

# CARMIGNAC PORTFOLIO MERGER ARBITRAGE PLUS A EUR ACC

LUXEMBOURG SICAV SUB-FUND



Recommended  
minimum investment  
horizon:

3 YEARS



LU2585801256

Monthly Factsheet - 31/12/2024

## INVESTMENT OBJECTIVE

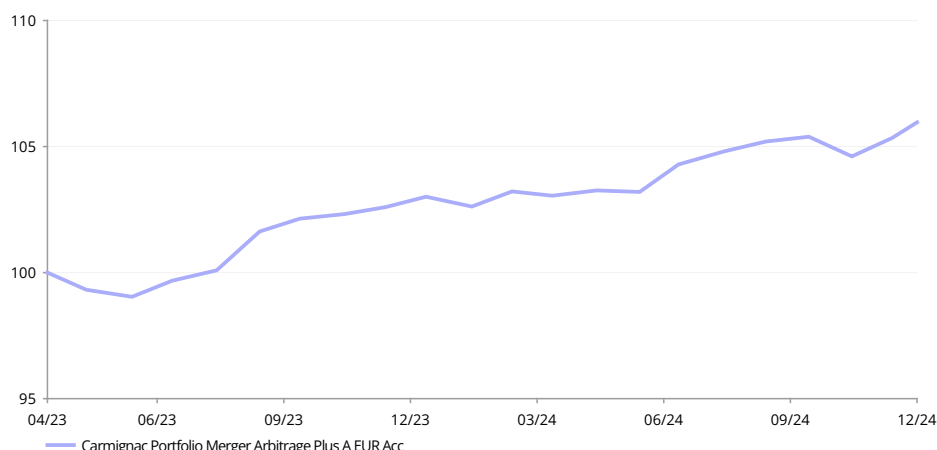
Carmignac Portfolio Merger Arbitrage Plus is a UCITS fund, following an alternative investment strategy that seeks to benefit from the price discontinuities ("arbitrage") of the shares related to merger and acquisition transactions. The Fund invests in officially announced M&A deals in the developed markets. The Fund seeks to achieve a positive absolute return over a 3-year investment horizon through capital growth.

Fund management analysis can be found on P.3

## PERFORMANCE

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

### FUND PERFORMANCE SINCE LAUNCH (Basis 100 - Net of fees)



### CUMULATIVE AND ANNUALIZED PERFORMANCE (as of 31/12/2024 - Net of fees)

	Cumulative Performance (%)		Annualised Performance (%)
	1 Year	Since 14/04/2023	Since 14/04/2023
A EUR Acc	3.10	5.96	3.43

### ANNUAL PERFORMANCE (%) (Net of fees)

	2024	2023
A EUR Acc	3.10	2.77

### VAR

Fund VaR 5.6%



F. Cretin-Fumeron



S. Dieudonné

## KEY FIGURES

Merger Arbitrage Exposure <sup>(1)</sup>	94.1%
Number of Strategies	38
Cash and Others	39.1%
Net Equity Exposure	70.4%

## FUND

**SFDR Fund Classification:** Article 8  
**Domicile:** Luxembourg  
**Fund Type:** UCITS  
**Legal Form:** SICAV  
**SICAV Name:** Carmignac Portfolio  
**Fiscal Year End:** 31/12  
**Subscription/Redemption:** Daily  
**Order Placement Cut-Off Time:** Before 13:30 (CET/CEST)  
**Fund Inception Date:** 14/04/2023  
**Fund AUM:** 149M€ / 154M\$ <sup>(2)</sup>  
**Fund Currency:** EUR

## SHARE

**Dividend Policy:** Accumulation  
**Date of 1st NAV:** 14/04/2023  
**Base Currency:** EUR  
**Share class AUM:** 74643€  
**NAV (share):** 105.96€  
**Morningstar Category™:** Alt - Event Driven

