

CARMIGNAC PORTFOLIO
Emerging Discovery

SIMPLIFIED PROSPECTUS

This simplified prospectus contains only essential information relating to the sub-fund CARMIGNAC PORTFOLIO – Emerging Discovery (hereinafter the “Sub-fund”), which is one of the sub-funds of the SICAV CARMIGNAC PORTFOLIO (hereinafter the “SICAV”).

A copy of the full Prospectus of the SICAV as well as the last annual report containing the annual and/or semi-annual accounts are available free of charge upon request at the SICAV’s registered office for those investors who may require them.

Anyone wishing to subscribe shares of the SICAV must acquaint themselves with the legislation and regulations in force in their country of domicile, residence or nationality.

This simplified prospectus was drawn up in French and may be translated into other languages. Such translations must adhere faithfully to the contents of the French text. In the event of discrepancies between the different language versions, the French version shall take precedence.

Unless otherwise indicated, the terms defined in the full Prospectus have the same meaning as in the simplified prospectus.

Please note: should you have any doubts regarding the contents of this document, please consult your stockbroker, bank, lawyer, accountant or any other financial advisor.

CARMIGNAC PORTFOLIO – Emerging Discovery Sub-fund

Investment objectives of the SICAV

The objective of the SICAV is to achieve the highest possible overall return for its shareholders and to enable them to benefit from professional management. It will offer its shareholders the opportunity to invest in several diversified portfolios of transferable securities with worldwide scope in order to realise long-term capital gains, without neglecting short-term income.

Shareholders have the option to choose the level of investment that they wish to make in any of the SICAV’s sub-funds, according to their requirements or to their own views on future market trends.

The SICAV does not guarantee that the above-mentioned objective will be achieved; this depends on the positive or negative performance of the markets. In consequence, the net asset value may fall as well as rise. The SICAV is therefore unable to guarantee that its objective will be fully achieved.

The main objective of the accumulation shares of the Sub-fund is capital growth, which is reinvested in the SICAV.

Investment policy of the Sub-fund

This Sub-fund seeks performance through exposure to the small and mid cap equity markets of the emerging countries. The management team implements an active and discretionary management strategy focused primarily on the selection of financial instruments based on the financial analysis of issuers. The Sub-fund shall mainly invest its assets in securities issued by companies which have their registered office or which carry out the majority of their business activity in the emerging countries.

The Sub-fund aims to outperform its performance indicator, which is composed of 50% MSCI Emerging Small Cap USD, converted into euro, and 50% MSCI Emerging Mid Cap USD, converted into euro. The performance indicator of the Sub-fund is rebalanced every quarter.

At least 60% of the portfolio shall be invested in equities and other securities from all economic sectors.

The Sub-fund may invest up to 10% of its assets in units of undertakings for collective investment in transferable securities (UCITS) and/or undertakings for collective investment (UCIs).

Stock selection is completely discretionary and is based on the management team's expectations. The portfolio shall be actively exposed to the emerging markets through investments in small and medium-sized companies offering mid to long-term return prospects and growth potential selected on the basis of their company fundamentals (in particular, market position, the quality of their financial structure, future prospects, etc.) together with adjustments linked to its reference market. Geographic or sectoral exposure shall result from stock selection.

The Sub-fund may invest in futures and options traded on regulated or over-the-counter eurozone and/or international markets (outside the eurozone and including the emerging markets). In this context, the Sub-fund may take positions to hedge and/or expose the portfolio to industrial sectors, geographical zones, interest rates, equities, securities and similar transferable securities or indices in order to achieve the investment objective. It may also take positions in the portfolio with a view to hedging it against and/or exposing it to currency risk. Such transactions will be carried out provided that they do not exceed 100% of the Sub-fund's assets on these markets and in order to achieve the Fund's investment objective. The Fund Manager may conclude futures and options on equities, indices and currencies. As UCITS only have daily liquidity, the Fund Manager may only resell them to protect the Sub-fund on the same evening or on the following day. However, the equity and index futures market shall enable the Fund Manager to at least partially protect the Sub-fund from a sharp and sudden decline in the markets throughout the day. The Sub-fund may invest in securities with embedded derivatives (simple convertibles, indexed convertibles, equity notes, etc.). Securities with embedded derivatives are used exclusively for investment purposes as a substitute for the equities underlying such securities.

Risk profile

The risk profile of the Sub-fund is to be considered over an investment horizon of more than 5 years.

The Sub-fund is classed as risk category 4 on a scale of risk from 0 (lowest risk) to 6 (highest risk); 0 risk means very low volatility, but does not mean zero risk.

