LONGCHAMP
ASSET MANAGEMENT

LONGCHAMP KINZICA FUND

PROSPECTUS

FONDS PROFESSIONNEL SPECIALISE

LEGAL FORM OF THE AIF

The alternative investment fund "LONGCHAMP KINZICA FUND" (hereinafter the "AIF" or the "Fund") is a French fonds professionnel spécialisé (Specialised professional fund). It does not require the approval of the Autorité des Marchés Financiers (AMF) and is not subject to the rules that apply to approved alternative investment funds. Its investment and management rules are specified in its prospectus. Before investing in this Fund you should understand how it is managed and the particular risks that its investment strategy entails. You should in particular understand the following terms and conditions that govern the Fund's operation and management:

- **The Funds investment rules and limits;**
- **The terms that govern the subscription, acquisition and redemption of units in the Fund;**
- **The minimum net asset value below which the Fund will be dissolved.**

These terms and conditions are specified in the Fund's rules, under Articles 3, 3b and 11, as are the terms by which the Rules may be amended.

Only investors who are "eligible investors" as defined herein may subscribe units in the LONCGHAMP KINZICA FUND.

PROSPECTUS DATE: 30/06/2022

I. GENERAL CHARACTERISTICS

- **Name** — **LONGCHAMP KINZICA FUND**
- **Legal form and member state in which the fund was incorporated** — Fonds Commun de Placement (FCP) incorporated in France.
- **Date of establishment and expected duration** — The Fund was established on 17/07/2017 with a duration of 99 years

Summary of investment management proposal

Initial Net Asset Value per Unit ("INAV")	ISIN	Income Distribution	Fund currency	Eligible investors	Initial minimum subscription amount	Date and frequency of net asset value calculation ("Net Asset Value Date")
1,000 EUR	FR0013264090	Distribution	EURO	Limited to a maximum of 20 investors.	500,000 EUR (*)	Weekly

(*) The amount does not apply to Longchamp Asset Management, its employees, funds and accounts under management.

The NAV or Net Asset Value means the net asset value of the Fund, as calculated and established in accordance with the valuation rules of this prospectus, and published by the Management Company. The Fund is registered with Euroclear France.

Where to obtain the most recent annual and interim reports, the latest net asset value and information about past performances

The most recent annual and periodic reports will be sent within one week to Fund's unit-holders who request these documents in writing to:

Longchamp Asset Management
30 rue de Galilée
75116 Paris, France
+33.171.704.030 / ir@longchamp-am.com

Requests for more information or explanations may be made via the website at www.longchamp-am.com.

The AMF's website at www.amf-france.org provides additional information on regulatory documents and the protection of investors.
This Prospectus must be made available to investors prior to subscription.
Information required by Article 421-34 paragraphs IV and V of the AMF General Regulation are communicated in the annual report.

II. SERVICE PROVIDERS

Management Company

Longchamp Asset Management
A Société par Actions Simplifiée Authorised by the AMF
Registered Office and Postal Address: 30 rue Galilée - 75116 Paris - France

Custodian/Depositary

Société Générale, A credit institution founded on 8 May 1864 by special decree of Napoleon III and certified by the Autorité de Contrôle Prudentiel et de Résolution.
Registered office: 29, bld Haussmann – 75009 Paris - France
Depositary function's Postal address: 75886 Paris cedex 18 – France

Registrar and Transfer Agent

Société Générale
Registered office: 29, bld Haussmann – 75009 Paris - France
Postal address: 32, rue du Champs de Tir, 44000 Nantes – France

Auditor

PricewaterhouseCoopers Audit *Limited Liability Company ("Société Anonyme").*
Registered office: Crystal Park - 63 rue de Villiers – 92200 Neuilly sur Seine - France

Entity responsible for ensuring that prospective investors and purchasers of units in the fund meet eligibility criteria and have received the required information

Longchamp Asset Management
30 rue Galilée
75116 Paris, France
+33.171.704.030 / ir@longchamp-am.com

Delegated Functions

Longchamp Asset Management will delegate the Fund's administrative and accounting management to:

Société Générale
Head office : 29 bld Haussmann – 75009 Paris - France
Postal address : 75886 Paris Cedex 18 - France

The services that Société Générale provide to Longchamp Asset Management consist in helping it with the administrative and accounting management of the Fund, and in particular in calculating Net Asset Values and preparing annual reports and statistics for Banque de France.

Investors should note that the administrator by delegation of the AIF is an entity of the Société Générale group.

III. FUND OPERATION AND MANAGEMENT

III-1 General Characteristics

Unit Characteristics

ISIN Code:

FR0013264090

UNIT CHARACTERISTICS

Each unit-holder has a co-ownership right to the Fund's net assets proportional to the number of units held. The units do not bear any voting rights as all decisions are made by the Management Company.
Units are held in bearer form.
The units may be divided into thousandths of units.
Subscriptions are made in amount or a number of units. Redemptions are made in a number of units.

CLOSING DATE

The balance sheet date is the last Business Day of September each year.
The first fiscal year ends on December 31, 2018.

TAXATION

Depending on investor's tax regime, capital gains and income resulting from the ownership of shares in the Fund may be subject to tax.

The Fund as such is not subject to corporate tax and fiscal transparency is applicable to the bearer of the share. Income and capital gains associated with holding units of the Fund may be subject to tax depending on the tax regime applicable to each investor.

In the event of doubt, investors are advised to seek the advice of a professional tax advisor.

III-2 Specific Characteristics

Capital Guarantee

None

Investment Objective

The Investment Objective of the Fund is to generate through a flexible approach a potential variable annual income to be distributed in form of a coupon.

To achieve its objective, the fund will tend to invest 50% of its AUM in long dated Italian Government Bonds (BTPs) and will swap the BTP performance against a variety of profiles including strategies based on Equities, Rates, FX, Credit, Funds.

The swaps might be entered with primary financial institutions in open architecture.

The swaps may provide exposure to various underlying, in form of:
- linear exposure (delta 1)
- structured payoffs (synthetic structured product)

The fund may use the BTP holdings as collateral.
In its initial allocation, the Fund will invest approximately 100% of its assets in a Long Dated Italian Government Bond and will enter into a swap with a Bank to take exposure to a "Put Writing Strategy".

The remaining 50% will tend to be invested in a portfolio of Structured Products issued by major Investment Banks and Strategies aimed at protecting assets in case of sharp market corrections.

The returns will be distributed at least once a year to investors.

The allocation will vary over time in function of the opportunity set identified by the Management Team.

Prospective investors should note that there is no guarantee they will recover the capital they would invest in the Fund nor that they will receive any coupon from the structure.