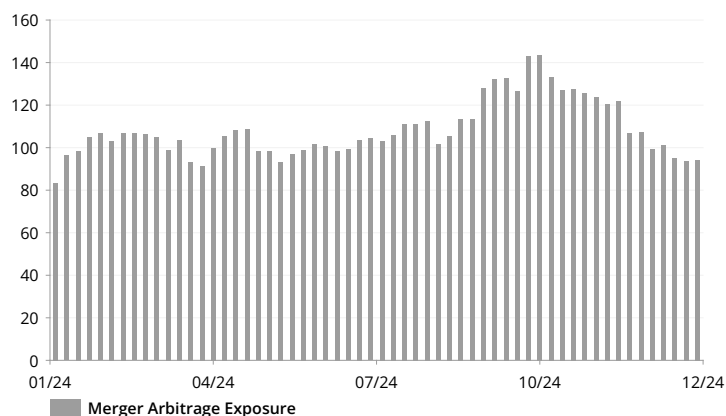
## FUND MANAGER(S)

Fabienne Cretin-Fumeron since 14/04/2023  
 Stéphane Dieudonné since 14/04/2023

## OTHER ESG CHARACTERISTICS

Minimum % Taxonomy Alignment ..... 0%  
 Minimum % Sustainable Investments ..... 0%  
 Principal Adverse Impact Indicators ..... Yes

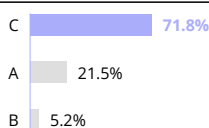
**MERGER ARBITRAGE EXPOSURE (%) <sup>(1)</sup>**



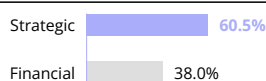
**TOP TEN - MERGER ARBITRAGE**

Name	Country	Sector / Rating	%
HESS CORP	USA	Energy	7.0%
ENSTAR GROUP LTD	USA	Financials	5.2%
NEOEN SA	France	Utilities	4.5%
HASHICORP INC	USA	Information Technology	4.2%
BRITVIC PLC	United Kingdom	Consumer Staples	4.1%
JUNIPER NETWORKS INC	USA	Information Technology	4.1%
CHAMPIONX CORP	USA	Energy	4.1%
SMARTSHEET INC	USA	Information Technology	4.0%
NEXUS AG	Germany	Healthcare	4.0%
SHINKO ELECTRIC INDUSTRIES CO LTD	Japan	Information Technology	3.8%
<b>Total</b>			<b>45.1%</b>

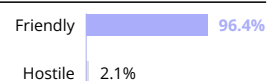
**MERGER ARBITRAGE RISK LEVEL**



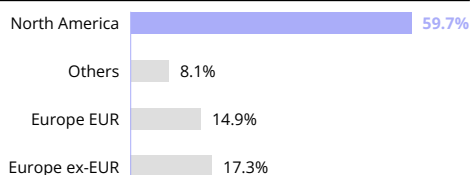
**MERGER ARBITRAGE TYPE**



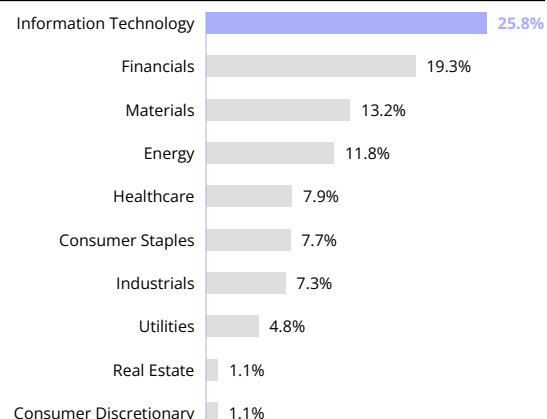
**MERGER ARBITRAGE NATURE**



**LONG GEOGRAPHICAL EXPOSURE**



**LONG SECTORIAL EXPOSURE**



**MAIN MERGERS & ACQUISITIONS OVER THE MONTH**

Target	Buyer	Sector	Size (M€)	Country
INTERPUBLIC GROUP OF COS INC/THE	OMNICOM GROUP INC	Communication Services	15372	USA
PACTIV EVERGREEN INC	NOVOLEX HOLDINGS LLC	Materials	6625	USA
NORDSTROM INC	EL PUERTO DE LIVERPOOL SAB DE CV, PRIVATE INVESTOR	Consumer Discretionary	5982	USA
DIRECT LINE INSURANCE GROUP PLC	AVIVA PLC	Financials	4211	United Kingdom
PATTERSON COS INC	PATIENT SQUARE CAPITAL LP	Healthcare	3306	USA

(1) Sum of all the long equity exposures from the portfolio, the short book is excluded.

