

# **CARMIGNAC EURO-ENTREPRENEURS**

## **Coordinated French mutual fund (FCP)**

### **Simplified prospectus**

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# CARMIGNAC EURO-ENTREPRENEURS SIMPLIFIED PROSPECTUS

## Coordinated French mutual fund (FCP)

### SECTION A - STATUTORY

#### OVERVIEW

- ISIN code: FR0010149112
- Name: CARMIGNAC EURO-ENTREPRENEURS
- Legal structure: French mutual fund (*fonds commun de placement* – FCP)
- Sub-funds/feeder fund: no
- Management company: CARMIGNAC GESTION
- Accounting delegated to: CACEIS Fastnet
- Intended lifetime: this Fund was initially created for a period of 99 years
- Custodian: CACEIS Bank
- Centralisation of subscription and redemption requests: CACEIS BANK
- Statutory auditors: Cabinet Patrice VIZZAVONA and KPMG AUDIT
- Promoter: CARMIGNAC GESTION

#### INFORMATION ON INVESTMENTS AND MANAGEMENT

##### ■ CLASSIFICATION

Equities of European Community countries

##### ■ 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. The market risk of the Fund is comparable to that of its performance indicator.

##### ■ INVESTMENT STRATEGY

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.

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.

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.

The manager reserves the right to invest up to 10% of the net assets in junk bonds on an ancillary basis.

For cash management purposes, up to 10% of the assets may also consist of units or shares of UCITS.

Carmignac Euro-Entrepreneurs may use deposits and cash borrowings to optimise the management of cash within the Fund.

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

For hedging purposes, the manager may use derivatives and, on a limited basis, securities with embedded derivatives traded on French and/or foreign regulated or OTC futures and options markets. The use of financial futures enables the manager to hedge the portfolio's exposure to the equity risk associated with an expected development on the financial markets. These transactions shall not exceed the total value of the Fund's assets at any time.

##### ■ 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.

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.

*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 capitalisation 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.

Emerging markets risk: 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.

Foreign exchange risk: to a limited extent, the Fund is exposed to foreign exchange risk through the purchase of securities denominated in currencies other than those of the European Economic Area and through investment in junk bonds.

##### ■ SUBSCRIBERS AND INVESTOR PROFILE

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.

##### ■ RECOMMENDED INVESTMENT PERIOD

Given the Fund's exposure to the equity market, the recommended investment period is more than 5 years.

The appropriate amount to invest in this fund depends on the personal situation of the investor. To determine this amount, the investor's personal wealth, his cash requirements both current and future, as well as his degree of risk aversion, must all be taken into account. Investors are also advised to sufficiently diversify their investments to avoid being exposed to the risks of this Fund only.

#### INFORMATION ON EXPENSES, FEES AND TAXATION

##### ■ SUBSCRIPTION AND REDEMPTION FEES

Subscription fees increase the subscription price paid by the investor, while redemption fees decrease the redemption price. The fees charged by the FCP serve to offset the costs incurred by the FCP to invest and disinvest investors' monies. Fees not paid to the FCP are attributed to the management company, the Fund promoter, etc.

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Expenses payable by the investor, deducted at the time of subscriptions and redemptions	Basis	Rate
Maximum subscription fee payable to third parties	net asset value X number of units	Maximum 4%
Subscription fee payable to the Fund	net asset value X number of units	None
Redemption fee payable to third parties	Net asset value X number of units	None
Redemption fee payable to the Fund	net asset value X number of units	None

### OPERATING AND MANAGEMENT FEES

These fees cover all the costs invoiced directly to the FCP, except transaction costs. Transaction costs include intermediary fees (brokerage, stock market taxes, etc.) as well as transaction fees, if any, that may be charged by the custodian and the management company in particular. The following fees may be charged in addition to the management and administration fees:

- performance fees. These reward the management company if the FCP exceeds its objectives; They are therefore charged to the FCP;
- transaction fees charged to the FCP;
- a portion of the income from temporary purchases or sales of securities.

For more details about the fees charged to the FCP, please refer to section B of the simplified prospectus.

Fees charged to the Fund	Basis	Rate
Management and administration fees, inclusive of tax (including all charges (other than transactions costs), performance fees and fees related to investments in UCITS or investment funds)	Net assets	Maximum 1.5% inclusive of tax
Performance fees	Net assets	Maximum 20% of the positive difference between the performance of the Fund and its performance indicator when it is established (1)
Transaction fees charged by the management company	Maximum deduction for each transaction	French stock exchange: 0.3% (inclusive of tax) on each transaction; this fee is 0.1% (inclusive of tax) for bond transactions Foreign stock exchange: 0.4% (inclusive of tax) on each transaction; this fee is 0.1% (inclusive of tax) for bond transactions

(1) Performance fees:

The performance fees are based on a comparison between the performance of the Fund and its performance indicator over the calendar year.