Benchmark Index

Given the Fund's investment strategy it has no relevant benchmark index. Investors may however compare the Fund's performance to €STR +8,5 bps.

The "€STR" (Euro Short-Term Rate) index is the weighted average of overnight unsecured fixed rate deposit transactions over € 1 million in the euro zone. It is calculated by the European Central Bank from data on actual transactions provided by a sample of the largest banks in the euro zone and published on the website www.ecb.europa.eu. The European Central Bank, as administrator of the €STR index benefits from the exemption of Article 2.2 a) of the Benchmark Regulation and as such does not have to be listed in the register of administrators and benchmarks maintained by ESMA.

In accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of June 8, 2016, the Management Company has a procedure for monitoring the benchmark indices used describing the measures to be implemented in the event of substantial changes to an index or the discontinuation of the supply of that index.

Investment_Strategy

1. Strategy employed

The investment strategy will divide its investments in three main blocks :

I. 50% in a BTP with an embedded Financial Derivative instrument

II. 37.5% in a portfolio of Structured Products linked to equity markets aimed at generating enhanced coupons

III. 12.5% in strategies aimed at providing a hedge in case of sharp market corrections

Weights are indicative and may vary in function of the relative performance of each block.

First Block : BTP with an embedded Financial Derivative Instrument

The Investment Strategy is to hold an Italian government bond issue (the "**BTP**"), for a notional amount per unit equal to approximately 100% of the INAV (the "**BTP Notional Amount**"), and to enter, with a counterparty (the "**Counterparty**") into a financial derivative instrument as described hereafter (the "**OTC Derivative**").

Description of the BTP:

The management team may select the BTPs with flexibility. However as of now, the management team is considering the BTP issued by the Republic of Italy with ISIN Code: IT0005138828 and maturity date 15 September 2032.

In case of a Bond Event (as defined below), the Management Company will liquidate the Fund's assets, including the OTC Derivative, and the Fund will be terminated. Such termination could also be done by way of physical delivery. The Net Asset Value of the Fund will depend on the net proceeds of such liquidation. The Net Asset Value of the Fund may be equal to zero.

A "**Bond Event**" means any event which would affect the Bond as originally defined and scheduled in the BTP documentation at the time of purchase of the BTP held by the Fund and affecting effectively or potentially the interests or payment of the Fund as bond holder.

The Fund may keep liquidity on an ancillary basis that will be invested in money market instruments or deposits.

The Fund may enter into temporary purchases and/or sales of securities for up to 100% of the Fund's net assets with the Counterparty of the OTC Derivative.

Description of the OTC Derivative:

The OTC Derivative contains among others a specific optional early termination clause (The "**Early Termination Right**") which threshold is predetermined with each OTC counterparty whereby :

- the Counterparty has the right but not the obligation to early terminate the OTC Derivative at its mark-to-market value in case the sum, expressed as a percentage of the OTC Derivative notional, of:

  (i) the OTC Derivative mark-to-market ; and
  (ii) the value of the BTP for a notional equal to the OTC Derivative notional,

  both (i) and (ii) as determined in good faith by the Counterparty becomes lower than the predefined threshold (the "**Early Termination Right Threshold**")

- the NAV of the Fund becomes lower than the predefined threshold of the INAV (the "Early Termination Trigger"), and under which the unit-holders may therefore receive less than the level defined of its invested capital.

In the cases above, the Fund will invest its assets in short term money market instruments and decide to either, (i) early terminate and pay an amount per unit equal to the then NAV or, (ii) implement a new investment objective.

The Fund unit value, expressed as a percentage of the INAV, once the Early Termination Right has been exercised by the Counterparty might be lower than the Early Termination Right Threshold.

Through the OTC Derivative, and subject to no Bond Event or Optional Early Termination, the Fund will:

(i) at implementation date, receive from the Counterparty an initial amount equal to the difference between the BTP market price (on such date) and the BTP Notional Amount (''pool to par'');

(ii) on an ongoing basis, pay to the Counterparty fixed amounts, on the basis of the BTP Notional Amount and the coupons levels of the BTP, as such levels are set out under the initial terms and conditions set in the BTP documentation at the time of purchase;

(iii) receive from the Counterparty Indexed Amounts during the life of the Fund;

(iv) pay to the Counterparty at the Target Maturity Date the difference between the Redemption Amount of the BTP and the BTP Notional Amount (the inflation call) and pay or receive from the counterparty an Indexed Amount that may either be positive or negative.

Second block : Portfolio of Structured Products

The second block will consist in investing in a diversified portfolio of Structured Products issued by major Investment Banks. The products will be designed in order to generate enhanced coupons.

Initially those products will be invested in so called Phoenix with Memory. Instruments that will generate relatively high coupons as long as the underlying stays above a certain predefined barrier level. Capital will also be protected as long as the underlying is above a defined barrier level. Products might be called before maturity is the underlying at certain predefined dates will be above its Initial Level. Thanks to the memory effect, a missed coupon will be recouped at a later date if the underlying returns above the barrier level.

Over time, the Investment Manager may decide to sell some Issues and replace them with new Structured Products.

Third Block : Tail Hedge Strategies

The third block is aimed at providing diversification to the overall portfolio. As sharp market corrections may affect the flows of programmed coupons or suffer in terms of valuation, a portion of the assets will be allocated to strategies of tail hedge. Tail hedge strategies will tend to perform positively in case of sharp correction and provide resistance to the overall portfolio.

Initially, that portion will be allocated to two funds managed by Longchamp: the Longchamp Galileo Equity Income Fund and the Longchamp Magellan Balanced Fund. Those funds have been designed to outperform in sharp market corrections.

2. Balance sheet assets (excluding embedded derivatives)

The Fund will be invested in the following assets:

- Bonds or notes including, but not limited to, BTP issued by the Republic of Italy with ISIN Code IT0005138828;
- Any type of money market instruments including collective investment schemes, investing in money market instruments up to 10% of the Fund's balance sheet assets.

3. Off-balance sheet assets (derivatives)

In order to achieve its investment objective, the Fund may enter into any type of listed or non listed over-the-counter derivative instruments, including, but not limited to unfunded swaps linked to interest rate and/or credit for hedging or exposure purposes.

These OTC Derivatives may be traded with a Bank without first seeking competitive bids from two or more counterparties. When there is no first seeking competitive bid from two or more counterparties the Management Company requires that Bank commits to taking all reasonable steps to obtain, when executing orders, the best possible result for the Fund in accordance with Article L.533-18 of the French monetary and financial code.

The Counterparty of the aforementioned derivatives shall have no discretion regarding the composition of the Fund's investment portfolio, nor regarding the underlying assets of the derivatives.

