CARMIGNAC
RISK MANAGERS

CARMIGNAC GESTION

REPORT ON ANNUAL PROXY VOTING PROCESS

2016

Report issued on March 31, 2017

INTRODUCTION

This report is issued once a year within the four months following the financial year-end closing. It provides quantitative and key information on how voting rights were exercised over the past year.

It states the number of companies in which Carmignac Gestion exercised its voting rights compared with the total number of companies in which it held voting rights. It also describes, if relevant, cases in which Carmignac Gestion assessed it could not follow principles set out in the Carmignac Proxy Voting Policy. Finally, it details, if relevant, potential conflicts of interest that Carmignac Gestion had to consider and manage, when exercising voting rights attached to shares held in portfolios, the company manages.

This report may be consulted upon request at Carmignac Gestion registered office.

SYNTHESIS OF PROXY VOTING POLICY PRINCIPLES

From 2015, Carmignac took the decision to appoint an external service provider to support internal teams, in the voting process coordination. This appointed service provider is one of the world leaders on the market, ISS Governance. By appointing an external service provider, Carmignac expects to leverage on ISS Governance expertise regarding the analysis performed on submitted resolution during corporate meetings.

Moreover, Carmignac is conscious of economic, social and environmental concerns that issuers will face in the future. This is the reason why Carmignac decided to leverage on the principles set in the « sustainability » policy defined by ISS Governance.

Carmignac also exercises the voting rights attached to the securities held by the UCI it manages on behalf of unit holders and/or shareholders where there is a risk of companies changing their strategy, which may be evidenced by:

- a risk of a change in the majority shareholder;
- a risk of a merger / acquisition;
- a risk of a change in the management team;
- a risk of restructuring, etc.

It is also important to remind that one of Carmignac main objectives is to establish a sustainable relationship with company's government. As a consequence, Carmignac decides to focus on meetings, where the consolidated position of securities held by the UCI it manages on behalf of unit holders and/or shareholders can be assessed as "significant".

- *Carmignac does not provide a systematic definition of significant position, since several factors may be taken into account, such as the total position held at group level or in a single portfolio. Nevertheless, as an example, the following criteria may be used:*
    - *The asset manager holds, via the portfolios it manages, a position which is above a certain threshold based on the capital of the issuer;*
    - *The position of a fund in a financial instrument is above a threshold vis-à-vis the global exposure of such fund.*

In addition, Carmignac decides to take part to the vote, when the management team are convinced by the issuer further perspectives and, by way of consequence, the issuer is included in the strategic plan implemented by management team. That's why Carmignac can also participate in the vote, even if the consolidated position held by companies is not assessed as "significant".

QUANTITIVE & KEY INFORMATION ON THE 2016 PROXY VOTING PROCESS

In 2016, Carmignac Gestion effectively used its voting rights and participate in 89 meetings (please refer to the name of companies listed below) when Carmignac Gestion got the ability to participate in the vote of a total of 221 meetings.

Carmignac Gestion participated in meetings and exercised his voting rights in accordance with principles set in its current proxy voting policy.

Moreover, it is important to specify that, in participating to vote in accordance with his proxy voting policy, Carmignac Gestion did not identify any potential conflicts of interest.

LIST OF MEETINGS IN WHICH CARMIGNAC GESTION PARTICIPATED IN 2016

Tables below refer to the list of 89 meetings to which Carmignac Gestion participated in 2016 and to the detail of voted instructions:

ISS Meeting ID	Company Name	Meeting Date	Region	Number of Portfolios	Total number of voted instruction	Intruction different from ISS guidelines
1018365	United Spirits Limited	07/01/2016	Reste du monde	8	8	
1016070	Mylan NV	07/01/2016	Europe	5	5	
1020862	United Spirits Limited	22/01/2016	Reste du monde	8	8	
1029421	Unifin Financiera S.A.B. de C.V. SOFOM E.N.R.	09/03/2016	Reste du monde	1	15	
1031151	TF Administradora S. de R.L. de C.V. (TERRAFINA)	11/03/2016	Reste du monde	1	6	
1034040	Silicon Works Co. Ltd.	18/03/2016	Reste du monde	1	4	
1023861	Novo Nordisk A/S	18/03/2016	Europe	5	110	
1032418	Innocean Worldwide, Inc.	24/03/2016	Reste du monde	1	4	
1029082	AvivaSA Emeklilik ve Hayat A.S.	24/03/2016	Reste du monde	1	14	
1034463	Able C&C Co.	25/03/2016	Reste du monde	1	3	
1030452	Organizacion Terpel S.A.	29/03/2016	Reste du monde	1	12	
1029927	Hyundai Industrial Co. Ltd.	30/03/2016	Reste du monde	1	2	
1034407	Kangwon Land Inc.	30/03/2016	Reste du monde	3	15	
1028718	Vietnam Dairy Products JSC	31/03/2016	Reste du monde	1	2	
1031838	TF Administradora S. de R.L. de C.V. (TERRAFINA)	07/04/2016	Reste du monde	1	5	
1035955	Emlak Konut Gayrimenkul Yatirim Ortakligi A.S.	14/04/2016	Reste du monde	3	48	
1041179	Emaar Properties PJSC	18/04/2016	Reste du monde	3	30	
1048057	FIBRA Macquarie Mexico	20/04/2016	Reste du monde	3	21	
1038559	Liberty Global plc	20/04/2016	Europe	5	15	
1034406	Newmont Mining Corporation	20/04/2016	Reste du monde	5	55	5
1039807	ICICI Bank Limited	22/04/2016	Reste du monde	8	40	
1024207	Perrigo Company plc	26/04/2016	Europe	5	70	
1048151	Zhengzhou Yutong Bus Co., Ltd.	26/04/2016	Reste du monde	4	60	
1053109	Companhia Brasileira de Distribuicao Grupo Pao de Acucar	27/04/2016	Reste du monde	5	5	
1034724	London Stock Exchange Group plc	27/04/2016	Europe	5	147	
1052457	Grupo Financiero Santander Mexico S.A.B. de C.V.	28/04/2016	Reste du monde	8	112	
1044303	Dali Foods Group Company Ltd	28/04/2016	Reste du monde	3	45	
1027530	Shire plc	28/04/2016	Europe	5	137	3
1029075	Goldcorp Inc.	28/04/2016	Reste du monde	5	60	
1050069	Globaltrans Investment PLC	28/04/2016	Europe	1	18	
1040287	Occidental Petroleum Corporation	29/04/2016	Reste du monde	5	85	
999999	Bayer AG	29/04/2016	Europe	5	40	
1043275	Hess Corporation	04/05/2016	Reste du monde	5	75	
1028440	Franco-Nevada Corporation	04/05/2016	Reste du monde	5	55	
1042543	AIA Group Ltd.	06/05/2016	Reste du monde	9	90	
1040988	Anadarko Petroleum Corporation	10/05/2016	Reste du monde	5	75	
1045415	Intercontinental Exchange, Inc.	13/05/2016	Reste du monde	5	50	5
1048743	Amazon.com, Inc.	17/05/2016	Reste du monde	5	70	
1048558	Thermo Fisher Scientific Inc.	18/05/2016	Reste du monde	5	60	
1045532	Tencent Holdings Ltd.	18/05/2016	Reste du monde	6	54	
1050021	Level 3 Communications, Inc.	19/05/2016	Reste du monde	5	75	
1040766	HudBay Minerals Inc.	19/05/2016	Reste du monde	5	60	
1024033	Dassault Aviation	19/05/2016	France	5	60	5
1054891	Shire plc	27/05/2016	Europe	5	28	
1023675	Hermes International	31/05/2016	France	5	80	