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

The Fund's performance is calculated according to changes in the net asset value. If over the calendar year the Fund's performance is lower than that of the DJ Stoxx 200 Small index, the variable part of the management fees shall be zero.

If during the year the Fund's performance since the beginning of the calendar year is positive and greater than that of the DJ Stoxx 200 Small index calculated over the same period, this outperformance shall be the basis for a provision for the variable management fees on calculation of the net asset value.

In the event that the Fund underperforms the DJ Stoxx 200 Small index between two net asset value calculation dates, any provision previously made shall be readjusted by a reduction in the provision. Such reductions in the provision are limited to the amount of previous contributions.

This variable part of the management fees shall only be received definitively at the close of each calendar year if the performance of the Fund has been positive and greater than that of its performance indicator, the DJ Stoxx 200 Small index, over the

year. It is deducted annually from the last net asset value of the month of December by the management company.

These fees (the fixed fees and any variable amounts) shall be charged directly to the Fund's income statement.

### TAX REGIME

Depending on your tax status, any capital gains and income resulting from the ownership of units of the UCITS may be subject to tax. For French investors, the FCP is eligible for the Equity Savings Plan (PEA): any capital gains and income are exempt from taxation provided the PEA has a minimum lifetime of 5 years. Switches within the PEA are not treated as sales. We advise you to obtain further information in this regard from the Fund promoter.

## COMMERCIAL INFORMATION

### SUBSCRIPTION AND REDEMPTION PROCEDURES

Subscription and redemption requests are centralised on each NAV calculation and publication day (D) before 18:00, and are executed on the next business day on the basis of the net asset value calculated using the closing price of D and published on D+1.

Subscription and redemption requests received by Carmignac Gestion before 18:00 are centralised by Carmignac Gestion and executed under the same conditions as above.

In some countries, the subscription of units may be carried out according to the specific procedures authorised by the regulatory authority of the country in question.

Subscriptions and redemptions resulting from a request transmitted after the cut-off time mentioned in the prospectus (late trading) are prohibited. Subscription and redemption requests received after 18:00 shall be treated as if they were received on the following NAV calculation and publication day.

### INSTITUTIONS RESPONSIBLE FOR ENSURING COMPLIANCE WITH THE CENTRALISATION CUT-OFF TIME INDICATED IN THE PARAGRAPH ABOVE

CACEIS Bank, 1-3 place Valhubert, 75013 Paris and CARMIGNAC GESTION, 24 place Vendôme, 75001 Paris.

Investors are reminded that requests transmitted to promoters other than the institutions indicated above must take into consideration the fact that the cut-off time for the centralisation of requests applies to said promoters vis-à-vis CACEIS Bank. Consequently, such promoters may apply their own cut-off time, which may be earlier than the cut-off time indicated above, in order to take into account the time required to transmit requests to CACEIS Bank.

### FINANCIAL YEAR-END

Date of the last net asset value of the month of December:

### ALLOCATION OF INCOME

Accumulation fund Dividends are recorded on an accruals basis.

### DATE AND FREQUENCY OF NET ASSET VALUE CALCULATION

Daily:

The calendar used to determine the days on which the net asset value is published is the legal calendar of public holidays within the meaning of article L.222-1 of the *Code de Travail*, the French Labour Code.

### PLACE AND METHODS OF PUBLICATION OR COMMUNICATION OF THE NET ASSET VALUE

Carmignac Gestion, Address: 24, place Vendôme, 75001 Paris. The net asset value is available 24 hours per day on the following number, +33 (0)1 42 61 62 00, and is displayed at the offices of Carmignac Gestion. It is published on the Carmignac Gestion website: [www.carmignac-gestion.com](http://www.carmignac-gestion.com)

### BASE CURRENCY OF THE UNITS OR SHARES

euro

### CREATION DATE

The Fund was approved on 18 August 1998 by the *Autorité des Marchés Financiers* (the French Financial Markets Authority), formerly the *Commission des Opérations de Bourse* (the French Stock Exchange Commission). It was launched on 1 October 1998 for a period of 99 years (ninety nine years).

### INITIAL NET ASSET VALUE

The initial net asset value is EUR 152.45.

## ADDITIONAL INFORMATION

### PUBLICATION OF INFORMATION ABOUT THE FUND

The latest annual and semi-annual reports shall be sent to unitholders within one week upon written request to:

CARMIGNAC GESTION

24, place Vendôme

75001 PARIS

Email: [carmignac@carmignac-gestion.com](mailto:carmignac@carmignac-gestion.com)

The full prospectus is available on the website [www.carmignac-gestion.com](http://www.carmignac-gestion.com)

Contact: Marketing and communications

Tel: +33 (0)1.42.86.53.35

Fax: +33 (0)1.42.86.52.10

Publication date of the prospectus: 01/03/2010

The AMF website ([www.amf-france.org](http://www.amf-france.org)) contains additional information on the list of regulatory documents and all the provisions relating to investor protection. This simplified prospectus must be made available to subscribers prior to subscription.

