

CARMIGNAC PORTFOLIO
Global Bond

SIMPLIFIED PROSPECTUS

This simplified prospectus contains only essential information relating to the sub-fund CARMIGNAC PORTFOLIO – Global Bond (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 – Global Bond 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 invests mainly in international bonds.

The Sub-fund's objective is to outperform the JP Morgan Global Government Bond Index over a recommended minimum investment period of 2 years.

The Sub-fund is constructed on the basis of a reactive management strategy which evolves according to market trends and is based on specific strategic asset allocation.

Within an international investment universe, the Sub-fund offers active management on the international fixed income, credit and currency markets. The Fund's performance shall depend on the performance of the markets in relation to each other.

In order to outperform the performance indicator, the management team establishes strategic positions and uses arbitrage on all international fixed income and currency markets, including a significant portion in the emerging countries.

Seven major sources of added value are used to seek outperformance:

- the overall sensitivity of the portfolio, with sensitivity defined as the change in portfolio capital (as %) for a change in interest rates of 100 basis points (as %). The sensitivity of the portfolio may fluctuate between -4 and +10.
- the allocation of sensitivity between the different bond markets;
- the allocation of sensitivity between the different segments of the yield curve;
- credit allocation on corporate bonds and emerging market debt;
- stock selection;
- currency allocation;
- trading.

The Sub-fund may invest in inflation-indexed bonds.

Up to 10% of the Sub-fund's assets may be exposed to equities either directly or via convertible bonds.

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).

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.

In order to achieve the performance objective, the Sub-fund may invest in financial instruments such as credit default swaps (CDS) and use call and put options on currencies.

Use of specific hedging transactions and derivative products

In order to achieve its investment objectives, the Sub-fund may invest in derivative products which are traded on regulated or over-the-counter markets and have credit, currencies, interest rates or inflation rates as their underlying instrument. It may in particular take part in the credit derivatives market by concluding, for example, credit default swaps in order to sell or purchase protection. By derivative products we mean swaps, credit default swaps, total return swaps, asset swaps, forward contracts and/or options. The Sub-fund may also

conclude hedging transactions via forward contracts and/or options from time to time. It is not, however, under any obligation to do so.

A credit default swap (CDS) is a bilateral financial contract whereby a counterparty (the protection buyer) pays a periodic fee in exchange for a payoff from the protection seller in the event that a credit event affecting the reference issuer should arise. The protection buyer acquires the right to either sell a particular bond or bonds of the reference issuer at par value or to receive the difference between the par value and the market price of said reference bond or bonds (or any other previously determined reference value or strike price) in the event that a credit event should arise. A credit event includes bankruptcy, insolvency, judicial settlement, significant debt restructuring or the inability to honour a payment obligation on the stipulated date. The International Swaps and Derivatives Association (ISDA) has established standardised documentation entitled the "ISDA Master Agreement" relating to such derivative contracts. The Sub-fund may use credit derivative products for the purpose of hedging the specific risk of certain issuers held in the portfolio by purchasing protection. Furthermore, if it is in the Sub-fund's own best interests, it may purchase protection via credit derivatives without holding the underlying assets. Provided that it is acting in its own best interests, the Sub-fund may also sell protection via credit derivatives in order to acquire specific credit exposure. The Sub-fund may only take part in OTC credit derivative transactions if the counterparty is a first-class financial institution specialised in this type of transaction and, if this is the case, provided that the transaction complies with the standards laid down by the ISDA Master Agreement.

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Risk profile

The risk profile of the Sub-fund is to be considered over an investment horizon of more than 2 years.

The Sub-fund is classed as risk category 3 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:

- *Interest rate risk:* Due to its composition, the Fund is subject to interest rate risk. Part of the portfolio may be invested in interest rate products. The value of the securities may decrease after a negative interest rate movement. In general, prices of debt securities increase when interest rates fall and decrease when interest rates rise.
- *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.
- *Credit risk:* Credit risk is the risk that the issuer may default. Should the quality of corporate bond issuers decline (for example if their rating with the financial rating

agencies is downgraded), the value of the corporate bonds may drop. The net asset value of the Fund may decrease. The Sub-fund may invest in bonds with a rating below investment grade. The average rating of the bonds held directly by the Fund or through investment in UCITS shall be at least investment grade (i.e. rated at least BBB-/Baa3 by the rating agencies Standard & Poor's and Moody's). Furthermore, a more specific credit risk linked to the use of credit derivatives, such as credit default swaps, exists.

The table below shows the situations in which the use of credit default swaps presents a risk:

Holding the underlying of the CDS	Aim of the Fund Manager's use of CDS	Existence of credit risk
Yes	Sell protection	Yes, in the event of the downgrading of the issuer of the underlying security
Yes	Purchase protection	No
No	Sell protection	Yes, in the event of the downgrading of the issuer of the underlying security
No	Purchase protection	Yes, in the event of the upgrading of the issuer of the underlying security

This credit risk is controlled by a qualitative analysis carried out by the team of credit analysts on the evaluation of companies' solvency.

