

CARMIGNAC

Emerging Discovery

Discovering new opportunities

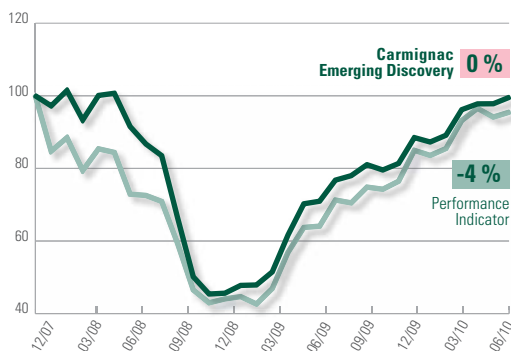


S. Pickard
Fund manager

J. Cvetanovski
Fund manager

Carmignac Emerging Discovery is an emerging market equity fund invested in small and mid capitalisations. The Fund uses a bottom up approach in order to identify the best growth opportunities within the emerging universe.

Performance since launch



Performance at 30/06/10

	1 year	2 years	Since launch
Fund	+40.32%	+8.78%	-0.43%
Indicator	+48.98%	+30.96%	-4.06%
Quartile	2	1	1

Assets at 30/06/10

Actifs de Carmignac Emerging Discovery : **290 M€**

Active management

Carmignac Emerging Discovery is a stock-picking fund which invests in the small and mid caps within the emerging universe. This investment style is complemented by an initial top down analysis in order to identify the opportunities and risks within the investment universe. The fund manager actively adapts a stock selection with high potential but also aims for a geographical and sectorial diversification.

Why invest in emerging small and mid caps?

There are still very few analysts who follow the wide-ranging emerging small and mid cap universe. It therefore represents a real source of opportunities. Without benchmark constraint, the investment team enjoys great freedom to:

- explore new emerging markets, particularly adapted to smaller companies
- take advantage of new companies with promising development perspectives

Motivated by the dynamism of the domestic growth of emerging countries, Carmignac Emerging Discovery benefits from the rebalancing of world growth, one of the key themes of our global investment strategy.

Conviction management

Our investment philosophy is based on an entrepreneurial approach over the long term in order to fully benefit from companies' growth without being influenced by short term market fluctuations. The management team, who are key to the investment decision, are systematically met. The management must be of good quality, committed to the company and, wherever possible, direct shareholders of the company.

The expertise on an experienced investment team

For 20 years, Carmignac Gestion has been investing in emerging countries in order to benefit from their formidable growth potential. The management team dedicated to emerging markets combines a variety of individual expertise: Simon Pickard, head of emerging market management, co-manages the Fund with Jordan Cvetanovski specialist in small and mid caps and also specialist in Eastern Europe & the Middle East. They are supported by David Young Park and Xavier Hovasse, analysts for Asia and Latin America & Africa respectively. The management team also relies on the global expertise built up by Edouard Carmignac and Frédéric Leroux, as well as the analysis of the sector manager, David Field (commodities).

Source Morningstar at 30/06/2010.

