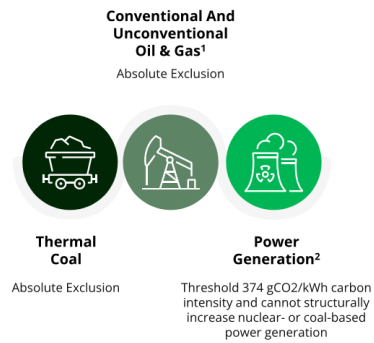
How a manager matches up against their peers gives you some idea of how talented they are. Very few managers perform equally well in rising and falling markets, so knowing which type of market a manager is capable of performing well within is also important.



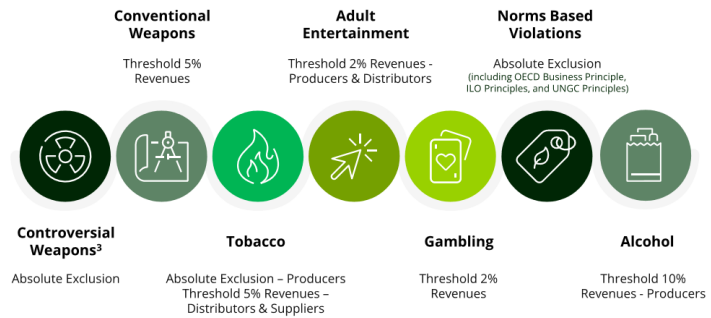
The recent underperformance can be attributed to the style skewed towards "growth", which has been out of favour. The other area is the fund exclusions, which means that some stocks that have done well over the last two years have not held.

# FP Carmignac European Leaders Fund – October 2023

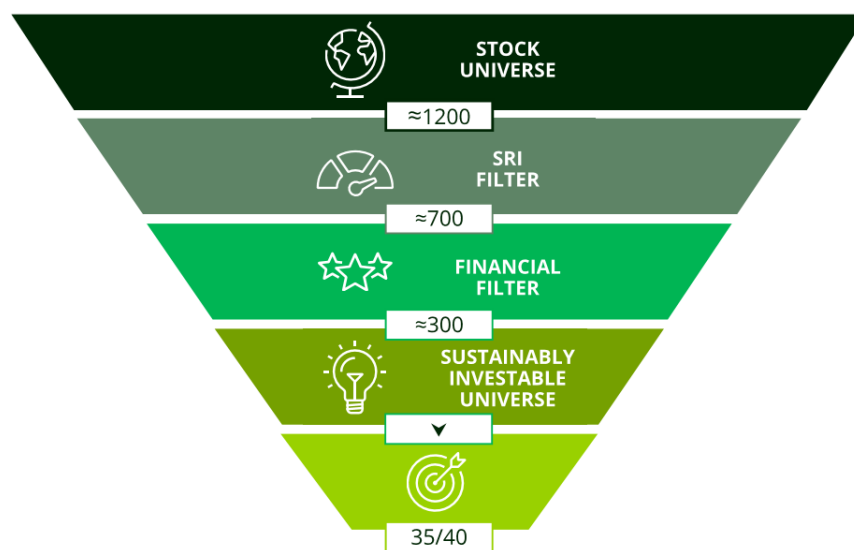
## Energy exclusions



## Ethical exclusions



The chart below shows how they filter down to 35 to 40 of the best companies in Europe.



The hard rule is exclusionary; however, they will invest in companies with potential upside which might be unloved. For example, they have one company with concerns about the corporate governance structure. They know the company well and are actively engaging with them. This is a small holding, which they will grow if change happens. This is always going to be a tiny part of the fund.

They believe that companies with attractive long-term prospects exhibit high long-term profitability and reinvest for the future.

The areas where they see the most significant opportunities include:

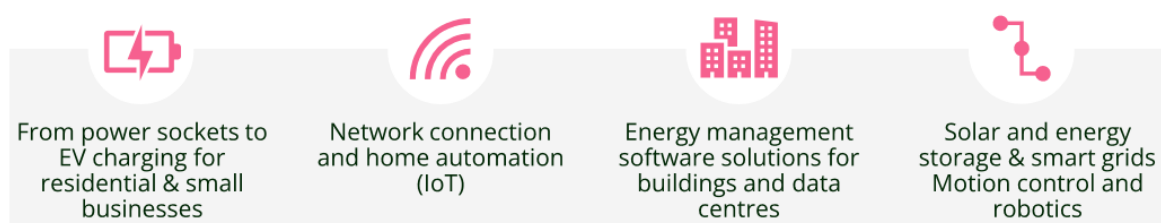


## FP Carmignac European Leaders Fund – October 2023

Healthcare is one of the most significant allocations for the strategy. They explained that it contains different subsets, which provide additional opportunities, whether it is Core/Traditional with the likes of Novo Nordisk, B2B Suppliers with the likes of Lonza, Biotech with Genmab and others, or MedTech with Alcon and Straumann.

We discussed holding periods; they see themselves as long-term investors, but sometimes opportunities come. They purchased Hermes International and returned 50% in a very short period, so they sold out.

With other companies, such as Schneider, they are happy to be patient investors. The company has a wide range of products and services at the forefront of a megatrend that will be in place for decades.



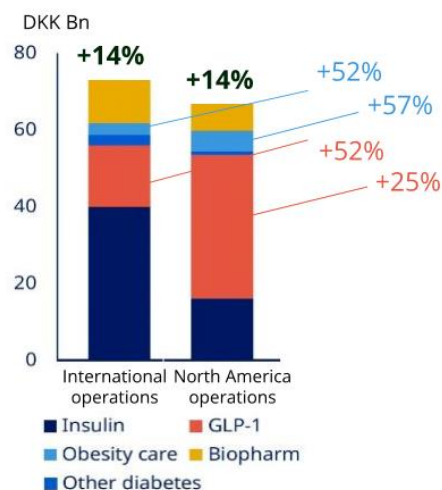
Another example would be Novo Nordisk, which has a rich pipeline of projects and strong sales.

### R&D n' of projects & FY2021 sales breakdown



Q4 2021 & 2022 number of projects

Rich R&D pipeline driven by diabetes and obesity pandemics



And Alcon is a leading solutions provider across all surgical and vision care areas.

## Business divisions: surgical and vision care

	Children - 25	25 - 40	40 - 60	60+
Refractive errors	Contact Lenses & Solutions			
		Refractive Surgery		
			Monofocal and Toric IOLs	
Presbyopia			Contact Lenses & Solutions	
			Presbyopia correcting IOLs	
Dry Eye		Systane Drops, Gels, Ointments		
Cataracts			IOLs, Equip. and Consum.	
Retinal diseases			Equipment and Consumables	
Glaucoma				Filtration device

Ultimately, this is a high-conviction strategy using a process that has been in place for many years. The manager has struggled over the last nearly two years as “growth” as a style has fallen out of favour, and not holding some of those stocks that have done well due to its exclusionary policy.

In an environment of higher interest rates, higher inflation and a framework that favours sustainability, this strategy should be well-positioned as we go forward. However, investors may want to see the performance improve before committing to the system. Others may consider the longer-term track record.

The illustration below is an excellent way to end and illustrates the benefits of this strategy.



## FP Carmignac European Leaders Fund – October 2023

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***Carmignac has provided the source of information in this note, and it is correct as of September 2023. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes, we cannot take responsibility for this, and you should conduct your research before making a decision. We would also recommend that you receive advice before following up on any decision.***

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