

**2011 ANNUAL REPORT
OF THE CARMIGNAC
EURO-ENTREPRENEURS
FRENCH MUTUAL FUND (FCP)**

(For the financial year ended 30 December 2011)



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Société anonyme. Portfolio management company (authorisation no. GP 9708 of 13/03/97),
with share capital of EUR 15,000,000, RCS Paris B 349 501 676
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**CARMIGNAC EURO-ENTREPRENEURS
FRENCH MUTUAL FUND (FCP)**

Statutory Auditor's Report

For the financial year ended 30 December 2011

Dear Sir/Madam,

In accordance with the mission assigned to us by the management body of the fund's management company, we present our report for the financial year ended 30 December 2011 relative to:

- the audit of the annual financial statements of the **CARMIGNAC EURO-ENTREPRENEURS** FCP which are attached to the present report,

- the justification of our evaluations,

- specific verifications and information required by law.

The annual financial statements were prepared by the management company. Our role is to express an opinion on these financial statements based on our audit.

I – OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional auditing standards applicable in France. These standards require that we carry out our audit in order to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit consists in examining, on a test basis or by other methods of selection, evidence supporting the amounts and disclosures contained in the annual financial statements. An audit also consists in assessing the accounting principles used and the significant estimates made, as well as the overall presentation of the financial statements. We believe that the evidence gathered is pertinent and sufficient to serve as a basis for our opinion.

In our opinion, the annual financial statements give, in accordance with French accounting rules and principles, a true and fair view of the Fund's financial position and assets and liabilities and of the results of its operations at the end of the financial year.

II – JUSTIFICATION OF THE EVALUATIONS

In application of the provisions of Article L.823-9 of the French Commercial Code in relation to the justification of our evaluations, we wish to highlight the following points:

As part of our evaluation of the accounting principles used by the Fund and described in the notes to the annual financial statements under “Accounting methods and rules”, we have verified the correct application of the valuation methods used for the financial instruments in the portfolio.

The evaluations were made in the context of our audit of the annual financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

III – SPECIFIC VERIFICATIONS AND INFORMATION

We have also carried out the specific verifications required by law in accordance with the professional auditing standards applicable in France.

We have no comment as to the fair presentation and conformity with the annual financial statements of the information given in the annual report and in the documents sent to unitholders with respect to the financial position and the annual financial statements.

Paris La Défense, 13 March 2012

KPMG Audit
A department of KPMG S.A.

[Signature]

Isabelle Bousquié
Partner

Cabinet Vizzavona

[Signature]

Robert Mirri
Partner

■ Main features of the Fund

Classification

Equities of EU Member States.

Dividend policy

Accumulation fund Dividends are recorded on an accruals basis.

Countries in which the Fund is authorised for distribution

Belgium, France, Germany, Italy, Luxembourg, Netherlands, Spain and Switzerland.

Investment objective

The Fund is managed on a discretionary basis with an active asset allocation policy. Its objective is to outperform its performance indicator the DJ Stoxx 200 Small index.

Performance indicator

The Fund's performance indicator is the DJ Stoxx 200 Small index.

The Dow Jones 200 Small Price index is calculated ex-dividend in euro by Dow Jones and Stoxx (Bloomberg code: SCXP). This index includes around 200 securities representing small capitalisation companies of European Community countries (data at 30/06/2005).

This index does not strictly define the investment universe but allows investors to assess the risk profile that they can expect when investing in the Fund.

Investment strategy

Strategies used

The Fund is managed on a discretionary basis with an active asset allocation policy and at least 60% of its assets are permanently invested in equities of European Community countries.

A minimum of 75% of the Fund's portfolio is invested in securities eligible for the PEA (French equity savings plan).

The investment strategy is essentially based on the selection of European Community small and mid caps offering the best growth potential without restriction in terms of allocation by geographical zones, business sectors or type of security.

Up to 25% of the net assets may also be invested in markets outside the European Community.

Furthermore, up to 20% of the Fund may be exposed to the commodities sector.

As the Fund is managed on an active, discretionary basis, the asset allocation may differ substantially from that of its performance indicator, the DJ Stoxx 200 Small index, depending on the manager's expectations.

The assets may also consist of fixed income securities, debt securities or money market instruments as well as variable rate bonds.

Up to 25% of the assets may be invested in fixed income products for the purpose of risk diversification in the event of expected negative movements in equities.

Description of asset classes

Equities

A minimum of 75% of the Fund's portfolio is invested in small and mid caps eligible for the PEA (French equity savings plan). The remainder may be invested in equities or other equity securities from the rest of the small and mid cap universe, all sectors combined. Where applicable, the portion of assets invested in equities of emerging countries may not exceed 10% of the assets of the FCP; the objective of these investments is to seek out opportunities in high-growth economic zones.