Potential investors must be aware that the assets of the Sub-fund are subject to the fluctuations of the international markets and to the risks inherent in investments in transferable securities in which the Sub-fund invests.

As a result of the Sub-fund's investment policy, the main risks incurred are:

- *Emerging markets risk*: the net asset value of the Sub-fund may fluctuate substantially as a minimum of 60% of its assets are invested in equities issued in the emerging markets where prices can be very volatile and where operating and supervisory conditions may deviate from the standards prevailing on the large international exchanges.

- *Risk associated with market capitalisation*: the Fund is mainly exposed to one or more equity markets of small and medium cap stocks. As there are fewer small and mid cap stocks listed on stock exchanges, market movements are more pronounced and rapid than in the case of large cap stocks. The net asset value of the Fund may therefore assume the same behaviour.

- *Risk of capital loss*: the portfolio is managed on a discretionary basis and does not guarantee or protect the capital invested. A capital loss occurs when a unit is sold at a lower price than that paid at the time of purchase.

- *Equity risk*: as a minimum of 60% of the Sub-fund's assets are exposed to equities, the net asset value of the Fund may decrease in the event of an equity market downturn.

- *Currency risk*: The Sub-fund is exposed to currency risk through the purchase of securities denominated in currencies other than the euro or indirectly through the purchase of financial instruments denominated in euro whose underlying investments are not hedged against currency risk as well as through currency forward exchange contracts. The net asset value of the Fund may decrease.

- *Risk associated with commitments on forward financial instruments*: the Sub-fund may invest in financial futures, up to the limit of 100% of its assets. Up to 200% of the Sub-fund's assets may thus be exposed to equities, which could lead to the risk of a more substantial and rapid decrease in the net asset value of the Fund than that of the markets in which the Fund is invested. In the event of the occasional use of securities with embedded derivatives, the risk associated with this type of investment shall be limited to the amount invested for the purchase of the securities with embedded derivatives.

Moreover, it should be noted that the management undertaken by the Sub-fund is discretionary; it is based on anticipating the evolution of the various markets. This being the case, there is a risk that the Sub-fund might not be invested in the best-performing markets at all times.

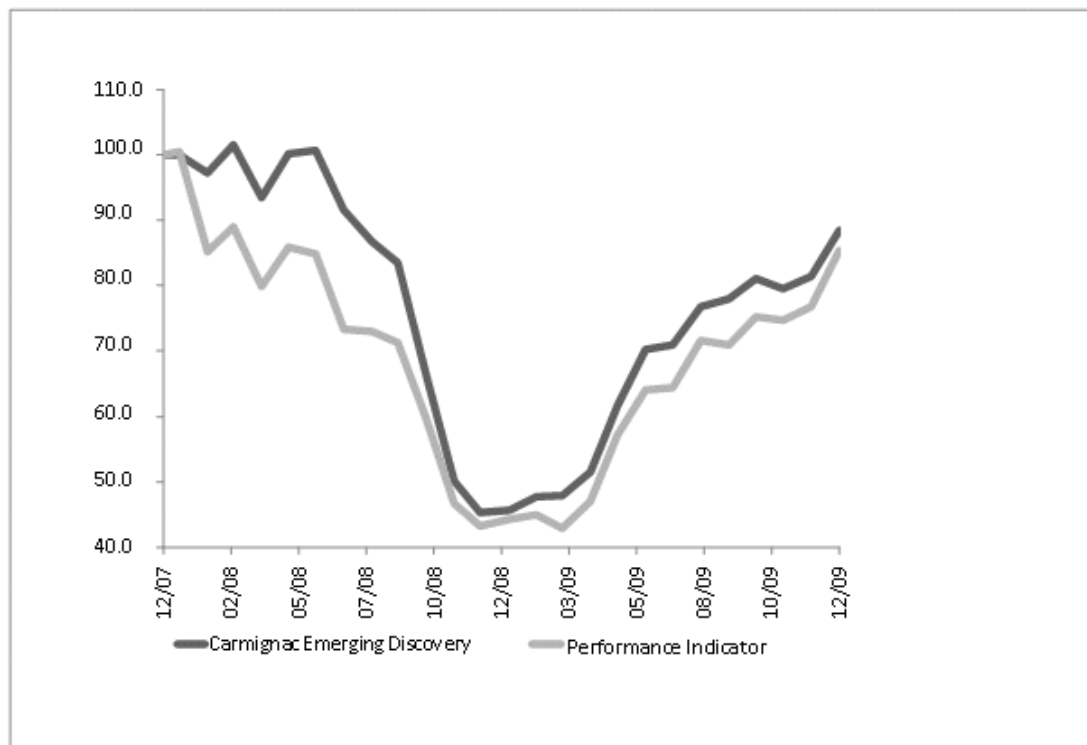
Shareholders have no guarantee that they will get back the capital invested. Shareholders must also be aware that investments in the emerging markets involve additional risks because of the political and economic situation in the emerging countries that may affect the value of the investments.