■ *PUBLICATION OF INFORMATION CONCERNING THE VOTING POLICY OF THE MANAGEMENT COMPANY AND ITS IMPLEMENTATION*

The "voting policy" document, the management company's report on the conditions under which it has exercised the voting rights of the UCITS that it manages and information concerning the vote on each resolution may be consulted at its registered office :

Carmignac Gestion, 24, place Vendôme, 75001 Paris. Email:

[carmignac@carmignac-gestion.com](mailto:carmignac@carmignac-gestion.com)

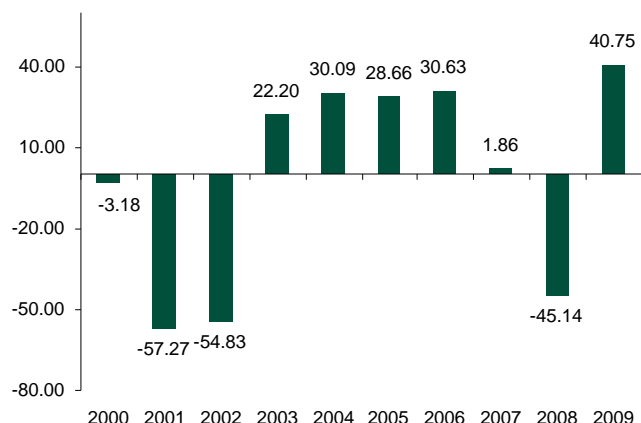
## SECTION B - STATISTICS

Fund performance at 31.12.2009 in EUR

C units:

FR0010149112

Annual performance as a %



Annualised performance in EUR	1 year	3 years	5 years
UCITS	40.75%	-7.67%	5.73%
Composite performance indicator: DJ STOXX 200 Small	49.13%	-11.36%	3.05%

The Fund's performance is calculated with net dividends reinvested. That of the performance indicator, however, does not take distributed income into account.

*Past performance is not an indication of future performance.  
Performance may vary over time.*

Performance calculations are provided in the Fund's nominal currency.

Comments: Converted on 1 January 2003

### Fees charged to and information concerning transactions of the Fund over the last financial year ended 31.12.2009

#### Fees charged to the Fund

<b>Management and administration fees</b>	<b>1.50%</b>
<b>Cost of investing in other UCITS or investment funds</b>	<b>n/a</b>
Costs arising from the purchase of UCITS and investment funds	n/a
Trailer fees negotiated by the management company of the investing UCITS	n/a
<b>Other fees charged to the Fund</b>	<b>1.33%</b>
Performance fees	n/a
Transaction fees	1.33%
<b>Total charged to the Fund</b>	<b>2.83%</b>

#### Information concerning transactions

Transaction costs in the equity portfolio represented 2.17% of the average net assets.

The turnover rate in the equity portfolio was 229.45% of the average net assets.

Transactions between the management company on behalf of the UCITS it manages and associated companies (market intermediaries) represented the following percentages of the total transactions in all asset classes for this financial year:

Asset class	Transactions
EQUITIES	None
BONDS	None

#### Management and administration fees

These fees include all fees directly charged to the Fund except transaction costs and performance fees, if any. Transaction costs include intermediary expenses (brokerage, stock market taxes, etc.) and transaction fees (see below). Management and administration fees in particular include fees for financial management, administration and accounting, and depository, custody and auditing fees.

#### Cost arising from the purchase of UCITS and/or investment funds

Certain UCITS invest in other UCITS or in foreign investment funds (target UCITS). Buying and holding a target UCITS (or an investment fund) causes the investing UCITS to bear two types of cost:

- subscription/redemption fees. However, the portion of these fees payable to the target UCITS is allocated to the transaction costs and so is not counted here.
- fees charged directly to the target UCITS, which constitute indirect costs for the investing UCITS.

In certain cases the investing UCITS can negotiate trailer fees, i.e. a rebate of some of these fees. These rebates serve to reduce the total fees that the investing UCITS actually pays.

#### Other fees charged to the Fund

Other fees may be charged to the Fund. Specifically:

- performance fees. These reward the management company if the Fund exceeds its objectives;
  - transaction fees. Transaction fees are fees charged to the Fund on each transaction carried out in the portfolio. Details of these fees are given in the full prospectus. They accrue to the management company under the terms laid out in Section A of the simplified prospectus.
- Investors should note that these other expenses are liable to fluctuate substantially from year to year and that the figures shown here are those recorded during the previous financial year.