Debt securities and money market instruments

In order for the manager to diversify the portfolio, between 0% and 25% of the Fund's assets may be invested in eurozone and/or international fixed rate bonds, money market instruments, floating rate bonds and inflation-linked bonds.

In theory, as the Fund's management is discretionary, there are no restrictions on allocation.

There are no restrictions in terms of duration, modified duration or allocation between private and public issuers.

The weighted average rating of the bonds held directly by the Fund or through investment in UCITS is at least investment grade (i.e. rated at least BBB-/Baa3 by the rating agencies Standard & Poor's and Moody's). However, the manager reserves the right to invest up to 10% of the net assets in bonds whose rating may be below investment grade.

UCITS, investment funds, trackers and exchange traded funds (ETF)

The Fund may invest up to 10% of its net assets in UCITS.

The Fund may invest in UCITS managed by Carmignac Gestion.

Respecting certain regulatory limits, investments shall be in:

- French or foreign UCITS that comply with the European Directive (coordinated);
- French funds that do not comply with the European directive;
- in foreign non-coordinated UCIs.

The Fund may occasionally invest in trackers, listed index-linked instruments and exchange traded funds.

Derivatives

The manager may invest in futures and options traded on eurozone and/or international regulated or over-the-counter markets.

In this context and for the purposes of achieving the investment objective, the manager may take positions hedging the portfolio against and/or exposing the portfolio to business sectors, geographical areas, fixed income, equity (all caps) and foreign exchange markets and similar transferable securities or indices.

The portfolio is hedged through the sale or purchase of options and/or futures on the main equity indices listed on regulated markets.

The manager may hedge the portfolio if the markets are expected to fall.

The manager may also take positions for the purpose of hedging the portfolio against foreign exchange risks by using forward exchange contracts.

The maximum commitment of these derivative transactions shall be limited to the total value of the Fund's assets at any time.

Securities with embedded derivatives

The manager may invest in eurozone and/or international convertible bonds.

From time to time, the manager may invest in securities with embedded derivatives (warrants, credit link notes, EMTN, subscription certificates) traded on regulated or over-the-counter eurozone and/or international markets.

Deposits and cash

The FCP may use deposits to optimise its cash management and manage the underlying investment funds' various subscription/redemption dates. It may allocate up to 20% of its assets to deposits with a single credit institution. This type of transaction will be made on an exceptional basis.

The FCP may hold cash on an ancillary basis, in particular to cover investors' redemption requests.

Cash lending is prohibited.

Cash borrowings

On an exceptional basis, the FCP may use cash borrowings to optimise its cash management and manage the different subscription/redemption dates of the underlying investment funds. These transactions may be carried out within a limit of 10% of its assets.

Temporary purchase and sale of securities

The FCP may enter into securities lending transactions on a limited basis in order to optimise its income.

Any temporary purchases or sales of securities shall be carried out under market conditions.

Additional information can be found under "fees and commissions".

Risk profile

The Fund shall invest in financial instruments and, where applicable, UCITS selected by the Management Company. These financial instruments shall be subject to the evolution and fluctuations of the market.

The risk factors described below are not exhaustive. It is up to each investor to analyse the risk associated with such an investment and to form his/her own opinion independent of CARMIGNAC GESTION, where necessary seeking the opinion of any advisors specialised in such matters in order to ensure that this investment is appropriate in relation to his/her financial situation.

Risk associated with discretionary management: discretionary management is based on the expected evolution of the financial markets. The FCP's performance will depend on the companies selected by the Management Company. There is a risk that the Management Company may not invest in the best performing companies.

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.

Capitalisation risk: 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.

Equity risk: as Carmignac Euro-Entrepreneurs is exposed to the risks of the equity markets, the net asset value of the Fund may decrease in the event of a downward movement on the equity markets.

Interest rate risk: the portfolio may be exposed to interest rate risk through investment in fixed income products. Interest rate risk results in a decline in the net asset value in the event of a rise in interest rates.

Credit risk: credit risk is the risk that the issuer may default. Should the quality of corporate bond issuers decline, for example in the event of a downgrade in their rating by the financial rating agencies, the value of the corporate bonds may drop.

The net asset value of the Fund may decrease.

Risk associated with commodities: changes in commodity prices and the volatility of the sector may cause the net asset value to fall.

Risk associated with emerging countries: the operating and supervision conditions of these markets may deviate from the standards prevailing on the large international markets. Where applicable, the portion of assets invested in equities of emerging countries may not exceed 10% of the assets of the FCP.

Currency risk: the FCP is exposed to foreign exchange risk on an ancillary basis through the purchase of securities denominated in currencies other than those of the European Economic Area. The fluctuations of currencies in relation to the currencies of the European Economic Area may have a positive or negative influence on the net asset value of the Fund.

Risk associated with high-yield bonds: a bond is considered a high-yield bond when its credit rating is below "investment grade". The manager reserves the right to invest up to 10% of the net assets in high-yield bonds on an ancillary basis. The value of high-yield bonds may fall more substantially and more rapidly than other bonds and negatively impact the net asset value of the Fund which may decrease as a result.