ISS Meeting ID	Company Name	Meeting Date	Region	Number of Portfolios	Total number of voted instruction	Intruction different from ISS guidelines
1055673	Concho Resources Inc.	02/06/2016	Reste du monde	5	20	
1063598	Taiwan Semiconductor Manufacturing Co., Ltd.	07/06/2016	Reste du monde	3	9	
1055545	Check Point Software Technologies Ltd.	07/06/2016	Reste du monde	3	30	
1041277	Chicony Electronics Co., Ltd.	08/06/2016	Reste du monde	1	20	
1057676	ServiceNow, Inc.	08/06/2016	Reste du monde	5	25	
1057650	LinkedIn Corporation	09/06/2016	Reste du monde	5	28	
1059780	MercadoLibre, Inc.	10/06/2016	Reste du monde	8	40	
1043407	Oryx Petroleum Corporation Limited	15/06/2016	Reste du monde	3	24	
1060767	Celgene Corporation	15/06/2016	Reste du monde	5	70	20
1060612	T-Mobile US, Inc.	16/06/2016	Reste du monde	5	75	
1061411	Liberty Global plc	16/06/2016	Europe	5	40	
1043449	Primax Electronics Ltd.	20/06/2016	Reste du monde	1	6	
1030087	Tripod Technology Corporation	21/06/2016	Reste du monde	1	3	
1065806	Numericable Sfr	21/06/2016	France	5	135	
1062129	MasterCard Incorporated	28/06/2016	Reste du monde	5	70	
1066561	Altice NV	28/06/2016	Europe	5	200	
1066460	Cnova N.V.	29/06/2016	Europe	1	12	
1062580	CRITEO SA	29/06/2016	France	3	102	9
1070629	London Stock Exchange Group plc	04/07/2016	Europe	5	5	
1070628	London Stock Exchange Group plc	04/07/2016	Europe	5	10	
1060879	ICICI Bank Limited	11/07/2016	Reste du monde	3	33	
1074892	United Spirits Limited	14/07/2016	Reste du monde	8	40	
1074886	Intercept Pharmaceuticals, Inc.	19/07/2016	Reste du monde	5	60	
1074230	Industria de Diseno Textil (INDITEX)	19/07/2016	Europe	5	80	
1079903	Sa Sa International Holdings Ltd	30/08/2016	Reste du monde	1	10	
1084062	FPC Par Corretora de Seguros S.A.	01/09/2016	Reste du monde	1	3	
1080629	Altice NV	06/09/2016	Europe	5	100	
1086278	Unifin Financiera S.A.B. de C.V. SOFOM E.N.R.	14/09/2016	Reste du monde	1	2	
1084311	GMR Infrastructure Ltd	14/09/2016	Reste du monde	5	70	
1088332	Bureau Veritas	22/09/2016	France	2	24	
1088335	Bureau Veritas	22/09/2016	France	2	16	
1086294	Intercontinental Exchange, Inc.	12/10/2016	Reste du monde	5	5	
1086967	Alibaba Group Holding Limited	13/10/2016	Reste du monde	1	6	
1089608	Samsung Electronics Co. Ltd.	27/10/2016	Reste du monde	3	6	
1089858	Samsung Electronics Co. Ltd.	27/10/2016	Reste du monde	3	3	
1090404	Cnova N.V.	27/10/2016	Europe	1	13	
1093288	IRSA Inversiones y Representaciones S.A.	31/10/2016	Reste du monde	1	17	
1093287	Cresud S.A.C.I.F. y A.	31/10/2016	Reste du monde	1	17	
1089636	Potash Corporation of Saskatchewan Inc.	03/11/2016	Reste du monde	5	5	
1095382	Cnova N.V.	24/11/2016	Europe	1	8	
1101609	FPC Par Corretora de Seguros S.A.	01/12/2016	Reste du monde	1	2	
1101921	Organizacion Terpel S.A.	15/12/2016	Reste du monde	1	5	
1102556	Tata Motors Ltd.	22/12/2016	Reste du monde	3	6	
1103048	Taro Pharmaceutical Industries Ltd.	29/12/2016	Reste du monde	3	36	6
Total					*3524*	*53*

DETAILS OF INTRUCTIONS DIFFERENT FROM ISS GUIDELINES

Table below refers to the detail of Carmignac Gestion voting instructions that are different from ISS Guidelines. Those instructions are sorted by type of proposal.

Company Name	Intruction different from ISS guidelines	Rationale
Takeover Related		
Dassault Aviation	5	*Vote in acccordance with management recommandation*
Routine Business		
Celgene Corporation	5	*Vote in acccordance with management recommandation*
Strategic Operation		
CRITEO SA	9	*Vote in acccordance with management recommandation*
Compensation		
Newmont Mining Corporation	5	*Vote based on the inadequacy between performance and remuneration*
Shire plc	3	*Vote in acccordance with management recommandation*
Celgene Corporation	5	*Vote in acccordance with management recommandation*
Taro Pharmaceutical Industries Ltd.	6	*Vote instruction inadequatly proceeded due to timeframe from providers*
Shareholders Proposal		
Intercontinental Exchange, Inc.	5	*Vote in acccordance with management recommandation*
Celgene Corporation	10	*Vote in acccordance with management recommandation*
	53	

DETAILS OF INTRUCTIONS IDENTIFIED AS « E&S »

Table below refers to the detail of Carmignac Gestion voting instructions that have been identified as "E&S" (proposal that made in accordance with an "environmental" or "social" purpose). Those instructions are sorted by type of proposal.

Company Name	Intruction different from ISS guidelines	Rationale
Compensation		
AvivaSA Emeklilik ve Hayat A.S.	2	*Vote in line with ISS guidelines*
Emlak Konut Gayrimenkul Yatirim	3	*Vote in line with ISS guidelines*
London Stock Exchange Group plc	7	*Vote in line with ISS guidelines*
Liberty Global plc	5	*Vote in line with ISS guidelines*
Shareholder Proposal		
Occidental Petroleum Corporation	15	*Vote in line with ISS guidelines*
Hess Corporation	5	*Vote in line with ISS guidelines*
Anadarko Petroleum Corporation	5	*Vote in line with ISS guidelines*
Intercontinental Exchange, Inc.	5	*Vote in line with Management because the report was already published*
Amazon.com, Inc.	15	*Vote in line with ISS guidelines*
LinkedIn Corporation	7	*Vote in line with ISS guidelines*
	69	