The Fund will enter into collateral agreements with the Counterparty whereby the mark-to-market of the OTC Derivative (in favour of the Counterparty or the Fund) is collateralized by the transfer of the corresponding amount of BTP or bonds and bills issued or guaranteed by (i) the Republic of Italy and / or (ii) by Eligible Countries ('Pays Eligibles' as defined in the collateral agreements).

The BTP purchased by the Fund, to the exclusion of the amounts posted under the collateral agreement with the Counterparty of the OTC Derivative Transaction, shall not be subject to any pledge nor security interest of any kind in favor of a third party other than the Counterparty of the OTC Derivative Transaction.

In no circumstances, the BTP purchased by the Fund shall be subject to any pledge or security interest of any kind in favour of third party other than the Counterparty.

However, the collateral posted by the Fund related to collateral agreements can be re-used by the Counterparty. The collateral posted by the Counterparty related to collateral agreements cannot be re-used by the Fund.

4. Securities with embedded derivatives

The Fund may invest up to 100% of its assets in one or more securities with embedded derivatives.

5. Bank deposits

To optimize its cash management, the Fund may deposit up to 100% of its net assets with credit institutions belonging to the same group as the depositary.

6. Cash borrowing

The Fund may borrow up to 10% of its net assets.

7. Temporary purchases and sales securities

The Management Company may enter into temporary purchases and/or sales of securities up to 100% of the Fund's assets such as:

- Repurchase agreements,
- Security lending agreements.

By concluding this kind of agreements, the Fund may receive securities as collateral. Such collateral will be composed of bonds and bills issued or guaranteed by (i) the Republic of Italy or (ii) by any member state of the Eurozone whose long-term debt rating is at least equal to or above the minimum between (x) AA (S&P) or Aa2 (Moody's) and (y) the rating of the Republic of Italy.

8. Leverage

The leverage effect is determined by the Alternative Investment Fund Directive ("AIFMD") as being any method by which the Management Company increases the exposure of a Fund whether through borrowing of cash or securities, derivative transactions (such as total return swaps), leverage embedded in derivative positions or by any other means. The leverage creates risks for the Fund.

Leverage of an AIF shall be calculated as the ratio between the exposure of an AIF and its net asset value. The AIFMD prescribes two required methods to calculate the exposure of an AIF: the "gross method" and the "commitment method" (both set out in detail in AIFMD Level 2).

The leverage will be controlled on a frequent basis and shall not exceed a specific threshold under each methodology, as further described below.

The level of leverage of the Fund is limited as follows:

- The gross exposure (calculated in compliance with the gross method defined by the AIFMD) may not exceed 500% of the net asset value of the Fund, and
- The net exposure (calculated in compliance with the commitment method defined by the AIFMD) may not exceed 300% of the net asset value of the Fund.

The gross method and the commitment method are defined in detail in AIFMD.

Liquidity Management

With respect to liquidity management, the AIFM shall:

- employ for each Fund an appropriate liquidity management system and adopt procedures which enable to monitor the liquidity risk of the Fund and to ensure that the liquidity profile of the investments of the Fund comply with their underlying obligations;
- regularly conduct stress tests, under normal and exceptional liquidity conditions, which enable to assess and monitor the liquidity risk of the Fund
- ensure that, for each Fund, the investment strategy, liquidity profile and redemption policy are all consistent.

RISK PROFILE

WARNING

The Fund is a specialized investment fund (a French unregulated AIF). It does not require the approval of the l'Autorité des marchés financiers and is not subject to the rules that apply to approved alternative investment funds. Its investment and management rules are specified in this prospectus. Before investing in this Fund you should understand how it is managed and the particular risks that its investment strategy entails. You should in particular understand the following terms and conditions that govern the Fund's operation and management:

- The Fund's investment rules and limits
- The terms that govern the subscription, acquisition and redemption of units in the Fund
- The minimum net asset value below which the Fund will be dissolved.

These terms and conditions are specified in the Fund's Rules, under Articles 3, 3b and 11, as are the terms by which the Rules may be amended.

Only investors who are "eligible investors" as defined below will be allowed to purchase units in the Fund.

WARNING REGARDING THE SPECIFIC RISKS TO WHICH THIS FUND IS EXPOSED

An investment in the Fund includes a high degree of risk. An investment in the Fund and the Fund's investments in financial instruments comprise a substantial number of additional risks. There can be no assurance that the Fund will be able to achieve its investment objective or that it will be able to return the investor's capital, and investment returns may vary significantly on a weekly, monthly, quarterly or yearly basis.

The following information does not purport to be an exhaustive description of all of the potential risks to which an investment in the Fund may be exposed.

Capital at Risk

The price of Units can go up as well as down and investors may not realize their initial investment.

The investments and the positions held by the Fund are subject to inter alia; (i) market fluctuations, (ii) reliability of counterparts and (iii) operational efficiency in the actual implementation of the investment policy adopted by the Fund in order to realize such investments or take such positions. Consequently, the investments of the Fund are subject to, inter alia, market risks, credit exposure risks and operational risks. At any time, the occurrence of any such risks is likely to generate a significant depreciation in the value of the Units. Due to the risks embedded in the investment objective adopted by Fund, the value of the Units may decrease substantially and even fall to zero, at any time.

Risk that the Fund's Investment Objective is only partially achieved

No assurance can be given that the Fund will achieve its Investment Objective. There can be no assurance that the Management Company will be able to allocate the Fund's assets in a manner that is profitable to the Fund. In addition, there is no assurance that the investment and asset allocation strategy as presented in the Investment Objective and Investment Policy can lead to a positive performance in the value of the Units. The Fund could suffer losses at a time where concomitantly some financial markets experience appreciation in value.

Equity Risk

The price of an equity security can increase or decrease in accordance with changes in the risks to which the issuing Company is exposed or in the economic conditions of the market in which the equity is traded. Equity markets are more volatile than fixed income markets, for which income can be estimated with reasonable accuracy when macroeconomic conditions are stable.

Interest Rate Risk

Interest rate risk refers to fluctuations in the value of a fixed-income security resulting from changes in the general level of interest rates. When the general level of interest rates goes up, the prices of most fixed-income securities go down. When the general level of interest rates goes down, the prices of most fixed-income securities go up. Interest rate risk is generally greater for investments with long durations or maturities.

Credit Risk

Being exposed to bonds and other fixed income securities, the Fund is subject to the risk that some issuers may not make timely payments of interest and/or principal on such securities, which will adversely affect its value. Furthermore, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security and in the value of the Fund. A change in the quality rating of a bond or other security can also affect the security's liquidity and make it more difficult to sell.

Risk of the Fund going to Cash

In some case the exposure of the Fund to the Underlying could be reduce to zero. In such case, the Fund will cease to be exposed to the Underlying and its performance might not be above the level of the €STR +8,5 bps.