Target subscribers and investor profile

The Fund's units have not been registered under the US Securities Act of 1933. As such, they may not be offered or sold directly or indirectly in the United States or on behalf of or to a US person as defined in US "Regulation S".

Aside from this exception, the FCP is available to all investors.

The Fund is intended for all types of investors, natural persons and legal entities wishing to diversify their investments in European Union small and mid cap stocks.
The recommended investment period is more than 5 years.

The appropriate investment amount depends on the personal situation of the investor. To determine this amount, investors' personal wealth, their cash requirements now and 5 years from now as well as their degree of risk aversion must all be taken into account. It is recommended that investors seek the advice of a professional in order to diversify their investments and to decide on the proportion of their financial portfolio or wealth that should be invested in this FCP. Investors are also advised to sufficiently diversify their investments to avoid being exposed to the risks of this Fund only.

■ Investment policy

Management report

Performance since the beginning of the year

Fund -12.97%

Performance indicator -17.52%

Despite ending the year in negative territory, Carmignac Euro-Entrepreneurs outperformed its indicator in 2011, with a performance of -12.97% compared with -17.52%. Carmignac Euro-Entrepreneurs therefore managed to stay ahead of the game, in relative terms, thanks to defensive sector allocation and appropriate stock picking throughout a year characterised by high volatility. The gross performance of the stock portfolio therefore amounted to -12.35%. Equity and foreign exchange derivatives positions contributed marginally with +0.69%.

Investment strategy

Throughout the year, our positioning was characterised by cautious sector allocation, opting for defensive sectors over cyclical sectors. With the crisis spreading from peripheral European countries to the heart of the eurozone, we elected to maintain a cautious stance toward the financial sector. This low exposure partly explains our lead over the index, as European banking stocks plummeted -32% over the year. Our core portfolio focused on consumer stocks also enabled the Fund to hold up well during periods of risk aversion. In terms of allocation, the Fund also benefited from its new targeted exposure to the telecom sector through the addition of Iliad in particular. Our stock picking, the second performance driver, yielded extremely satisfying results over the past year. Our choice of stocks in the technology, telecommunications and energy sectors proved very wise. As such, we would like to highlight the excellent progress of Golar and Lundin Petroleum which are among the biggest contributors to performance. However, the Fund was hit by our disappointing choice of stocks in the healthcare sector. Indeed, some of our stocks were affected by profit-taking. Lastly, our derivative strategies made a positive contribution over the year. Indeed, we made it a point of honour to protect the assets in the portfolio throughout this particularly volatile year. Although the Fund may have suffered at times due to an overly cautious approach, our index derivative positions proved to be very effective buffers, notably throughout the summer crisis.

Portfolio allocation

The arrival of a new manager in October 2011 led to a number of slight changes to the portfolio's structure, in order to balance portfolio risk.

Our core portfolio focused on consumer stocks remains one of our priorities (33.52% of the portfolio). Although we trimmed our weighting of this sector, we nonetheless remain convinced of our holdings' potential, particularly with regard to our stocks exposed to emerging countries. We slashed the proportion of the portfolio allocated to materials and energy, which now stand at +4.75% and 5.43% respectively, compared with +17.98% and +11.29% last year. However, we have diversified our portfolio through new targeted exposure to the telecommunications sector (7.35%). Although we are maintaining a conservative attitude toward the financial sector, we have nonetheless raised its weighting to 5.67% by scrupulously selecting stocks.

Since the risk of recession continues to loom over Europe and in the belief that the measures undertaken by European bodies remain insufficient, we have decided to maintain our prudent stance. However, the market upturn observed at the end of the year leads us to enter 2012 with a level of exposure of 86%.

Past performance is not an indication of future results.

■ Regulatory information

Policy for the selection of intermediaries

"In its capacity as management company, Carmignac Gestion selects service providers whose execution policy guarantees the best possible result when executing orders transmitted on behalf of its UCITS or its clients. It also selects service providers to aid in making investment decisions and to execute orders. In both cases, Carmignac Gestion has defined a policy for selecting and evaluating intermediaries according to certain criteria. You can find the updated version of this policy at www.carmignac.com, where you will also find a report on intermediary fees.

Life of the Fund

July 2011:

- Creation of the KIID to replace the simplified prospectus.
- Disappearance of the full prospectus in favour of a prospectus comprised of just the Fund's detailed memorandum and articles of association.

December 2011:

- Statement that the Fund may not be marketed to US persons.
- Inclusion of the terms "ex-dividends" or "coupons reinvested" after the performance indicator.
- Update of regulatory references, clarification of certain compliance issues and standardisation of the presentation of the prospectus.

■ Miscellaneous

Overall risk calculation

Overall risk is calculated using the commitment method.