For further details regarding the risks inherent in investment in the Sub-fund, investors are advised to refer to the full Prospectus.

Investor profile

This Sub-fund is intended for private and institutional investors wishing to diversify their investments while benefiting from market opportunities through active and discretionary asset management over a recommended investment period of 5 years. The appropriate amount to invest in this Sub-fund depends on the personal situation of the shareholder. To determine their level of investment, investors are invited to seek professional advice in order to diversify their investments and to determine the proportion of their financial portfolio or their assets to be invested in this Sub-fund relative to, more specifically, the recommended investment period and exposure to the aforementioned risks, their personal assets, needs and objectives.

Performance



The Sub-fund's past performance is not a guarantee of future performance.

Characteristics of the shares

Dividend policy	Form of shares	Base currencies	Authorised subscribers	Minimum initial subscription	Minimum subsequent subscription	ISIN code
Accumulation	Registered/bearer*	EUR	All investors	1 share	1 share	LU0336083810

(*) For bearer shares, no physical shares shall be issued.

Net Asset Value (NAV)

Calculated daily in EUR, and for the first time on 17 December 2007.

If the calculation day falls on a bank holiday or partial bank holiday in Paris, the NAV is calculated on the next full bank business day.

Fees and Expenses

Fees and expenses relating to subscriptions, redemptions and conversions

Fees payable to the Sub-fund	Rate
Subscription fee	None
Redemption fee	None
Conversion fee	Max. 1% of the NAV applicable per share

Fees payable to distributors	Rate
Subscription fee	Max. 4% of the NAV applicable per share
Redemption fee	None
Annual distribution fee (payable monthly)	Max. 0.80% of the average net assets of the Sub-fund

Main fees borne by the Sub-fund

Fees payable to third parties	Rate
Fees for brokerage transactions	Actual fees + 0.30% of the total amount of the transaction for emerging market equities, 0.40% for other equities, 0.10% of the total amount of the transaction for European bonds, 0.075% for other bonds (payable to the Fund Manager), with a minimum of EUR 35 per transaction (payable to the custodian).
Custodian	maximum 0.060% per annum, payable and calculated quarterly on the basis of the average net assets of the Sub-fund.
Administrative Agent	EUR 50,000 per annum, payable quarterly

<p>Fund Manager</p>	<p>1.14% per annum, payable and calculated monthly on the basis of the average net assets of the Sub-fund and increased by a performance fee of 20% of the outperformance of the Sub-fund. Provided that the performance of the Sub-fund since the beginning of the quarter is positive and exceeds the performance of the index described hereafter, a daily provision of 20% of the positive difference between the change in the NAV (based on the number of units outstanding at the calculation date) and the change in the index is established. In the event of underperformance in relation to this index, a daily amount corresponding to 20% of this underperformance is deducted from the provision established since the beginning of the quarter.</p> <p>The index serving as the basis for calculating the performance fee is the following composite index: 50% MSCI Emerging Small Cap USD, converted into euro, and 50% MSCI Emerging Mid Cap USD, converted into euro.</p> <p>This fee is deducted quarterly on the basis of the total net assets at the end of the quarter. If the performance of the Sub-fund since the beginning of the quarter is zero or negative, even if it exceeds the performance of the index, no performance fee will be charged.</p> <p>Fees for brokerage transactions mentioned above, payable and calculated monthly, limited to: 0.30% of the total amount of the transaction for emerging market equities, 0.40% for other equities, 0.10% of the total amount of the transaction for European bonds, 0.075% for other bonds (payable to the Fund Manager), from which liquidation fees set at EUR 35 per transaction will be deducted and paid to the custodian.</p>
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Total Expense Ratio (TER)

Year 2009 = 4.36%

Transaction costs are not included.

Taxation

It is the responsibility of each shareholder to ascertain the tax treatment applicable in his case resulting from the law of his country, nationality or residence.