Bond Re-pack Risk

The specific nature of the combination of the leveraged purchase of BTP bonds by the Fund and the OTC Derivative described above entails the following combined risk.

In the event of a default under the purchased BTP bond, the OTC Derivative will be subject to

(A) firstly, the swap Counterparty priority, in connection with the swap obligation imply to use the proceeds for satisfying : (i) the payment of any amount linked to the Guaranteed Obligation in connection with the swap Transaction ; (ii) secondly, the payment of any claims (if any) of the swap Counterparty under each OTC Derivatives relating to the Fund, and (iii) then thirdly the payment of Unit-holders ; and a

(B) termination event**.**

By construction of this combined transaction, in such an event of BTP bond default, the Fund will therefore be exposed to the following risks:

-Risk of loss on the defaulted BTP bond (the amount of recovery under the BTP bond may be in an amount comprised between zero and 100%),

-Risk of loss on the unwinding of the OTC Derivative; if the OTC mark-to-market is in favor of the OTC Derivative counterparty, the Fund will have to pay such mark-to-market amount, to the extent however, that such amount does not exceed the amount of recovery received under the defaulted BTP bond. Unit-holders may therefore lose all their invested capital.

Concentration Risk

The Fund will take a leveraged exposure to the BTP. The Fund will therefore not only be fully exposed to the credit risk linked to the Republic of Italy, but the leverage feature will also amplify the valuation movements of the Fund.

Reinvestment Risks

It is possible that a Fund will not be able to reinvest its net income or the capital generated by the realization of assets in other assets with a similar level of risk-return.

Risk of using of Leverage

The Fund use leverage in its investment strategy.

Leverage generates specific risks. It indeed amplifies both upside and downside movements of the underlying, hence increasing the Fund volatility. A high level of leverage implies that a moderate loss on one or more underlyings could lead to large capital losses for the Fund.

Finally, leverage leads to a proportional increase of Fund investment costs (especially replication and transaction costs).

In extreme conditions, the Fund’s assets might not be sufficient to pay the principal of, and interest on, the Fund's debt when due. In those circumstances, the Fund might lose its entire value.

Financial Derivative Intruments Risk

In order to reach its investment, the Fund may use Financial Derivatives Instruments (FDI), such as over-the-counter swaps. Transactions in FDI may carry a high degree of risk.

A relatively small movement of market prices may then result in a potentially substantial impact, which can prove beneficial or detrimental to the Fund.

FDI are highly volatile instruments and their market values may be subject to wide fluctuations.

When the Fund uses FDI, whether in order to get exposure to markets or to hedge risks, there is no guaranty that those FDI will allow the Fund to achieve its investment objective. If the derivatives do not work as anticipated, the Fund could suffer greater losses than if the Fund had not used the derivatives.

Instruments traded in over-the-counter markets may trade in smaller volumes and their prices may be more volatile than those of instruments traded in regulated markets. When the Fund performs over-the-counter trades, it may be exposed to a counterparty risk, as further described in the “Counterparty risk” part.

Counterparty Risk

The Fund is predominantly exposed to a counterparty risk resulting from the use of over-the-counter FDI or efficient portfolio management techniques. The Fund may be exposed to the risk of bankruptcy, settlement default or any other type of default of the counterparty related to any trading transaction or agreement entered into by the Fund. In case of default of the counterparty, the relevant trading transaction or agreement can be early terminated. The Fund will then endeavor its best efforts to reach its investment objective by entering into, if necessary, another trading transaction or agreement with another counterparty, in the market conditions which will prevail during the occurrence of such event. The realization of this risk can in particular have impacts on the capacity of the Fund to reach its investment objective.

Securities Lending

In relation to securities lending transactions, investors must notably be aware that (A) if the borrower of securities lent by a Fund fail to return these, there is a risk that the collateral received may be realized less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) in case of reinvestment of cash collateral such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures inconsistent with the objectives of the Fund, or (iii) yield a sum less than the amount of collateral to be returned; and that (C) delays in the return of securities on loans may restrict the ability of a Fund to meet delivery obligations under security sales.

Risk linked to the use of Repurchase Agreements

Repurchase agreements create the risk that the Fund will be obliged to repurchase the securities under the agreement where the market value of such securities sold by the Fund may decline below the agreed repurchase price. In the event that the buyer of securities under a repurchase agreement files for bankruptcy or proves insolvent, the Fund's use of proceeds from the agreement may be restricted pending the determination by the other party or its trustee or receiver whether to enforce the obligation to repurchase the securities.

Risk linked to the use of Reverse Repurchase Agreements

If the counterparty of a reverse repurchase agreement from which securities have been acquired fails to honor its commitment to repurchase the security in accordance with the terms of the agreement, the relevant Fund may incur a loss to the extent that the proceeds realized on the sale of the securities are less than the repurchase price. The relevant Fund may experience both delays in liquidating the underlying securities and losses during the period while it seeks to enforce its rights to the underlying securities, whether because of inaccurate pricing of the securities, adverse market movements, a deterioration in the credit rating of issuers of the securities, or the illiquidity of the market in which the securities are traded, including reduced income during the period of enforcement and expenses in enforcing its rights.

Liquidity risk

This risk relates to the difficulties that may occur of finding counterparties to buy or sell financial instruments at a reasonable price. In this case, the deterioration of prices due to lower liquidity could lead to a decrease of the Fund's net asset value. Some trades might be entered with a counterparty which may be the only one to provide liquidity.

In Specie Redemptions Risk

Redemptions requests could be paid in specie. When this occurs, Shareholders may then become bondholders of a BTP, which may be difficult to realize or sell in a secondary market.

Sustainability risk:

The Fund does not take sustainability factors into account in the investment decision-making process, but remains exposed to sustainability risks.

By "sustainability risk (s)" is meant an event or situation relating to the environment, social responsibility or governance which, if it occurs, could have a significant negative impact, actual or potential, on the value of investments made by the Fund. Further information is available in the section "Information on the consideration of sustainability risks by the Fund".

DISCLOSURE CONCERNING INTEGRATON OF SUSTAINABILITY RISKS BY THE FUND

For the purposes of this section, the following terms have the ascribed meanings:

"Sustainability risk (s)" means events or situations relating to the environment, social responsibility or governance which, if they occur, could have a significant negative impact, actual or potential, on the value of investments made by the Fund.

"SFDR" means Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019 on sustainability-related disclosures in the financial services sector.

Classification of the Fund according to SFDR:

SFDR requires transparency with regard to the integration of evaluation of Sustainability Risks in investment decisions and their possible impact on the performance of financial products.