ANNUAL FINANCIAL STATEMENTS OF CARMIGNAC EURO-ENTREPRENEURS

The annual financial statements presented here have been established according to the same format and using the same valuation methods as in the previous financial year.

CARMIGNAC EURO-ENTREPRENEURS BALANCE SHEET

ASSETS

	30/12/2011	31/12/2010
Net fixed assets		
Deposits		
Financial instruments	155,545,497.96	299,894,915.72
Equities and similar securities	155,373,435.46	292,685,545.70
Traded on a regulated or similar market	152,885,231.69	289,633,867.75
Not traded on a regulated or similar market	2,488,203.77	3,051,677.95
Bonds and similar securities		
Traded on a regulated or similar market		
Not traded on a regulated or similar market		
Debt securities		
Traded on a regulated or similar market		
<i>Transferable debt securities</i>		
<i>Other debt securities</i>		
Not traded on a regulated or similar market		
Undertakings for Collective Investment		6,276,270.00
Coordinated European UCITS and standard French UCITS		6,276,270.00
UCITS reserved for specific investors – FCPR (French venture capital funds) – FCIMT (French futures funds)		
Listed FCCs (securitisation funds) and investment funds		
Unlisted FCCs (securitisation funds) and investment funds		
Temporary transactions on securities		
Receivables on securities received under a repurchase agreement (<i>pension</i>)		
Receivables on securities lent		
Securities borrowed		
Securities transferred under a repurchase agreement (<i>pension</i>)		
Other temporary transactions		
Forward financial instruments	172,062.50	933,100.02
Transactions on a regulated or similar market	172,062.50	705,315.69
Other transactions		227,784.33
Other financial instruments		
Receivables	5,676,134.96	11,761,653.59
Currency forward exchange contracts	2,820,520.05	8,017,642.37
Other	2,855,614.91	3,744,011.22
Financial accounts	11,668,231.63	10,917,013.36
Cash	11,668,231.63	10,917,013.36
Total assets	172,889,864.55	322,573,582.67

CARMIGNAC EURO-ENTREPRENEURS BALANCE SHEET

LIABILITIES

	30/12/2011	31/12/2010
Equity capital		
Share capital	169,050,644.54	312,201,478.35
Retained earnings		
Income	572,713.11	-785,722.45
Total share capital (= Amount corresponding to the net assets)	169,623,357.65	311,415,755.90
Financial instruments	172,062.50	705,315.68
Sales of financial instruments		
Temporary transactions on securities		
Payables on securities transferred under a repurchase agreement (<i>pension</i>)		
Payables on securities borrowed		
Other temporary transactions		
Forward financial instruments	172,062.50	705,315.68
Transactions on a regulated or similar market	172,062.50	705,315.68
Other transactions		
Payables	3,094,028.88	9,439,636.97
Currency forward exchange contracts	2,838,020.91	8,115,103.41
Other	256,007.97	1,324,533.56
Financial accounts	415.52	1,012,874.12
Short-term bank loans	415.52	1,012,874.12
Borrowings		
Total liabilities	172,889,864.55	322,573,582.67

CARMIGNAC EURO-ENTREPRENEURS OFF-BALANCE SHEET

	30/12/2011	31/12/2010
Hedging transactions		
Commitments on regulated or similar markets		
Futures contracts		
EUR EUREX DAX I 0312	10,325,000.00	
Commitments on OTC markets		
Other commitments		
Other transactions		
Commitments on regulated or similar markets		
Futures contracts		
Euro Stoxx Mid Cap 200 Future		15,190,200.00
EURO STOXX 50 Future		22,352,000.00
Switzerland Index Future		17,287,536.49
Commitments on OTC markets		
Futures contracts		
Forward contract on M&A basket		17,885,484.04
Other commitments		

* The other transactions are exposure transactions.

CARMIGNAC EURO-ENTREPRENEURS INCOME STATEMENT

	30/12/2011	31/12/2010
Income from financial transactions		
Income from deposits and financial accounts	59,240.30	4,296.01
Income from equities and similar securities	4,215,125.10	2,647,290.27
Income from bonds and similar securities		
Income from debt securities	194.40	
Income from temporary purchases and sales of securities	17,961.19	24,968.98
Income from financial futures		
Other financial income		
Total (1)	4,292,520.99	2,676,555.26
Payables on financial transactions		
Payables on temporary purchases and sales of securities	15,256.77	
Payables on financial futures		
Payables on financial debts	3,131.34	53,307.58
Other payables		
Total (2)	18,388.11	53,307.58
Profit/(loss) on financial transactions (1 - 2)	4,274,132.88	2,623,247.68
Other income (3)		
Management fee and depreciation allowance (4)	3,473,414.72	3,520,889.35
Net profit/(loss) for the financial year (1 - 2 + 3 - 4)	800,718.16	-897,641.67
Income equalisation for the financial year (5)	-228,005.05	111,919.22
Interim dividends paid for the financial year (6)		
Profit/(loss) (1 - 2 + 3 - 4 + or - 5 - 6)	572,713.11	-785,722.45

NOTES TO THE FINANCIAL STATEMENTS OF CARMIGNAC EURO-ENTREPRENEURS

■ Accounting methods and rules

The annual financial statements are established in accordance with the provisions laid down in Accounting Regulatory Committee (CRC) regulation no. 2003-02, as amended, with regard to the accounting guidelines applicable to UCITS.

