

CARMIGNAC SECURITE

Coordinated French mutual fund (FCP)

Simplified prospectus

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CARMIGNAC SECURITE SIMPLIFIED PROSPECTUS

Coordinated French mutual fund (FCP)

SECTION A - STATUTORY

OVERVIEW

- ISIN code: FR0010149120
- Name: CARMIGNAC SECURITE
- 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

Bonds and other debt securities denominated in euro

■ INVESTMENT OBJECTIVE

The Fund's objective is to outperform its performance indicator, the Euro MTS 1-3 Year index, with reduced volatility.

■ PERFORMANCE INDICATOR

The Fund's performance indicator is the Euro MTS 1-3 Year index.

This index replicates the performance of the 1-3 year government bond market denominated in euro, dividends reinvested (Bloomberg code: EMTXAC index: Euro MTS 1-3 Y). It includes prices provided by more than 250 members of the market. These securities include bonds from Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Portugal and Spain as well as semi-government bonds.

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's investment strategy aims to outperform the performance indicator, the Euro MTS 1-3 Year index, which comprises government bonds:

- by exposing the portfolio to the fixed income markets through investments in bonds issued by issuers deemed "investment grade" by the rating agencies Standard and Poor's and Moody's and, where applicable, by investing up to 10% of its net assets in junk bonds; and
- by varying the overall sensitivity of the portfolio according to the manager's expectations.

The investment strategy is essentially based on the selection of fixed income products from the eurozone and, on an ancillary basis, the international markets (the emerging countries, in particular) that offer the best growth potential without restriction in terms of allocation by geographical zones, duration, credit ratings, business sectors or type of security.

The investment strategy is based largely on the manager's analysis of the yield spread between different maturities (yield curve), between different countries and between the different ratings of bonds offered by corporate and public issuers. Issuing countries shall be selected on the basis of macroeconomic analysis carried out on behalf of the manager. The choice of corporate bonds is made on the basis of financial and sectoral analysis carried out by the whole investment team. The choice in relation to maturities is made on the basis of the manager's expectations on inflation and the Central Banks' willingness to implement their monetary policies. The selection criteria for bonds is therefore based on the issuing company's fundamentals and the evaluation of quantitative factors such as the yield premium they offer compared to government bonds.

The products acquired by the Fund are denominated mainly in euro. The portfolio's level of sensitivity shall be between -3 and 4.

The portfolio is composed of fixed income securities, debt securities or money market instruments denominated in euro as well as variable rate bonds. The average rating of the bonds held directly by the Fund or through investments in UCITS shall be at least investment grade (i.e. rated at least BBB-/Baa3 by the rating agencies Standard and Poor's and Moody's). However, the manager may invest in bonds whose rating is below investment grade.

There are no restrictions in terms of duration, sensitivity or allocation between chosen corporate and public issues provided the overall sensitivity of the portfolio

does not exceed 4.

The manager may invest in futures and options traded on eurozone regulated or over-the-counter markets. In this context, the manager may take positions to reduce the sensitivity of the portfolio depending on his expectations in order to achieve the investment objective. The portfolio shall be hedged against interest rate risk through the purchase or sale of options and/or futures listed on regulated European markets; commitments in respect of such hedges may not exceed 100% of the value of the FCP's assets.

The manager may invest in complex derivatives for the purposes of hedging against or creating exposure to credit risk. The manager will use index credit derivatives (ITRAXX, etc.) as well as single and multiple-entity credit derivatives. These transactions shall not exceed 10% of the net assets.

For cash management purposes, the Fund may also invest a maximum of 10% of its assets in units or shares of UCITS on an ancillary basis.

Carmignac Sécurité may use deposits and cash borrowings to optimise the management of cash within the Fund.

The Fund may enter into securities repurchase agreements (*pension*) on a limited basis in order to optimise its income.

■ 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.

Interest rate risk: interest rate risk results in a decline in the net asset value in the event of a rise in interest rates. When the sensitivity of the portfolio is positive, a rise in interest rates may lead to a reduction in the value of the portfolio. When the sensitivity of the portfolio is negative, a fall in interest rates may lead to a reduction in the value of the portfolio.

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 or even the derivatives linked to the issuer of such bonds (Credit Default Swaps) may fall. The net asset value of the Fund may decrease. 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 junk bonds: a bond is considered a junk bond when its credit rating is below "investment grade". The manager reserves the right to invest up to 10% of the net assets in junk bonds on an ancillary basis. The value of junk 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.

To a limited extent, the FCP is exposed to foreign exchange risk and to the risks associated with investments in junk bonds.

■ SUBSCRIBERS AND INVESTOR PROFILE

All investors

Investors include institutions (including associations, pension funds, paid leave funds and all non-profit organisations), legal entities and natural persons. The Fund's investment policy meets the needs of certain company treasurers, institutions subject to tax and high net worth individuals.

■ RECOMMENDED INVESTMENT PERIOD

Due to the Fund's exposure on the eurozone fixed income markets, the recommended investment period is between 3 months and 2 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.

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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.

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 1%
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	None
Transaction fees charged by the management company	Maximum payable per 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

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. 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 precentralised by Carmignac Gestion and executed under the same conditions as above.

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:
Carmignac Sécurité Simplified Prospectus

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 at the following number, +33 (0)1 42 61 62 00, and is displayed at the offices of Carmignac Gestion. The net asset value will be published on the Carmignac Gestion website: www.carmignac-gestion.com

BASE CURRENCY OF THE UNITS OR SHARES

euro

CREATION DATE

The Fund was approved on 12 January 1989 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 26 January 1989 for a period of 99 years (ninety nine years).

INITIAL NET ASSET VALUE

The initial net asset value is EUR 762.25.

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
E-mail: carmignac@carmignac-gestion.com

The full prospectus is available on the website 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) 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

E-mail: carmignac@carmignac-gestion.com

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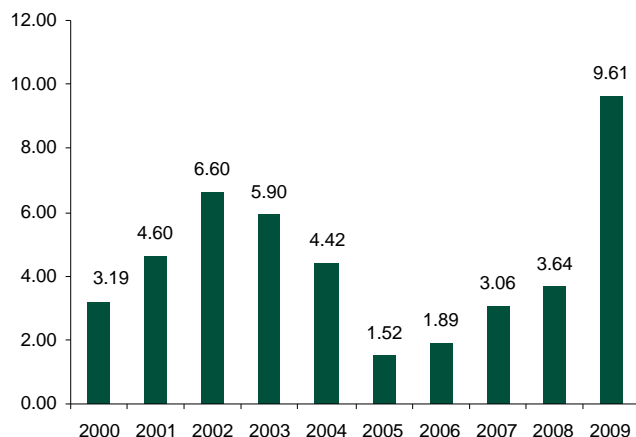
Paris

E-mail: carmignac@carmignac-gestion.com

SECTION B - STATISTICS

Fund performance at 31.12.2009 in EUR

Annual performance as a %



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

Comments:

C units:

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Annualised performance in EUR	1 year	3 years	5 years
UCITS	9.61%	5.38%	3.90%
Composite performance indicator: EURO MTS 1-3 years	4.46%	4.94%	3.72%

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.*

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

Fees charged to the Fund

Management and administration fees	1.00%
Cost of investing in other UCITS or investment funds	n/a
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
Other fees charged to the Fund	0.15%
Performance fees	n/a
Transaction fees	0.15%
Total charged to the Fund	1.15%

Information concerning transactions

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.