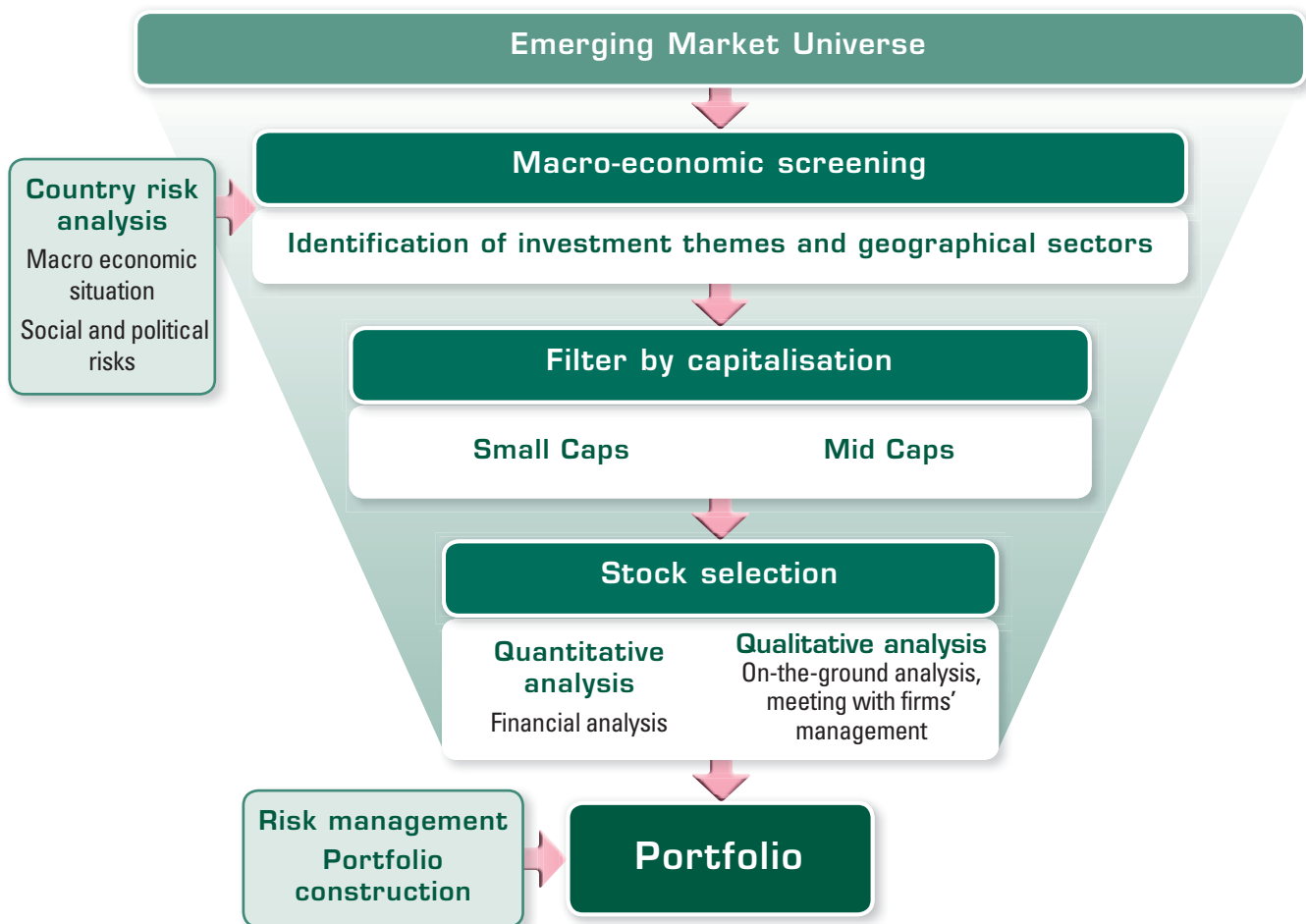
Performance indicator: 50% MSCI EM Small Cap (Eur) + 50% MSCI EM Mid Cap (Eur)

Past performance is not a reliable indicator of future results. Performance is not constant over time and is not guaranteed. The full prospectuses for our range of funds are available on our website www.carmignac.lu or on request. Investors are advised to note in particular the sections in the prospectuses on "investment strategy", "risk factors" and "expenses and commissions". You must consider the degree of exposure to the various risks relating to your overall allocation and your personal circumstances. You should also consult your own legal, financial, tax, accounting or other professional adviser, if you think it necessary.

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Investment process



Portfolio monitoring

- Analysis of contributions to absolute and relative performance
- Decision to diversify stocks within the same sector or geographical region
- Regular and detailed stock monitoring:
 - onsite company visits several times a year,
 - systematic conference call with company management;
 - meetings with local financial players;
 - exchanges with macro-economists and strategists.

Risk Management

- Rigorous liquidity monitoring, primordial within the small and mid cap investment universe
- Possibility of reducing equity exposure using appropriate hedges (minimum 60%)
- Possibility of hedging the currency risk up to 100% when this is similar to a dollar risk
- In-depth analysis of each country on the political, economical and social level which could have an impact on the selection of a stock

Fund characteristics

- Launch date: 14/12/2007
- Legal form: Subfund of Luxembourg-domiciled SICAV
- Bloomberg Code: CAREMDSLX
- ISIN Code: LU0336083810
- Currency: EUR
- Dividend policy: capitalisation
- Performance indicator: 50 % MSCI EM Small Cap (Eur) +50 % MSCI EM Mid Cap (Eur)
- Fixed management fee: 2 %
- Variable management fee: 20% of the outperformance of the Fund in case of a positive performance
- Maximum Subscription Fee: 4 %
- The Fund has no capital protection
- Recommended minimum investment horizon: 5 years