The general principles of accounting apply:

- a true and fair view, comparability, continuity of operations,
- lawfulness and fairness,
- prudence,
- consistency of methods from one financial year to the next.

Income from fixed income securities is recorded on the basis of accrued interest.

Purchases and sales of securities are recorded exclusive of costs. The accounting currency of the portfolio is the EURO. There are 12 months in the financial year.

Valuation rules for the assets

Financial instruments are recorded in the financial statements using the historical cost method and they are entered on the balance sheet at their current value as determined by the last-known market value or, where a market does not exist, by any external means or by using financial models. Differences between the current values used to calculate the net asset value and the historical costs of transferable securities when first included in the portfolio are recorded in "valuation differentials" accounts. Securities that are not denominated in the currency of the portfolio are valued in accordance with the principle described below; the valuation is then converted into the currency of the portfolio on the basis of the exchange rate prevailing on the valuation day.

Deposits:

Deposits with a residual maturity of less than or equal to 3 months are valued using the straight-line method.

Equities, bonds and other securities traded on a regulated or similar market:

For the calculation of the net asset value, equities and other securities traded on a regulated or similar market are valued on the basis of the last market price of the day.

Bonds and other similar securities are valued at the closing price supplied by various financial service providers. Interest accrued on bonds and other similar securities is calculated up to the date of the net asset value.

French government bonds are valued on the basis of the mid price of a contributor (a primary dealer selected by the French Treasury), supplied by an information server. This price is subject to a reliability check by means of a comparison with the prices of several other primary dealers.

Equities, bonds and other securities not traded on a regulated or similar market:

Securities not traded on a regulated market are valued by the management company using methods based on the market value and the yield, while taking account of recent prices observed for significant transactions.

Transferable debt securities:

Transferable debt securities and similar securities that are not traded in large volumes are valued on the basis of an actuarial method, the reference rate (as defined below) being increased, where applicable, by a differential representative of the intrinsic characteristics of the issuer:

Transferable debt securities with a maturity of less than or equal to 1 year: Interbank rate in euro (Euribor);

Transferable debt securities with a maturity exceeding 1 year: valued using rates for French treasury bills (BTAN and OAT) with similar maturity dates for the longer durations.

Transferable debt securities with a residual maturity of less than three months may be valued using the straight-line method.

French treasury bills are valued on the basis of market prices, as published daily by the Bank of France.

UCITS held by the Fund:

Units or shares of UCITS shall be valued at their last known net asset value.

Temporary transactions on securities:

Securities received under repurchase agreements are recorded as an asset under the heading "Receivables on securities received under a repurchase agreement (*pension*)" at the contract amount, plus any accrued interest receivable.

Securities transferred under a repurchase agreement are recorded as securities purchased at their current value. The payables on securities transferred under a repurchase agreement are recorded as securities sold at the value determined in the contract, plus any accrued interest payable.

Securities lent are valued at their current value and are recorded as an asset under the heading "Receivables on securities lent" at their current value, plus any accrued interest receivable.

Securities borrowed are recorded as an asset under the heading "Securities borrowed" at the contract amount and as a liability under the heading "Payables on securities borrowed" at the contract amount, plus any accrued interest payable.

Forward financial instruments:**Forward financial instruments traded on a regulated or similar market:**

Forward financial instruments traded on regulated markets are valued at the settlement price of that day.

Forward financial instruments not traded on a regulated or similar market:***Swaps:***

Interest rate and/or currency swaps are valued at their market value by discounting future interest payments at the interest rate and/or currency exchange rate prevailing on the market. This price is adjusted to the issuer's risk.

Index swaps are valued using an actuarial method on the basis of a reference rate provided by the counterparty.

Other swaps are valued at their market value or at a value estimated according to the terms and conditions determined by the management company.

Off-balance sheet commitments:

Futures contracts are recorded at their market value as off-balance sheet commitments on the basis of the price used in the portfolio.

Options are converted into the underlying equivalent.

Swap commitments are recorded at their nominal value or, where there is no nominal value, at an equivalent amount.

Financial instruments:

NAME	DESCRIPTION
EUR EUREX DAX I 0312	Dax Future

Management fees

The management fees are calculated on each valuation day on the basis of the net assets of the previous day.

These fees are recorded in the Fund's income statement.