Under current legislation, shareholders are not required in the Grand Duchy of Luxembourg to pay any tax on income (which does not include a possible withholding tax), on capital gains, on *inter vivos* gifts, on inheritances, or any other tax, except, however, (a) those shareholders with their domicile or residence or permanent establishment in Luxembourg, (b) certain non-residents of Luxembourg holding 10% or more of the equity capital of the SICAV and who sell all or part of their shares within 6 months of their acquisition and (c) in a few restricted cases, certain categories of ex-residents of Luxembourg if they own 10% or more of the equity capital of the SICAV.

Nevertheless, the shareholders may, under certain conditions, be subject to withholding tax. Thus, the Luxembourg law of 21 June 2005, which came into force on 1 July 2005, has transposed Directive 2003/48/EC of the Council of the European Union of 3 June 2003 on taxation of savings income in the form of interest payments.

The purpose of this law is to introduce a withholding tax on savings income in the form of interest payments made in Luxembourg in favour of beneficial owners who are natural persons and resident for tax purposes in a Member State of the European Union other than Luxembourg.

In application of this law, the rate of withholding tax applicable will in time gradually be scaled up. It is currently 20% and shall be increased to 35% as of 1 July 2011. The withholding tax will not be applied if the beneficial owner expressly authorises the Paying Agent to disclose information to the authorities of his/her country of residence for tax purposes.

The foregoing provisions are based on the legislation currently in force and are subject to change.

Potential subscribers and shareholders are recommended to acquaint themselves and, if necessary, to seek advice regarding the laws and regulations (such as those concerning taxation and exchange controls) applicable to the subscription, purchase, holding and sale of shares in their countries of origin, residence and domicile.

Publications

The net asset value of the Sub-fund as well as the issue price may be obtained each bank business day in Paris, as defined in articles 21 and 22 of the Articles of Association of the SICAV, at the registered office of the SICAV or at CARMIGNAC GESTION, 24 Place Vendôme F-75001 PARIS. It may also be consulted 24 hours a day by calling +33 1 42 61 62 00 and on the CARMIGNAC GESTION website at the following address: www.carmignac-gestion.com

Subscription, Conversion, Transfer and Redemption of Shares

Subscription, conversion and redemption requests received by the SICAV, the custodian or any other institution appointed by the SICAV before 18:00 on the day before the valuation day and sent to the central administration in Luxembourg before 13:00 on the valuation day shall be executed, provided they are accepted, on the basis of the NAV calculated on that valuation day. Requests received after this cut-off time shall be executed on the basis of the NAV calculated on the first valuation day following the valuation day in question.

In order to take account of the investment universe and the management characteristics, subscriptions shall be suspended once the portfolio's net assets exceed EUR 1 billion.

For further details regarding the subscription, redemption and conversion of shares of the Sub-fund, investors are advised to refer to the full Prospectus.

Additional information

Legal structure	SICAV (open-ended investment company) subject to the provisions contained in Part I of the Luxembourg law of 20 December 2002 on undertakings for collective investment. This SICAV is self-managed pursuant to the provisions of articles 27, 85 and 86 of the law of 20 December 2002.
Company, Registration date	CARMIGNAC PORTFOLIO 30 June 1999
Registered office	50, avenue J.F. Kennedy L-2951 Luxembourg
Date of the latest version of the full Prospectus	May 2010
Financial year	From 1 January to 31 December
Supervisory Authority	CSSF (Commission de Surveillance du Secteur Financier)
Promoter	Carmignac Gestion 24, place Vendôme F-75001 Paris
Custodian	BGL BNP Paribas (formerly BGL Société Anonyme) 50, avenue J.F. Kennedy L-2951 Luxembourg
Domiciliary Agent and Administrative Agent	BGL BNP Paribas (formerly BGL Société Anonyme) 50, avenue J.F. Kennedy L-2951 Luxembourg
Fund Manager	Carmignac Gestion Luxembourg 65, boulevard Grande Duchesse Charlotte L-1331 Luxembourg
Distributors and Contact Persons	BGL BNP Paribas (formerly BGL Société Anonyme) 50, avenue J.F. Kennedy L-2951 Luxembourg Mrs. Silvia Grundner Tel: + 352 42 42 2939 Fax: + 352 42 42 6500 E-mail:silvia.grundner@bgl.lu Carmignac Gestion Luxembourg 65, boulevard Grande Duchesse Charlotte L-1331 Luxembourg Tel: + 352 46 70 60 1 Fax: +352 46 70 60 30 E-mail: clientservicingpool@carmignac.com
Auditors	KPMG Audit Sàrl 9, Allée Scheffer L-2520 Luxembourg
Date of Sub-fund's creation	14 December 2007
Duration	Unlimited
Countries of distribution	Luxembourg, France, Netherlands, Italy, Belgium, Germany, Spain and Switzerland