



CARMIGNAC

Global Bond

Management report at 31 March 2012


Ch. Zerah

Net assets	€575,334,605.35	Value of the A share	€1,048.19
		Value of the GBP share	£103.30

Carmignac Global Bond slipped 1.69%, while its performance indicator was down 3.41%. The last quarter was dominated by the rise in US government bond yields, whereas German yields remained relatively stable. These different trends can be explained in part by the publication of promising macroeconomic data in the US which drove investors to abandon government bonds in favour of equities. Despite being somewhat better than expected, European data remained a cause for concern, struggling to tempt investors to scale down their positions in German government bonds. On the foreign exchange market, the euro made excellent progress against the yen (+11%) and gained 3% against the dollar.

Against this backdrop, the Fund's relative outperformance over the quarter can be attributed to our underweighting of top-tier government bonds and our underexposure to the yen. As mentioned in our previous report, the Fund's modified duration fluctuated in line with our macroeconomic expectations. We considerably increased our corporate bond allocation during the period, raising its weighting to 33% of the portfolio.

Fixed income component

Over the quarter, the performance of developed countries' bond markets varied, with investors making a clear distinction between relatively positive macroeconomic data in the US and the rather mixed data from the European Union. Despite the liquidity injection carried out as part of the ECB's refinancing operations (LTRO), the German government bond yield curve remained stable, while the issues of peripheral countries benefited from improved liquidity conditions. For example, 10-year Italian government bond yields eased by more than 200 basis points. While fears of a credit squeeze have been alleviated owing to the ECB's responsiveness, investors continue to favour German bonds. Short-term economic uncertainties remain prevalent as a consequence of the austerity measures adopted by most European countries. Furthermore, doubts have deepened regarding the economic situation in Spain due to regional debt levels, a banking sector weakened by falling house prices and an austerity regime which is weighing heavily on public demand. **For these reasons, we are sticking with our investment policy of avoiding all exposure to sovereign debt within the eurozone, apart from Germany.**

The strength of the US economy continued to be a source of surprise during the quarter. This did not prompt the Federal Reserve to change tack; instead, it opted to maintain an accommodative monetary policy and leave the option of another round of quantitative easing on the table. However, notwithstanding the ever-present intervention of the monetary authorities, 5- and 10-year US Treasury bond yields gained 20 and 33 basis points respectively. We will maintain our modest exposure to these stocks, mainly concentrating on the 5- to 7-year segments which are benefiting from the accommodative monetary policy.

We will continue to be flexible in our management of the Fund's modified duration, as it needs to be adapted in line with developed countries' macroeconomic data. For example, modified duration was raised considerably at the end of the quarter as we were concerned about the economic situation in Spain. This outlook also supports our preference for the German yield curve over the US yield curve.

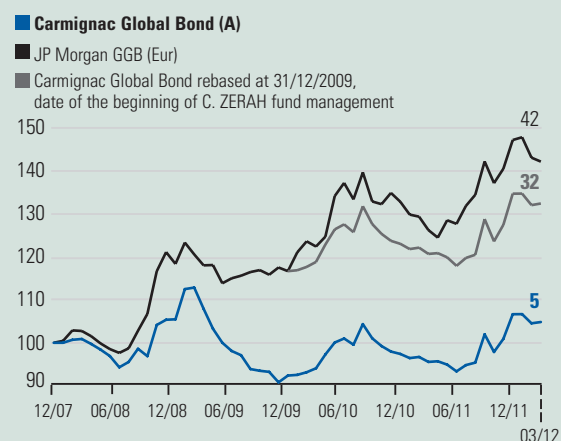
Currency component

This quarter, after six months of decline, the euro finally bucked the trend, posting 3% growth against the dollar and more than 11% against the yen. This can be explained by investors' renewed confidence in the European banking system thanks to liquidity injections from the ECB during its second long-term refinancing operation (LTRO). Meanwhile, the Bank of Japan surprised investors in February by announcing the increase of its asset-purchase programme from JPY 10 trillion to JPY 65 trillion. With the determination of the Japanese monetary authorities in mind, we cut our exposure to the yen in February. Foreign exchange traders also factored in the regional effects of a slowdown in Chinese economic activity and this weighed on some currencies, namely the Australian dollar which slipped 1.5% against the euro. We are still relatively confident in the ability of the Chinese economy to avoid a serious slowdown, yet we prefer to hedge the currency exposure of our Australian assets. The strength of northern economies on the other side of the Atlantic has led us to keep our positions on the Mexican peso and the Canadian dollar, as well as high exposure to the US dollar, which amounts to more than 40% of assets. An attractive valuation and our mistrust of eurozone economies only confirm our pro-dollar allocation. While we will remain underweight on the yen in relation to the performance indicator, we will continue to be flexible in our management of exposure to the Japanese currency.