The management fees are paid in full to the Management Company responsible for all of the operating costs of the Funds.

Management fees do not include transaction fees.

The rate applied to the net asset value of the previous day is 1.5% (inclusive of tax).

The variable management fees are calculated according to the following method:

If the performance since the beginning of the financial year is positive and exceeds the performance of the Dow Jones Stoxx 200 Small index, a daily provision of 20% of this outperformance 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 year. This provision is deducted annually from the last net asset value of the month of December by the management company.

Dividend policy

The net profit/loss for the financial year is equal to the amount of interest, arrears, dividends, premiums and prizes, plus income generated by temporary cash holdings. Management fees and payables on financial transactions are charged against this income. Realised or unrealised gains or losses, as well as subscription and redemption fees, do not constitute income.

Distributable income is equal to the net income for the financial year plus retained earnings, plus or minus the balance of the income equalisation accounts for the last financial year.

In accordance with the provisions of the full prospectus, distributable income shall be accumulated in full by the Fund.

CARMIGNAC EURO-ENTREPRENEURS NET ASSET CHANGES

	30/12/2011	31/12/2010
Net assets at the beginning of the financial year	311,415,755.90	202,243,733.17
Subscriptions (including subscription fees paid to the UCITS)	41,702,674.22	191,670,838.32
Redemptions (after deduction of redemption fees paid to the UCITS)	-146,540,763.95	-133,704,828.30
Realised gains on deposits and financial instruments	44,720,954.77	46,141,497.52
Realised losses on deposits and financial instruments	-40,125,399.50	-21,692,403.00
Realised gains on forward financial instruments	16,951,197.76	13,314,420.06
Realised losses on forward financial instruments	-15,740,038.10	-20,693,626.86
Transaction costs	-3,299,074.62	-4,660,076.96
Foreign exchange differences	-810,270.00	-782,350.79
Changes in the valuation differential of deposits and financial instruments	-39,047,254.47	39,818,440.11
<i>Valuation differential for the financial year N</i>	713,048.82	39,760,303.29
<i>Valuation differential for the financial year N-1</i>	-39,760,303.29	58,136.82
Changes in the valuation differential of forward financial instruments	-405,142.52	657,754.30
<i>Valuation differential for the financial year N</i>	-172,062.50	233,080.02
<i>Valuation differential for the financial year N-1</i>	-233,080.02	424,674.28
Dividends paid in the previous financial year		
Net profit/(loss) for the financial year prior to the income equalisation account	800,718.16	-897,641.67
Interim dividends paid for the financial year		
Other items		
Net assets at the end of the financial year	169,623,357.65	311,415,755.90

**BREAKDOWN OF FINANCIAL INSTRUMENTS
BY LEGAL OR ECONOMIC STRUCTURE OF CARMIGNAC EURO-ENTREPRENEURS**

	Amount	%
ASSETS		
Bonds and similar securities		
TOTAL bonds and similar securities		
Debt securities		
TOTAL debt securities		
LIABILITIES		
Sales of financial instruments		
TOTAL sales of financial instruments		
OFF-BALANCE SHEET		
Hedging transactions		
Equities	10,325,000.00	6.09
TOTAL hedging transactions	10,325,000.00	6.09
Other transactions		
TOTAL other transactions		

BREAKDOWN BY RESIDUAL MATURITY OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS OF CARMIGNAC EURO-ENTREPRENEURS

	< 3 months	%	[3 months - 1 year]	%	[1-3 years]	%
Assets						
Deposits						
Bonds and similar securities						
Debt securities						
Temporary transactions on securities						
Financial accounts	11,668,231.63	6.88				
Liabilities						
Temporary transactions on securities						
Financial accounts	415.52					
Off-balance sheet						
Hedging transactions						
Other transactions						

	[3-5 years]	%	>5 years	%
Assets				
Deposits				
Bonds and similar securities				
Debt securities				
Temporary transactions on securities				
Financial accounts				
Liabilities				
Temporary transactions on securities				
Financial accounts				
Off-balance sheet				
Hedging transactions				
Other transactions				

Positions in interest rate futures are shown according to the maturity of the underlying instrument.

RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE OF CARMIGNAC EURO-ENTREPRENEURS

	Nature of the debit/credit	30/12/2011
Receivables	Funds receivable on forward currency sales	2,820,520.05
	Sales with deferred settlement	2,027,047.88
	Subscriptions receivable	23,756.54
	Guarantee deposits in cash	774,375.00
	Cash dividends and coupons	30,435.49
Total receivables		5,676,134.96
Payables	Forward currency sales	- 2,838,020.91
	Redemption price payable	- 52,892.41
	Management fees	- 48,553.12
	Cash dividends and coupons	- 17,917.38
	Other payables	- 136,645.06
Total payables		- 3,094,028.88