In addition, SFDR defines two categories of products: products which promote, among other characteristics, environmental or social characteristics, or a combination of these characteristics (so-called "Article 8" products) and products whose objective is sustainable investment (so-called "Article 9" products).

As of the date of this prospectus, the Management Company has not classified the Fund as a product subject to Article 8 or Article 9 of SFDR.

The Fund's investment objective does not systematically take into account sustainability risks; they are not an essential part of the investment strategy either. The Fund does not promote specific environmental, social and governance (ESG) characteristics and it does not aim for a specific objective in terms of sustainability or environmental impact. Due to the nature of the Fund's investment objective, sustainability risks are not deemed to be relevant by the Management Company. They are not expected to have a significant impact on the Fund's performance.

Principal adverse impacts of investment decisions on sustainability factors are not currently considered due to the lack of available and reliable data. The situation will however be reviewed going forward.

Taxonomy Regulation:

Regulation (EU) 2020/852 on the establishment of a framework to promote sustainable investments (the "Taxonomy Regulation") sets out the criteria for determining whether an economic activity is "sustainable" from an environmental point of view in the European Union. According to the Taxonomy Regulation, an activity can be considered "sustainable" if it contributes substantially to one of the 6 environmental objectives set by the Taxonomy Regulation, such as the mitigation and adaptation to climate change, the prevention and reduction of pollution or the protection and restoration of biodiversity and ecosystems.

In addition, to be considered sustainable, this economic activity must respect the principle of "not causing significant damage" to one of the other five objectives of the Taxonomy Regulation and must also respect basic social criteria (alignment with the OECD and United Nations guiding principles on Business and Human Rights).

In accordance with Article 7 of the Taxonomy Regulations, the Management Company draws the attention of investors to the fact that the Fund's investments may not take into account the European Union's criteria in terms of sustainable economic activities on the environmental plan.

ELIGIBLE INVESTORS AND TYPICAL INVESTOR PROFILE:

Subscriptions in the Fund are limited to 20 investors.

Subscriptions in the Fund must comply with Article 423-27 of the *Réglement Général de l'Autorité des marchés financiers* (i.e. the General Regulations of French financial regulator) (as may be amended from time to time).

As of the date of this Prospectus, the subscription and acquisition of units in the Fund are reserved exclusively for:

1° The investors indicated in Article L. 214-155 of the French monetary and financial Code;

2° Investors whose initial subscription is at least equal to 100,000 euros;

3° Investors, individuals or legal entities whose initial subscription is at least equal to 30 000 euros and who meet one of the following three conditions:

a) they provide assistance in technical or financial matters to unlisted companies falling within the purpose of the Fund for their creation or development;

b) they provide assistance to the management company of the specialised professional fund in order to seek potential investors or contribute to the objectives sought by it in connection with research, selection, monitoring, disposal of investments;

c) they have acquired a knowledge of the private equity field as direct provider of equity to unlisted companies or as subscriber either (i) in a French FCPR not subject to advertising and solicitation, (ii) in a professional equity fund, (iii) in a specialised professional fund, or (iv) in an unlisted venture capital company;

4° all other investors when the subscription or acquisition is carried out in their name and on their behalf by an investment services provider acting within the scope of a portfolio management investment service, pursuant to section I of Article L.533-13 of the French monetary and financial Code and Article 314-60 of the general Regulation of the Autorité des marchés financiers.

The minimum initial subscription amount in the Fund is EUR 500,000 or a number of units for an equivalent amount.

This Fund is intended in general for investors who have enough experience to be able to assess the risks of their investments.

CALCULATION AND APPROPRIATION OF DISTRIBUTABLE AMOUNTS

The Management Company reserves the right to distribute once or several times a year whole or part of the income and capital gains received or made by the Fund.

The reinvestment of income is accounted for using the method of accrued coupons.

The distribution will be made on whole or part of the distributable amounts, coming from income (coupons, dividends or any other proceeds), and or net realized capital gains made over previous accounting years, in accordance with the provisions of the financial and monetary code. The share of net realized capital gains which has not been distributed for a given accounting year may either be reinvested, or carried over the following accounting years.

DISTRIBUTION FREQUENCY

In case of distribution of the distributable amounts, the Management Company will do the distribution during or after the end of the fiscal year.

However, it is the intention of the Management Company to seek to distribute interim amount(s) towards the end of the calendar year.

UNIT CHARACTERISTICS

Initial Net Asset Value per Unit ("INAV")	**ISIN**	**Income Distribution**	**Fund currency**	**Eligible investors**	**Initial minimum subscription amount**	**Date and frequency of net asset value calculation ("Net Asset Value Date")**
1,000 EUR	FR0013264090	Distribution	EURO	Limited to a maximum of 20 investors.	500,000 EUR(*)	Weekly

(*) The amount does not apply to Longchamp Asset Management, its employees, funds and accounts under management.

Units are held in bearer form and may be divided into thousandths of units.

Liability accounting is performed by the Custodian. Units are administered under Euroclear France.

The Management Company seeks to ensure the fair treatment of all Unit-holders. Amongst other things, the principle of treating investors fairly means (i) ensuring that all marketing communications are clear, fair and not misleading and carefully tailored to their intended audience; and (ii) ensuring that material conflicts of interests are identified, avoided where possible, managed and disclosed to ensure fair outcomes to investors.

SUBSCRIPTION AND REDEMPTION

Subscription and redemption orders must be placed directly with the entity responsible for processing these orders, and may be applied for a certain number of units or for an amount denominated in EUR.

The subscriptions on the Initial Net Asset Value will be collected and processed by the Depositary by 1 p.m. (Paris time) on July 17th, 2017 and will be executed at the Initial Net Asset Value per unit of EUR 1,000.

Further subscription orders must be received by the Depositary by 3 p.m. (Paris time) 2 Business Days before the Net Asset Value Date and will be processed at that Net Asset Value of such date.

The minimum initial subscription amount is EUR 500,000.

This minimum does not apply to discretionary mandates nor to the Investment Management Company's senior management, employees and Funds managed by Longchamp Asset Management SAS

The minimum amount for subsequent subscriptions is 500,000 EUR.

Redemption orders must be received by the Depositary by 3 p.m. (Paris time) 2 Business Days before the Net Asset Value Date and will be processed at that Net Asset Value of such date.

Subscriptions and Redemptions will be paid, and units delivered in accordance with the Fund's rules, within two (2) Business Days after the Net Asset Value Date.

Subscriptions/redemptions in kind:

Redemption in kind with the Fund's assets may be requested by unit holder but the decision to consent to such redemption in kind is subject to the sole discretion of the Management Company.

