

# CARMIGNAC Emerging Discovery

Discovering  
new opportunities



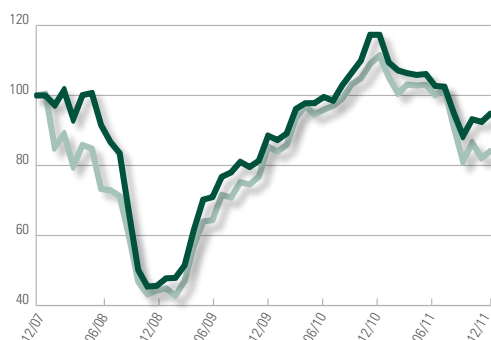
S. Pickard  
Fund manager

X. Hovasse  
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. Carmignac Emerging Discovery is a sub-fund of the Luxembourg SICAV Carmignac Portfolio.

★★★★★ Overall Morningstar Rating™

## Performance since launch



Carmignac Emerging Discovery -5.12%  
Reference indicator\*\* -15.72%

## Assets at 30/12/2011

Carmignac Emerging  
Discovery Net Assets: € 235.9 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 of an experienced investment team

For over 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 Xavier Hovasse. They are supported by David Young Park and Haiyan Li-Labbé, analysts for Asia. 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).

## Annual performance of the fund (at 30 December 2011, in calendar years)

	2011	2010	2009	2008
Carmignac Emerging Discovery	-19.13%	+32.59%	+93.97%	-54.38%
Reference indicator**	-24.34%	+30.45%	+92.93%	-55.95%

Source Carmignac Gestion at 30/12/2011

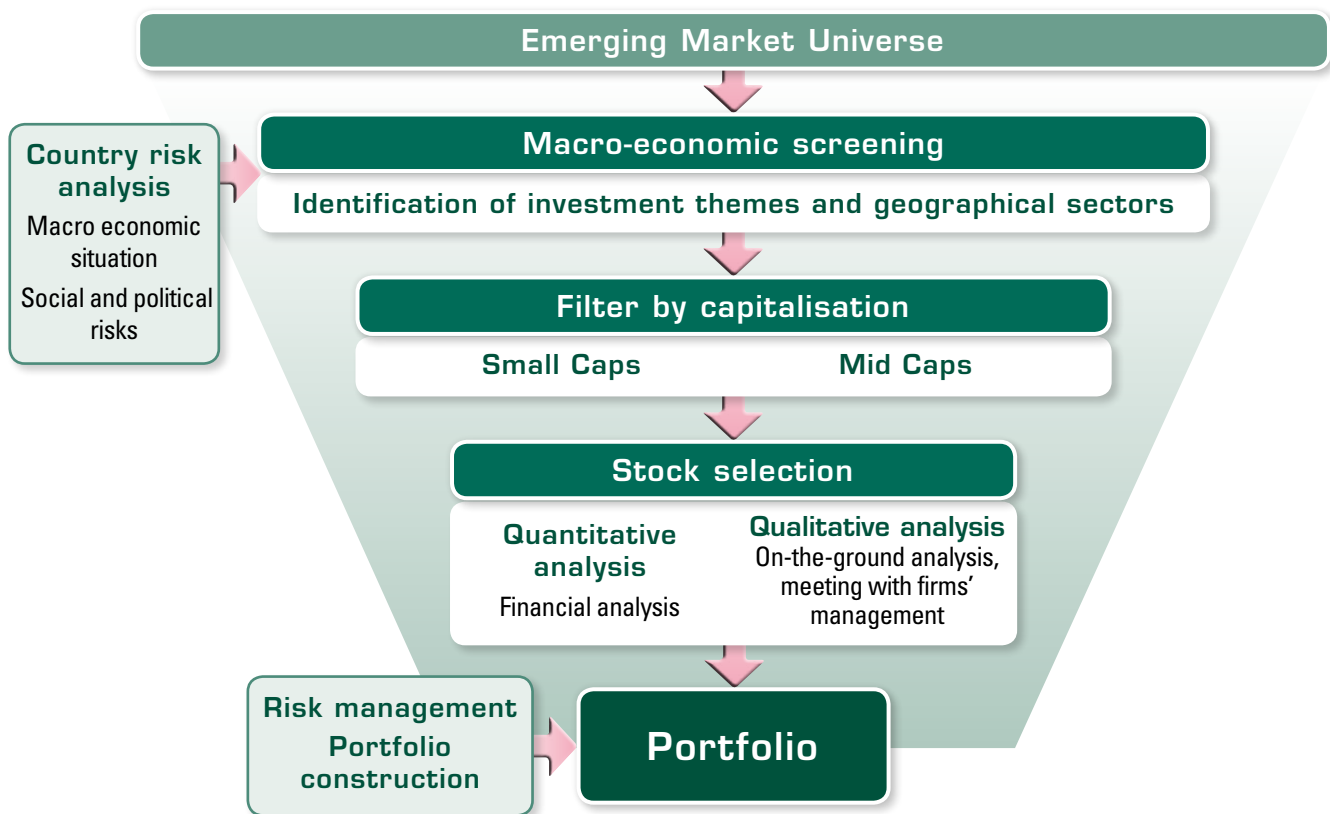
\* Risk scale from 1 (lowest risk) to 7 (highest risk), the risk 1 doesn't mean an investment without risk.