**MARKETING COMMUNICATION**

Please refer to the KID/prospectus of the fund before making any final investment decisions. For more information please visit [www.carmignac.lu](http://www.carmignac.lu)

## FUND MANAGEMENT ANALYSIS



### MARKET ENVIRONMENT

- A rather quiet end to the year for the Merger Arbitrage strategy, with no major events in December.
- The HFRX Merger Arbitrage index remained virtually stable over the month, ending the year down -1.84%.
- It is worth noting the strategy's good decorrelation during December in relation to the equity market, with the S&P 500 down -2.4%, and the credit market, with the US IG index down -2.6%.
- There was some good news on the antitrust front: Catalent finally closed before the end of the year, rumors of the DoJ blocking Juniper have gradually faded, and Chinese press reports seem to indicate that the approval process for the acquisition of Shinko Electric Industries is well underway.
- After several weeks of waiting, a US federal judge finally decided to block the Albertsons/Kroger deal. Anticipated by the markets, this decision had no significant impact on Albertsons' share price.
- Measured in terms of the number of transactions, M&A activity remained buoyant in December, with 34 deals announced worldwide, up 21% versus the previous month.
- Of particular note was the announcement of only 1 deal in excess of \$10 billion: the merger in the US advertising sector between Interpublic and Omnicom.
- As in the previous month, financial players accounted for more than a third of announced deals.



### PERFORMANCE COMMENTARY

- The fund posted a positive performance for the month.
- Main positive contributors to performance were: Shinko Electric Industries Catalent, and Hess.
- Main negative contributors to performance were: Enstar Group, Albertsons and Arcadium Lithium.



### OUTLOOK AND INVESTMENT STRATEGY

- The fund's investment rate 94%, down on the previous month.
- With 38 positions in the portfolio, diversification remains satisfactory.
- 2024 was a very complicated year for Merger Arbitrage: strong antitrust pressure, particularly in the US, with some deals blocked (Capri, Albertsons) and others under increased scrutiny (Hess, Pioneer Natural Resources, Catalent or Juniper).
- We therefore witnessed a recovery in M&A activity that was not as strong as expected, due to increased scrutiny by the competition authorities, and highly volatile transactions (DS Smith, United States Steel, China Traditional Chinese Medicine) that led to the unwinding and closure of several Merger Arbitrage portfolios within the largest investment platforms.
- The outlook for 2025 is much brighter, thanks to a more favorable antitrust environment for M&A activity worldwide.
- The change of administration in the US following Trump's election, the publication of the Draghi report in Europe recommending the emergence of national champions to face global competition, the regulator in the UK pushed by the political class to prioritize economic activity and a Japanese market that continues to open up to foreign capital.
- Lower interest rates are also likely to drive M&A activity in the quarters ahead.

### MARKETING COMMUNICATION

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## GLOSSARY

**Active Management:** An investment management approach where a manager aims to beat the market through research, analysis and their own judgement.

**Investment/net exposure rate:** The investment rate constitutes the volume of assets invested expressed as a percentage of the portfolio. Adding the impact of the derivatives to this investment rate results in the net exposure rate, which corresponds to the real percentage of asset exposure to a certain risk. Derivatives can be used to increase the underlying asset's exposure (stimulation) or reduce it (hedging).

**Merger Arbitrage Exposure:** The Merger Arbitrage Exposure level refers to the equity long book of the portfolio, the short book used as coverage is excluded from this calculation.

**Merger Arbitrage Risk:** The risk level of each deal from the equity long book of the portfolio is assessed to determine the risk of deal failure. Ratings are based on our in-house methodology and rated between A and C, where A is the least risky and C is the highest risk.