NUMBER OF CARMIGNAC EURO-ENTREPRENEURS SECURITIES ISSUED OR REDEEMED

	Units	Amount
Units subscribed during the financial year	238,646,567	41,702,674.22
Units redeemed during the financial year	-860,602.004	-146,540,763.95
Net balance of subscriptions/redemptions	-621,955,437	-104,838,089.73

CARMIGNAC EURO-ENTREPRENEURS SUBSCRIPTION AND/OR REDEMPTION FEES

	Amount
Total fees paid to the Fund	
Subscription fees paid to the Fund	
Redemption fees paid to the Fund	

MANAGEMENT FEES OF CARMIGNAC EURO-ENTREPRENEURS

	30/12/2011
Guarantee fees	
Fixed management fees	3,473,414.72
Percentage of fixed management fees	1.50
Performance fees	
Trailer fees	

COMMITMENTS RECEIVED OR GIVEN BY CARMIGNAC EURO-ENTREPRENEURS

Guarantees received by the Fund

None.

Other commitments received and/or given:

None.

**MARKET VALUE OF SECURITIES SUBJECT TO A TEMPORARY PURCHASE TRANSACTION
BY CARMIGNAC EURO-ENTREPRENEURS**

	30/12/2011
Securities held under repurchase agreements (<i>pension</i>)	
Securities borrowed	

**MARKET VALUE OF SECURITIES REPRESENTING GUARANTEE DEPOSITS OF
CARMIGNAC EURO-ENTREPRENEURS**

	30/12/2011
Financial instruments given as a guarantee and kept as original entry	
Financial instruments received as a guarantee and not entered on the balance sheet	

FINANCIAL INSTRUMENTS OF THE GROUP HELD IN THE CARMIGNAC EURO-ENTREPRENEURS PORTFOLIO

	ISIN code	Description	30/12/2011
Equities			
Bonds			
Transferable debt securities			
UCITS			
Forward financial instruments			

CARMIGNAC EURO-ENTREPRENEURS INCOME ALLOCATION TABLE FOR THE FINANCIAL YEAR

	30/12/2011	31/12/2010
Amounts to be allocated		
Retained earnings		
Income	572,713.11	-785,722.45
Total	572,713.11	-785,722.45

	30/12/2011	31/12/2010
A units		
Allocation		
Dividend distribution		
Retained earnings for the financial year		
Accumulation	572,713.11	-785,722.45
Total	572,713.11	-785,722.45

OVERVIEW OF RESULTS AND OTHER SIGNIFICANT ITEMS FOR THE LAST 5 FINANCIAL YEARS FOR CARMIGNAC EURO-ENTREPRENEURS

	31/12/2007	31/12/2008	31/12/2009	31/12/2010	30/12/2011
Net assets in EUR	167,362,129.33	103,819,745.03	202,243,733.17	311,415,755.90	169,623,357.65
Number of units	820,861.625	928,142,081	1,284,585.818	1,662,456.195	1,040,500.758
Net asset value per unit	203.88	111.85	157.43	187.32	163.02
Accumulation per unit	-3.68	2.32	0.99	-0.47	0.55

**LIST OF SECURITIES OF CARMIGNAC EURO-ENTREPRENEURS
AT 30 DECEMBER 2011**

Name of securities	Currency	Quantity or nominal amount	Current value	% of net assets
Equities and similar securities				
Equities and similar securities traded on a regulated or similar market				
GERMANY				
COMPUGROUP MEDICAL AG	EUR	100,000	870,000.00	0.51
FREENET NOM.	EUR	212,314	2,123,140.00	1.25
FUCHS PETROLUB PREF.	EUR	118,000	3,990,760.00	2.35
RHOEN KLINIKUM AG	EUR	537,376	7,910,174.72	4.67
SOFTWARE	EUR	44,679	1,275,808.85	0.75
TOTAL GERMANY			16,169,883.57	9.53
AUSTRIA				
ANDRITZ AG	EUR	94,252	6,041,553.20	3.56
SCHOELLER-BLECKMANN	EUR	57,921	3,951,370.62	2.33
TOTAL AUSTRIA			9,992,923.82	5.89
BELGIUM				
GIMV NV	EUR	64,000	2,360,320.00	1.39
TOTAL BELGIUM			2,360,320.00	1.39
BERMUDA				
GOLAR LNG LTD.BERMUDA	USD	75,004	2,568,214.61	1.51
TOTAL BERMUDA			2,568,214.61	1.51
FRANCE				
ATOS	EUR	120,352	4,081,136.32	2.41
DASSAULT SYSTEMES	EUR	33,790	2,092,614.70	1.23
EDENRED	EUR	254,895	4,848,102.90	2.86
EUTELSAT COMMUNICATIONS	EUR	161,505	4,869,375.75	2.87
ILIAD	EUR	62,118	5,922,951.30	3.50
REMY COINTREAU	EUR	73,000	4,532,570.00	2.67
RUBIS	EUR	21,944	886,537.60	0.52
TOTAL FRANCE			27,233,288.57	16.06
GREECE				
ELEKTRONIKI ATHENS	EUR	207,807	168,323.67	0.10
IASO S.A.	EUR	130,000	85,800.00	0.05
TOTAL GREECE			254,123.67	0.15
ISLE OF MAN				
DQ ENTERTAINMENT PLC	GBP	1,245,000	618,550.22	0.36
TOTAL ISLE OF MAN			618,550.22	0.36