\*\* Reference indicator: 50% MSCI EM Small Cap (EUR) + 50% MSCI EM Mid Cap (EUR) calculated ex-dividends

Past performance is not reliable indicator of current or future performance.

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## Investment process



## Main risks

**Equity risk:** as the fund is exposed to equities, the net asset value of the Fund may decrease in the event of a downward movement on the equity markets.

**Emerging markets risk:** the net asset value of the sub-fund may vary substantially as a result of its investments in the emerging markets where prices may fluctuate significantly and where operating conditions and supervision may deviate from the standards prevailing on the large international exchanges.

**Currency risk:** currency risk is linked to exposure to a currency other than the Fund's valuation currency. The Fund is directly or indirectly exposed to currency risk via its investments and use of forward financial instruments.

**Liquidity risk:** the markets in which the FCP participates may occasionally be subject to temporary illiquidity. These market distortions may have an impact on the pricing conditions under which the FCP might be caused to liquidate, initiate or modify its positions.

## Management of exposure through derivatives

The sub-fund will also use listed or over-the-counter derivatives for the purpose of hedging and/or generating exposure to currency, interest rate and equity risk. Such transactions will be carried out provided that they do not exceed 100% of the sub-fund's net assets.

## Fund characteristics

- Date of 1st NAV: A share class: 14/12/2007  
GBP share class: 05/11/10
- Legal form: Subfund of Luxembourg-domiciled SICAV
- Bloomberg Code: A share class: CAREMDS LX  
GBP share class: CAREDSS LX
- ISIN Code: A share class: LU0336083810  
GBP share class: LU0553407650
- Currency: A share class: EUR  
GBP share class: GBP
- Dividend policy: capitalisation
- Reference indicator: 50% MSCI EM Small Cap (EUR) + 50% MSCI EM Mid Cap (EUR) calculated ex-dividends
- Fixed management fee: A share class: 2%  
GBP share class: 2%
- Variable management fee: 20% of the outperformance of the Fund in case of a positive performance
- Maximum Subscription Fee: A share class: 4 %  
GBP share class: 4% max
- Recommended minimum investment horizon: 5 years
- **The Fund has no capital protection**

The prospectus, the KIID (Key Investor Information Document), the fund rules/articles of association, as well as annual, semi-annual reports of the Fund are available on our website [www.carmignac.com](http://www.carmignac.com) and can be obtained from our Representative and Paying Agent in Switzerland : Banque Genevoise de Gestion, 15, rue Toepffer, CH-1206 Geneva. You must consider the degree of exposure to the various risks relating to your overall allocation and your personal circumstances. Carmignac Emerging Discovery may not be offered or sold, either directly or indirectly, in the United States or on behalf of or for the benefit of a US person, as defined in Regulation S. By fulfilling its obligations, CARMIGNAC GESTION may not be held liable for any financial or other consequences of any kind whatsoever resulting from the investment.