When the total amount of redemptions orders at a given Net Asset Value Date minus the total amount of subscriptions exceeds 10% of the Fund's net assets, the Management Company may postpone the execution of the redemptions above the 10% threshold and execute them on the following next Net Asset Value Dates. In such case, the redemption orders will be executed pro rata of the amount above the 10% threshold. Postponed orders will not benefit from any priority right. The Fund may decide to postpone the execution of the redemption orders above the 10% threshold on the next Net Asset Value Date, in function of the current market conditions.

Address of the Transfer Agent:

SOCIETE GENERALE

32, rue du Champs de Tir

BP 81236

44 312 Nantes CEDEX 3

Telephone: + 33 2 51 85 57 09

Fax: + 33 2 51 85 58 71

Date and frequency of net asset value calculation

The Net Asset Value is dated as of the last Business Day of each week and each month (the "Net Asset Value Date").

If it is a holiday mentioned in Article L. 3133-1 of the French Labor Code or if it is a closing day for the Paris Stock Exchange (as per Euronext SA calendar), the Fund's Net Asset Value is calculated on the closing market price of the next business day.

The Management Company may also calculate the Net Asset Value on a date other than a Net Asset Value Date (a "Special Net Asset Value Date") after informing all unitholders within a reasonable time and by any means. Applications for subscription and redemption can be done on the basis of the Net Asset Value calculated on such Special Net Asset Value Date. Subscription and redemption orders must be received by the Depositary by 3 p.m. (Paris time) 2 Business Days before the Special Net Asset Value Date and will be processed at the Net Asset Value of such date. Subscriptions and Redemptions will be paid, and units delivered in accordance with the Fund's rules, within two (2) Business Days after the Special Net Asset Value Date.

A Business Day is defined as a day that is not a public holiday in France (as defined in Article L. 3133-1 of the French labor code) and is not identified on the calendar of Euronext Paris Exchange (or any successor thereto) as a day of closure of this exchange.

The Net Asset Value will be calculated and published within 2 Business Days after the Net Asset Value Date. It can be obtained from the Management Company, on request.

THE NET ASSET VALUE MAY BE OBTAINED FROM: LONGCHAMP ASSET MANAGEMENT 30, rue Galilée – 75116 Paris - France.

Or by e-mail at: ir@longchamp-am.com

FEES AND CHARGES

Subscription and redemption fees

Subscription and redemption fees increase the subscription price paid by investors and reduce the redemption price. The fees kept by the Fund compensate it for the expenses it bears in investing in or selling the Fund's assets. Fees that are not kept by the Fund may be paid to the Management Company, marketing agent, or other service provider.

Subscription and redemption fees will be as follows:

Subscription and redemption fees paid by investors	Base	Maximum Rate
Subscription fee not kept by the Fund	NAV per unit x Number of units	0%
Subscription fee kept by the Fund	NAV per unit x Number of units	0%
Redemption fee not kept by the Fund	NAV per unit x Number of units	0%
Redemption fee kept by the Fund	NAV per unit x Number of units	0%

Operating and management expenses

These expenses include all expenses directly invoiced to the Fund, with the exception of transaction expenses. Transaction expenses include intermediation costs (e.g. brokerage fees, stock-exchange tax) and any transaction fees that may be charged by the depositary or the Management Company, for example.

Operating and management expenses may also include:

- Incentive fees paid to the Management Company when the Fund exceeds its objectives. They are therefore invoiced to the Fund.
- Transaction fees invoiced to the Fund
- A percentage of the revenue obtained from temporary securities transactions.

For more information concerning the expenses that the Fund actually pays see the Statistical Information section (IX) in the Detailed memorandum section of the full prospectus.

Fees charged to the Fund	Base	Rate
Management fees including taxes	Net Asset Value	Up to 0.25% per year
Operating expenses including taxes (this includes all fees/expenses that are not included in the Management fees (i.e. by the Auditor, Depositary, administrator, distributor, lawyer, etc.)	NA	25,000 EUR per year
Performance fee	Net Asset Value	NA
Other variable operating Fee	Net Asset Value	Up to 0.30% per year
Transaction expenses – Intermediation Costs – Brokerage …	Transaction Amount/ Swap Notional	Up to 0.50%

NOTICE

Depending on your tax regime, you may have to pay taxes on any capital gains or income from your units in the Fund. For more information about this we recommend that you contact your Fund's distributor.

IV. COMMERCIAL INFORMATION

The Fund will not be subject to any quotation, advertising, selling or other form of public solicitation

Subscription and redemption orders are placed by the investor's financial intermediaries and are processed by the Depositary which communicates a global amount and, where appropriate, an aggregate number of units as the result of the centralized receipt of orders.

The address of the Transfer Agent:

SOCIETE GENERALE

32, rue du Champs de Tir

F-44000 Nantes

Telephone: + 33 2 51 85 57 09

Fax: + 33 2 51 85 58 71

Distribution of this prospectus and the offer or purchase of units in the Fund may be subject to restrictions with regard to certain persons or in certain countries by virtue of national regulations applying to such persons or such countries. Each investor is therefore responsible for ensuring that he or she is authorized to subscribe to or invest in this Fund. As a result, the information contained in this prospectus cannot be understood as constituting an offer or solicitation to buy or sell units in the Fund in a country where such offer or solicitation is unlawful.

This prospectus or more generally any information or documents with respect to or in connection with the Fund does not constitute an offer for sale or solicitation of an offer for sale in any jurisdiction (i) in which such offer or solicitation is not authorized, (ii) in which the person making such offer or solicitation is not qualified to do so, or (iii) to any person to whom it is unlawful to make such offer or solicitation. In addition, Participating Shares have not been and will not be registered under the Securities Act of 1933 of the United States of America (as amended) (the "1933 Act") or the securities laws of any of the States of the United States. Participating Shares may not be offered, sold or delivered directly or indirectly in the United States of America, its territories or possessions or in any State or the District of Columbia (the "United States") or to or for the account or benefit of any U.S. Person as defined below. Any person wishing to apply for Participating Shares will be required to certify they are not a "U.S. Person". No U.S. federal or state securities commission has reviewed or approved this prospectus or more generally any information or documents with respect to or in connection with the Fund. Any representation to the contrary is a criminal offence.

For the purpose of this document the term U.S person shall mean (A) A "U.S. Person" within the meaning of Regulation S under the Securities Act of 1933 of the United States, as amended; or (B) any person other than a "Non-United States person" as defined in CFTC Rule 4.7 (a) (1) (iv); or (C) a "U.S. Person" within the meaning of Section 7701(a) (30) of the Internal Revenue Code of 1986, as amended.