**Net asset value:** Price of all units (in an FCP) or shares (in a SICAV).

**SICAV:** Société d'Investissement à Capital Variable (Open-ended investment company with variable capital)

## ESG DEFINITIONS & METHODOLOGY

**ESG:** E for Environment, S for Social, G for Governance

**ESG score Calculation:** Only the Equity and Corporate Bond holdings of the fund considered. Overall Fund Rating calculated using MSCI Fund ESG Quality Score methodology: excluding cash and non ESG-rated holdings, performing a weighted average of the normalized weights of the holdings and the Industry-Adjusted Score of the holdings, multiplied by (1+Adjustment%) which consists of the weight of positively trending ESG ratings minus the weight of ESG Laggards minus the weight of negatively trending ESG ratings. For a detailed explanation see "MSCI ESG Fund Ratings Methodology", Section 2.3. Updated June 2023. <https://www.msci.com/documents/1296102/34424357/MSCI+ESG+Fund+Ratings+Methodology.pdf>

**Principal Adverse Impacts (PAI):** Negative, material, or potentially material effects on sustainability factors that result from, worsen, or are directly related to investment choices or advice performed by a legal entity. Examples include GHG emissions and carbon footprint.

**Sustainable Investments:** The SFDR defines sustainable investment as an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

**Taxonomy Alignment:** In the context of an individual company, taxonomy alignment is defined as the proportion of a company's revenue that comes from activities that meet certain environmental criteria. In the context of an individual fund or portfolio, alignment is defined as the portfolio-weight weighted average taxonomy alignment of included companies. For more information, please follow this link: [https://ec.europa.eu/info/sites/default/files/business\\_economy\\_euro/banking\\_and\\_finance/documents/sustainable-finance-taxonomy-faq\\_en.pdf](https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/sustainable-finance-taxonomy-faq_en.pdf)

## CHARACTERISTICS

Share Class	Date of 1st NAV	Bloomberg	ISIN	Management Fee	Entry costs <sup>(1)</sup>	Exit costs <sup>(2)</sup>	Management fees and other administrative or operating costs <sup>(3)</sup>	Transaction costs <sup>(4)</sup>	Performance fees <sup>(5)</sup>	Minimum Initial Subscription <sup>(6)</sup>
F EUR Acc	14/04/2023	CARMERF LX	LU2585801173	Max. 1%	—	—	1.25%	0.84%	20%	—
A EUR Acc	14/04/2023	CARARBA LX	LU2585801256	Max. 1.5%	Max. 1%	—	1.8%	0.84%	20%	—
F USD Acc Hdg	14/04/2023	CAPMAFU LX	LU2601233948	Max. 1%	—	—	1.25%	0.98%	20%	—
F GBP Acc Hdg	14/04/2023	CAPMAFG LX	LU2601234169	Max. 1%	—	—	1.25%	0.99%	20%	—

(1) 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.

(2) We do not charge an exit fee for this product.

(3) of the value of your investment per year. This estimate is based on actual costs over the past year.

(4) 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.

(5) 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.

(6) Please refer to the prospectus for the minimum subsequent subscription amounts. The prospectus is available on the website: [www.carmignac.com](http://www.carmignac.com).

## 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.

**ARBITRAGE RISK:** Arbitrage seeks to benefit from such price differences (e.g. in markets, sectors, securities, currencies). If arbitrage performs unfavorably, an investment may lose its value and generate a loss for the Sub-Fund. **RISK ASSOCIATED WITH THE LONG/SHORT STRATEGY:** This risk is linked to long and/or short positions designed to adjust net market exposure. The fund may suffer high losses if its long and short positions undergo simultaneous unfavourable development in opposite directions. **LIQUIDITY:** Temporary market distortions may have an impact on the pricing conditions under which the Fund might be caused to liquidate, initiate or modify its positions.

**The Fund presents a risk of loss of capital.**

## IMPORTANT LEGAL INFORMATION

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### MARKETING COMMUNICATION

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