Credit component

Owing to the various cash injections, the sharp easing of systemic risk in the European banking sector allowed risk premiums on corporate issuers to tighten considerably. Since the beginning of the quarter, we increased our holdings in both European and US corporate bonds in the energy and consumer sectors. However, we reduced our allocation to sectors linked to the Chinese slowdown, such as commodities. We will keep our allocation to the credit sector high, as it is benefiting from the abundant liquidity being injected by the main developed countries' central banks.

Performance of the Fund since launch



Please note that past performance is not a guide to future performance and that it may fluctuate over time.

Accumulated performance (%)	Since 30/12/2011	3 months	6 months	1 year	3 years	5 years	10 years	Since the first NAV
Carmignac Global Bond	-1.69	-1.69	2.81	9.71	-2.86	-	-	4.85
JP Morgan GGB (Eur) (Accrued interest)	-3.41	-3.41	-0.03	12.61	20.60	-	-	42.09
Category average*	-0.05	-0.05	3.34	10.28	25.26	-	-	36.47
Ranking (quartile)	3	3	2	3	4	-	-	4

*Global Bond

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Quarterly gross performance contribution (%)

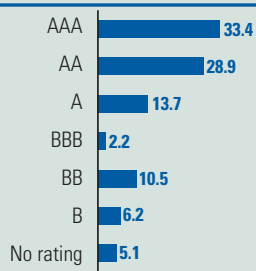
Portfolio	Bond Derivatives	Currency Derivatives	Total
	-0.54	0.84	-1.74
			-1.44

Statistics (%)	1 year	3 years
Fund volatility	11.16	9.02
Benchmark volatility	10.69	9.75
Sharpe ratio	0.80	-0.17
Beta	0.91	0.65
Alpha	-0.21	-0.45

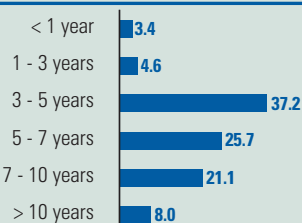
Modified duration of the bond portfolio (derivatives included)

Euro	3.82
United-States	2.20
Other	1.67

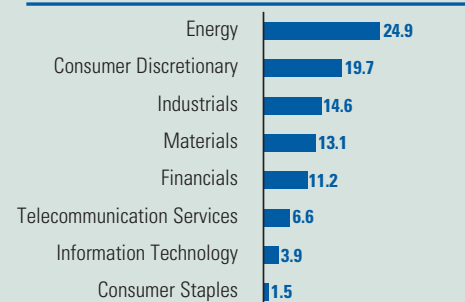
Rating breakdown (derivatives excluded) (%)



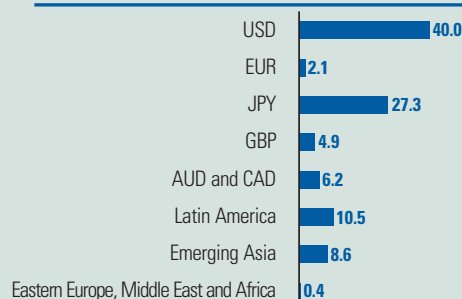
Maturity breakdown (derivatives excluded) (%)



Sector breakdown (derivatives excluded) - Corporate Bonds (%)



Net currency exposure of the fund (%)



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Portfolio Carmignac Global Bond at 31/03/2012