Without limitation to the foregoing, no holder of Participating Shares will be permitted to sell, transfer or assign directly or indirectly (for example, by way of swap or other derivatives contract, participation or other similar contract or agreement), their Participating Shares to U.S Person without obtaining prior consent from the Management Company. Any such sale, transfer or assignment shall be void unless consented by the Management Company.

No one other than the people listed in this full prospectus are authorized to provide information about the Fund.

Potential investors in the Fund should inform themselves of the legal requirements that apply to subscribing to units in the Fund and obtain information about exchange control regulations and taxation in their country of citizenship or residency, or in the country in which they are domiciled.

Investors will receive information about the Fund via the mandatory periodic reports with which LONGCHAMP ASSET MANAGEMENT provides its clients.

V. INVESTMENT RULES

Since the Fund is a "*fonds professionnel spécialisé*" it is not subject to the investment rules specified in Article articles L. 214-24-55, R.214- 32-16 and seq of the *Code monétaire et financier* (French Monetary and Financial Code) and it may invest in the assets indicated in Article

L. 214-154 of the aforesaid code.

Pursuant to the Article L. 214-154 of the Code monétaire et financier, none investment ratios or limits have to be observed.

The procedure for amending these rules is described in Article 5b of the Rules.

VI. RISK MONITORING

The Management Company will implement a risk management process in order to spot, assess, manage and follow up the risks related to the Fund's investments together with their effects on the risks profile of the Fund. The Management Company will monitor the consistency between the Fund's risk profile and the size and structure of the portfolio and the objective and strategy of the Fund, as stated in the Prospectus.

VII. RULES FOR ASSET VALUATION AND RECOGNITION

VII-1 Valuation Rules

The Fund's assets are valued in accordance with applicable laws and regulations and in particular the rules of CRC Regulation no. 2014-01 of January 14th, 2014 on the chart of accounts for French mutual funds (1st part).

Financial instruments traded on a regulated market are valued at the closing price recorded on the day prior to the calculation of the Net Asset Value. If these financial instruments are traded on several regulated markets at the same time, the closing price used is that recorded on the regulated market on which they are principally traded.

However, in the absence of significant trading on a regulated market, the following financial instruments are valued using the following methods:

- Negotiable debt securities ("NDS") with a remaining life upon acquisition that is less than or equal to three months are valued by applying the difference between the acquisition value and the redemption value on a straight-line basis over the remaining life. However, the Management Company reserves the right to value these securities at their current value if it deems that they are particularly exposed to market risks (interest rates, etc). The rate used is that at which equivalent securities are issued and a margin is applied to account for the risk associated with the issuer.

- NDS with a remaining life of more than three months upon acquisition but less than or equal to three months at the Net Asset Value calculation date are valued by applying the difference between the most recent valuation and the redemption value on a straight-line basis over the remaining life. However, the Management Company reserves the right to value these securities at their current value if it deems that they are particularly exposed to market risks (interest rates, etc). The rate used is that at which equivalent securities are issued and a margin is applied to account for the risk associated with the issuer.
- NDS with a remaining life at the Net Asset Value calculation date that exceeds three months are valued at their current value. The rate used is that at which equivalent securities are issued and a margin is applied to account for the risk associated with the issuer.

Financial futures traded on organized markets are valued at the clearing price on the day prior to the calculation of the Net Asset Value. Options traded on organized markets are valued at their market price on the day preceding Net Asset Value calculation. Over-the-counter derivatives are valued at the price quoted by the counterparty. The Management Company monitors these prices independently.

Bank deposits are valued at their nominal value plus accrued interest.

Warrants, short and medium-term notes, promissory notes and mortgage notes are valued under the Management Company's responsibility at their most likely trading value.

Temporary purchases and disposals of securities are valued at the market price.

Shares and units in French collective investment funds are valued at the last known Net Asset Value at the date the Fund's Net Asset Value is calculated.

Shares and units in foreign investment funds are valued at the last known Net Asset Value or at the last known Net Asset Value at the date the Fund's Net Asset Value is calculated. If no such Net Asset Value can be obtained, the Management Company may use an estimated value provided by the Management Company of the underlying fund or by its depositary when this estimated value seems to be closer to the actual market value of the underlying fund's units or shares.

Financial instruments traded on a regulated market and for which no price has been quoted or whose price has been corrected, are valued under the Management Company's responsibility at their most likely trading value.

The exchange rates used to value financial instruments denominated in a currency other than the Fund's base currency are those published by the ECB (European Central Bank) at close the day of the Fund's Net Asset Value.

VII-2 Accounting Method for Trading Fees

Trading expenses are recorded separately from transactions.

VII-3 Accounting Method : Income From Fixed-Income Securities

The accounting method used for recording income from financial instruments is the « coupons received » method.

VII-4 Income Distribution Policy

For more information see the section entitled "*CALCULATION AND ALLOCATION OF DISTRIBUTABLE AMOUNTS*".

Capitalized income is recorded using the coupons received method.

Distribution may impact all or part of the distributable amount, generated by the earnings (coupons, dividend or any other distributable earnings) and/or net capital gain of the current and/or the precedent fiscal years, in accordance with the French Monetary and Financial Code. Non distributed realized net appreciation from the previous fiscal year can be wholly or partially capitalized and/or carried forward in the next fiscal years. In case of distribution of the distributable amounts, the Management Company will do the distribution after the end of the fiscal year. However, the Management Company may decide to distribute one or several interim amount(s) throughout the fiscal year.

VII-5 Accounting Currency

The Fund's accounting currency is the EURO.

VIII. ADDITIONAL INFORMATION

The Fund was declared to the Autorité de marchés financiers on 27/07/2017 and was launched on the 17/07/2017.

The most recent prospectus, annual and periodic reports will be sent within one week to Fund unit-holders who request these documents in writing from:

LONGCHAMP ASSET MANAGEMENT

30, rue Galilée

75116 PARIS - France

E mail: ir@longchamp-am.com

Requests for more information or explanations may be made via the website at www.longchamp-am.com

The prospectus was published on 17/07/2017.

The AMF's website at www.amf-france.org provides additional information on regulatory documents and the protection of investors.

This Prospectus must be made available to investors prior to subscription.

IX. SECTION B STATISTICAL INFORMATION

THIS SECTION OF THE PROSPECTUS WILL NOT BE AVAILABLE UNTIL AFTER THE COMPLETION OF THE FIRST FULL CALENDAR YEAR AFTER THE FUND'S INCEPTION.

X. SECTION B EXPENSES

Expenses invoiced to the Fund during the fiscal year ended 31.12.2018

LONGCHAMP KINZICA FUND

Operating and management expenses		
Expenses arising from investment in other UCITS or alternative investment funds (AIF). These expenses consist of: • the cost of purchasing shares or units in other UCITS or AIF • less any fee rebates negotiated by the investing fund's management company		
Other expenses charged to the Fund These expenses include : • incentive fees • account activity charges		
Total amount charged to the Fund during the past fiscal year		

The Fund has been launched on 17/07/2017; the first exercise is more than 12 months. The rates shown have been annualized.