Name of securities	Currency	Quantity or nominal amount	Current value	% of net assets
ITALY				
DAVIDE CAMPARI	EUR	1,052,048	5,412,786.96	3.19
TOTAL ITALY			5,412,786.96	3.19
LUXEMBOURG				
MILLICOM INTL CELLULAR SDR	SEK	43,495	3,369,924.71	1.99
TOTAL LUXEMBOURG			3,369,924.71	1.99
PAPUA NEW GUINEA				
NEW BRITAIN PALM OIL LTD	GBP	85,841	732,212.53	0.43
TOTAL PAPUA NEW GUINEA			732,212.53	0.43
NETHERLANDS				
CORE LABORATORIES	USD	21,058	1,848,445.17	1.09
EUROPEAN AERONAUTIC DEFENSE AND SPACE	EUR	111,100	2,683,065.00	1.58
IMTECH	EUR	371,961	7,444,799.42	4.38
KONINKLIJKE VOPAK	EUR	161,416	6,589,808.20	3.88
MEDIQ	EUR	190,000	2,235,350.00	1.32
NUTRECO NV	EUR	157,000	7,981,880.00	4.70
SLIGRO FOOD GROUP	EUR	221,245	4,590,833.75	2.71
UNIT4	EUR	226,755	4,149,616.50	2.45
TOTAL NETHERLANDS			37,523,798.04	22.11
POLAND				
EUROCASH	PLN	905,630	5,798,144.85	3.42
TOTAL POLAND			5,798,144.85	3.42
PORTUGAL				
JERONIMO MARTINS	EUR	467,285	5,976,575.15	3.52
TOTAL PORTUGAL			5,976,575.15	3.52
UNITED KINGDOM				
AMLIN PLC	GBP	1,000,000	3,757,931.28	2.22
ASSOCIATE BRITISH FOOD	GBP	150,877	1,999,531.17	1.18
CRODA INTERNATIONAL	GBP	226,923	4,900,863.07	2.88
DIALOG SEMICONDUCTOR	EUR	389,507	4,899,998.06	2.89
EROS INTERNATIONAL PLC	GBP	1,658,420	4,546,608.16	2.68
ICAP	GBP	647,605	2,689,502.87	1.59
WEIR GROUP (THE)	GBP	148,500	3,612,498.50	2.13
TOTAL UNITED KINGDOM			26,406,933.11	15.57
SWEDEN				
LUNDIN PETROLEUM	SEK	211,081	4,013,248.89	2.37
TOTAL SWEDEN			4,013,248.89	2.37
SWITZERLAND				
GEBERIT NOM.	CHF	23,342	3,480,436.61	2.06

Name of securities	Currency	Quantity or nominal amount	Current value	% of net assets
S HINDLER HOLDING BP	CHF	10,806	973,866.38	0.57
TOTAL SWITZERLAND			4,454,302.99	2.63
TOTAL Equities and similar securities traded on a regulated or similar market			152,885,231.69	90.12
Equities and similar securities not traded on a regulated or similar market				
AUSTRALIA				
AUSTRALIAN CHINA CLAYS LTD	GBP	2,222,230	2,660.40	
TOTAL AUSTRALIA			2,660.40	
UNITED STATES OF AMERICA				
CELADON MINING LTD	GBP	5,475,000	2,212,154.32	1.31
MARULA MINES LTD	USD	546,000	273,389.05	0.16
TOTAL UNITED STATES OF AMERICA			2,485,543.37	1.47
TOTAL Equities and similar securities not traded on a regulated or similar market			2,488,203.77	1.47
TOTAL equities and similar securities			155,373,435.46	91.59
Forward financial instruments				
Futures				
Futures on regulated or similar markets				
EUR EUREX DAX I 0312	EUR	70	-172,062.50	-0.10
TOTAL futures on regulated markets			-172,062.50	-0.10
TOTAL futures			-172,062.50	-0.10
TOTAL Forward financial instruments			-172,062.50	-0.10
Margin calls				
C.A.Indo margin calls in euro	EUR	172,062.5	172,062.50	0.10
TOTAL Margin calls			172,062.50	0.10
Receivables			5,676,134.96	3.35
Payables			-3,094,028.88	-1.82
Financial accounts			11,667,816.11	6.88
Net assets			169,623,357.65	100.00

CARMIGNAC EURO-ENTREPRENEURS	EUR	1,040,500.758	163.02	
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