	Price in local currencies	Total value (€)	% of net assets
CASH, CASH EQUIVALENTS AND DERIVATIVES OPERATIONS		29 508 851.95	5.13
CASH (INCLUDING COLLATERAL CASH FROM DERIVATIVE POSITIONS)		29 508 851.95	5.13
FIXED INCOME INVESTMENTS		545 825 753.40	94.87
Developed countries fixed rate Government bonds		340 104 151.56	59.11
40 000 000 AUSTRALIE 4.25% 21/07/2017 Australian dollar	102.88	32 261 759.47	5.61
50 000 000 AUSTRALIE 5.75% 15/05/2021 Australian dollar	113.40	44 936 449.64	7.81
33 000 000 BUND 2.25% 04/09/2021 Euro	104.33	34 870 165.43	6.06
20 000 000 BUND 3.25% 04/07/2042 Euro	117.02	23 891 212.02	4.15
20 000 000 BUND 3.75% 04/01/2017 Euro	113.92	22 959 229.51	3.99
20 000 000 BUND 4.00% 04/07/2016 Euro	114.10	23 410 163.93	4.07
79 000 000 T-NOTE 1.50% 30/06/2016 Dollar	102.68	61 132 475.02	10.63
60 000 000 T-NOTE 2.375% 30/06/2018 Dollar	105.82	47 938 915.25	8.33
60 000 000 T-NOTE 2.75% 15/02/2019 Dollar	107.77	48 703 781.29	8.47
Emerging markets fixed rate Government bonds		72 553 161.08	12.61
120 000 000 MALAISIE 4.262% 15/09/2016 (Malaysia) Malaysian ringgit	104.04	30 654 945.42	5.33
361 300 000 MEXIQUE 6.50% 10/06/2021 (Mexico) Mexican peso	101.92	21 963 486.25	3.82
300 000 000 MEXIQUE 8.50% 18/11/2038 (Mexico) Mexican peso	111.02	19 934 729.41	3.46
Developed countries fixed rate corporate bonds		113 060 454.07	19.65
5 000 000 CHESAPEAKE 6.125% 15/01/2017 Energy	100.50	3 823 837.85	0.66
10 000 000 CHESAPEAKE 6.775% 15/11/2012 Energy	99.40	7 524 429.41	1.31
7 000 000 CHRYSLER 8.00% 15/06/2019 Consumer Discretionary	100.98	5 430 549.92	0.94
7 000 000 CHRYSLER 8.25% 15/06/2021 Consumer Discretionary	101.20	5 445 736.65	0.95
1 000 000 CITIGROUP 3.95% 10/10/2013 Financials	102.64	1 044 942.84	0.18
8 000 000 CITIGROUP 5.25% 15/03/2018 Financials	101.75	6 125 508.75	1.06
6 000 000 CONT AIRLINES 6.75% 15/09/2012 Industrials	100.31	4 532 293.31	0.79
5 000 000 CROWN AMERICA 6.25% 01/02/2021 Financials	108.00	4 093 425.91	0.71
3 000 000 FAT IND 5.25% 11/03/2015 Industrials	100.41	3 020 588.63	0.53
7 000 000 FIDELITY NAT 5.00% 15/03/2017 Information Technology	98.56	5 180 904.11	0.90
3 700 000 FMG RES 6.00% 01/04/2015 Materials	99.30	2 763 937.32	0.48
5 000 000 FMG RES 7.00% 01/11/2015 Materials	103.09	3 979 282.95	0.69
3 500 000 FORD 3.875% 15/01/2015 Consumer Discretionary	101.35	2 684 839.09	0.47
1 000 000 MERRILL 4.875% 30/05/2014 Financials	103.87	1 079 325.00	0.19
7 000 000 OGX 8.375% 01/04/2017 Energy	101.33	5 326 244.65	0.93
4 500 000 OI EUROPEAN 6.75% 15/09/2020 Materials	106.02	4 821 705.00	0.84
2 500 000 POST HOLD. 7.375% 15/02/2017 Consumer Staples	105.19	1 996 615.39	0.35
4 000 000 PUBLICIS 4.25% 31/03/2015 Consumer Discretionary	105.77	4 400 415.52	0.76
4 000 000 REXEL 8.25% 15/12/2016 Industrials	109.41	4 472 650.00	0.78
4 000 000 SCHAEFFLER 8.75% 25/02/2015 Industrials	106.08	4 292 134.17	0.75
14 000 000 SEADRILL 6.50% 05/10/2015 Energy	100.75	10 923 096.55	1.90
6 000 000 SEB 4.25% 03/06/2016 Consumer Discretionary	103.61	6 438 469.18	1.12
12 000 000 VIMPELCOM 7.504% 01/03/2022 Telecommunication Services	96.91	8 786 709.90	1.53
2 069 000 VIRGIN MEDIA 9.50% 15/08/2013 Consumer Discretionary	113.40	1 780 230.25	0.31
3 000 000 WENDEL 4.875% 21/09/2015 Industrials	100.54	3 092 581.72	0.54
Emerging markets fixed rate corporate bonds		9 799 543.43	1.70
2 000 000 AFREN PLC 10.25% 06/04/2016 (Nigeria) Energy	105.11	1 588 051.20	0.28
6 800 000 AFREN PLC 11.50% 01/02/2016 (Nigeria) Energy	108.72	5 647 861.46	0.98
100 000 000 VTB BANK 7.60% 15/03/2013 (Russia) Financials	100.28	2 563 630.77	0.45
Developed countries convertible bonds		4 296 940.00	0.75
6 000 000 GOLAR LNG CV 3.75% 07/03/2017 Energy	95.13	4 296 940.00	0.75
Emerging markets convertible bonds		6 011 503.26	1.04
7 000 000 AFRI. MIN. CV 8.5% 24/02/2015 (Sierra Leone) Materials	113.18	6 011 503.26	1.04
PORTFOLIO VALUE		545 825 753.40	94.87
NET ASSETS		575 334 605.35	100.00