- *Liquidity risk:* the Sub-fund is exposed to liquidity risk arising from the fact that the markets in which the Sub-fund is invested may occasionally be affected by a temporary lack of liquidity. These market distortions may have an impact on the pricing conditions under which the Sub-fund might be caused to liquidate, initiate or modify its positions.
- *Counterparty risk:* the Sub-fund is exposed to the risk of a counterparty defaulting on a payment.
- *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 10% of the Sub-fund's assets are exposed to equities, the net asset value of the Fund may decrease in the event of a downward movement on the equity markets up to the limit of its exposure.
- *Risks linked to derivatives:* The Sub-fund may include exchange-traded derivatives (including futures and options) and OTC derivatives (including options, futures products, interest rate swaps and credit derivatives) in its investment policy for the purpose of investment and/or hedging. These are volatile instruments generating certain specific risks and exposing investors to the risk of loss. Leverage is provided by the low initial margin deposits that are usually requested when taking a position in such instruments. As a result, a relatively small change in the price of a contract could give rise to significant gains or losses compared to the initial margin actually invested. This could lead to unlimited additional losses in excess of the margin deposited. Furthermore, when used for the purpose of hedging, these instruments and the investments or market sectors being hedged could prove uncorrelated. Transactions in over-the-counter derivatives, such as credit derivatives, may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.

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.

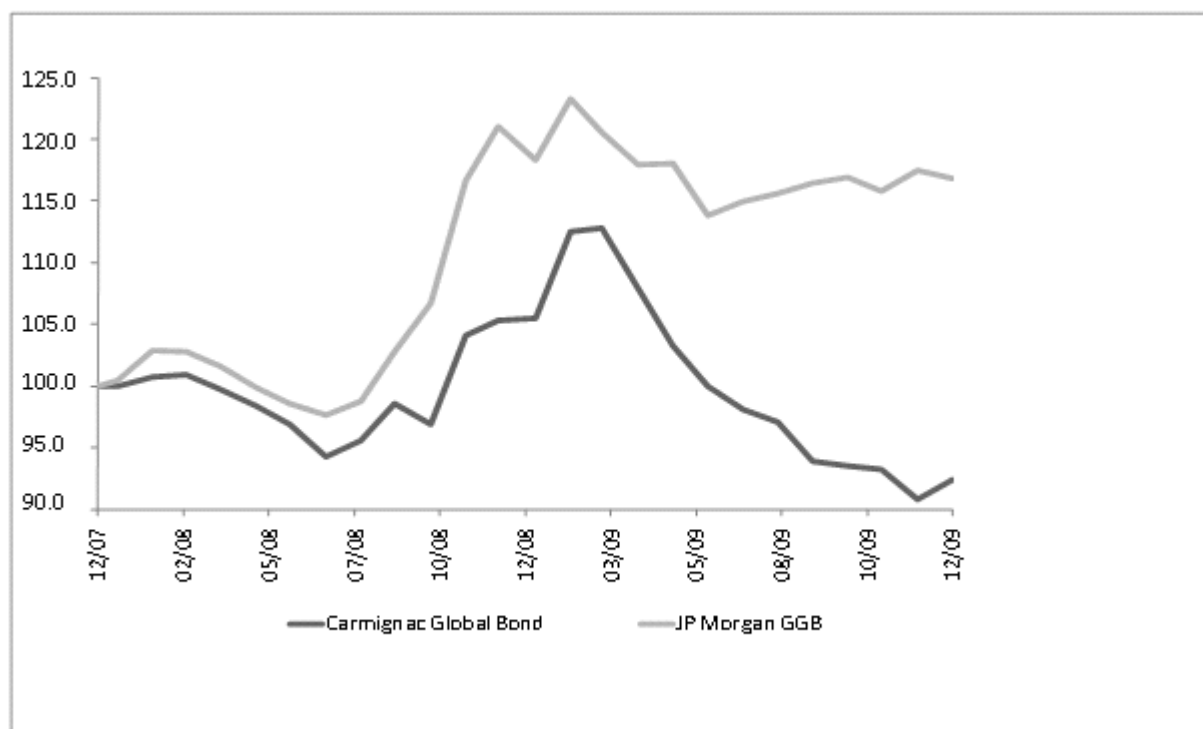
Shareholders have no guarantee that they will get back the capital invested. Shareholders must also be aware that investments in the emerging markets involve additional risks because of the political and economic situation in the emerging countries that may affect the value of the investments.

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 reactive asset management over a recommended investment period of 2 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	LU0336083497

(*) 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. 0.40% 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 European 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>0.54% 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 10% 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 10% 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 10% 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 JP Morgan Global Government Bond Index.</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 European 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 = 1.93%

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.

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 Email: 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