Operating and management expenses

These include all expenses charged directly to the Fund, except for transaction fees and any incentive fee that may be due. Transaction fees include the expense of intermediation (i.e. broker charges, stock exchange taxes, etc.) and the account activity charge (see below). Operating and management expenses include, among other things, expenses related to investment management, administration, accounting, depositary services, custody and auditing.

Expenses arising from investment in UCITS and/or AIF

Some AIFs may invest in UCITS or in AIFs subject to foreign law, referred to collectively as "investee funds". Such "investing funds" must bear the following two types of expenses when purchasing and holding shares or units in an investee UCITS (or AIF):

a) Subscription and redemption fees. However, the portion of these fees that are paid to the investee fund are considered "transaction expenses" and are not included here.
b) The fees and expenses paid by the investee fund, which constitute indirect costs for the investing fund.

In some cases the investing fund may negotiate a rebate on some of these fees and expenses (sometimes known as a "retrocession"). These fee rebates reduce the total expenses borne by the investing fund.

Other expenses charged to the Fund

The following fees or charges may also be charged to the Fund :

a) Performance fees, which are paid to the management company if the Fund exceeds its investment objective.
b) Account activity charges, which are charged to the Fund on every portfolio transaction. More information on these fees is provided in the full prospectus. The management company may be entitled to these charges, subject to the terms and conditions of the prospectus. Investors should note that these expenses may vary considerably from one year to the next and that the figures shown here are those observed for the past year.

LONGCHAMP KINZICA FUND

FUND RULES

SECTION 1 - ASSETS AND UNITS

Article 1 - Co-ownership of units

The rights of the co-owners of the Fund are represented by units, each of which represents the same proportion of the Fund's assets. Each unit-holder has a co-ownership right to the Fund's assets in proportion to the number of units owned.

The Fund reserves the right to combine or divide units.

The units may be divided, if so decided by the Management Company's chairman or the chief operating officer, into thousandths known as unit fractions.

Rules pertaining to the issue and redemption of units shall be applicable to fractional units, whose value shall be proportional to that of the unit they represent. All of the other provisions of these rules that apply to the units shall also apply to unit fractions without it being necessary to specify this, unless indicated otherwise. Finally, the Management Company's chairman or the chief operating officer may, at its sole discretion, carry out the division of units through the creation of new units that are allocated to unit holders in exchange for old units.

Article 2 - Minimum amount of assets

Units cannot be redeemed if the Fund's assets fall below 300 000 Euros. If this happens, the Management Company will have thirty days to either merge or dissolve the Fund, unless during this time the asset value rises back above this amount.

Article 3 - Unit issuance and redemption

Unit subscription, issuance and purchase

Units shall be issued at their net asset value plus any subscription fees that may be due.

The subscription, issuance and acquisition of units are also subject to the following conditions:

Subscription orders shall be executed under the conditions and according to the procedures defined in the prospectus.

Subscription orders must be fully paid up and received by the entity that processes subscription and redemption orders at the latest 2 Business Days (as defined in the Prospectus) following the Net Asset Value Date

This payment can be made in either cash and/or securities. The Management Company has the right to refuse the securities offered and, in this case, has seven days after these securities are deposited to notify its decision. If the securities are accepted they shall be valued as indicated in Article 4 and the subscription shall be made on the basis of the first Net Asset Value calculated after the securities are accepted.

Unit redemption

Units shall be redeemed at their net asset value less any redemption fee that may be applicable. The redemption of units is also subject to the following terms:

Units shall be redeemed as indicated in the prospectus.

Units shall be redeemed exclusively in cash, except if the unit-holders have asked to be paid in securities and the Management Company agrees to it. The redemption price shall be paid by the depositary within two (2) Business Days after the Net Asset Value Date (as defined in the prospectus). However, if due to exceptional circumstances, Fund assets must be sold before units can be redeemed, this time may be extended to up to 30 days.

Except in the event of succession or inter vivos distribution of an estate between heirs, the sale or transfer of units between unit-holders, or from a unit-holder to a third party shall be considered to be a redemption followed by a subscription. If sale or transfer is made to a third party, the amount of such sale or transfer shall, if necessary, be supplemented by the beneficiary until the minimum subscription requirement specified in the full prospectus (if any) is reached.

Pursuant to Article L. 214-8-7 of the Code monétaire et financier (French Monetary and Financial Code), the Management Company may temporarily suspend the redemption of the fund's units and the issuing of new units, when this is required by exceptional circumstances, is in the interest of unit-holders and is in accordance with the provisions of the full prospectus.

If the Fund's net assets fall below the minimum regulatory amount, no units shall be redeemed.

When the total amount of redemptions orders at a given Net Asset Value Date minus the total amount of subscriptions exceeds 10% of the Fund's net assets, the Management Company may postpone the execution of the redemptions above the 10% threshold and execute them on the following next Net Asset value Dates. In such case, the redemption orders will be executed pro rata of the amount above the 10% threshold. Postponed orders won't benefit from any priority right. The Fund may decide to postpone the execution of the redemption orders above the 10% threshold on the next Net Asset Value Date, in function of the current market conditions.

Entity responsible for ensuring that subscribers or purchasers of units in the Fund meet eligibility criteria

The Management Company or the entity designated for this purpose ensures that criteria for the capacity of subscribers and purchasers of units in the Fund were met and that they have received information required under Articles 423-30 and 423-31 of the general Regulation of the Autorité des marchés financiers. It also ensures the existence of the written statement specified in Article 423-31 of the general Regulation of the Autorité des marchés financiers.

Article 3b: The Fund's investment rules and limits

Since the Fund is a "fonds professionnel spécialisé" it is not subject to the investment rules specified in articles L. 214-24-55, R.214-32-16and seq of the Code monétaire et financier (French Monetary and Financial Code) and it may invest in the assets indicated in Article L. 214-154 of the aforesaid code.

Pursuant to the Article L. 214-154 of the Code monétaire et financier, none investment ratios or limits have to be observed. The Fund is exclusively subject to the investment limits specified in Section III "FUND OPERATION AND MANAGEMENT".

Article 4 - Calculation of net asset value

The net asset value of the units shall be calculated in accordance with the valuation rules indicated in the prospectus (the "Net Asset Value"). Contributions in kind shall consist solely of securities or contracts that French mutual funds are authorized to invest in and shall be valued in accordance with the valuation rules used to calculate Net Asset Value.

SECTION 2 - FUND OPERATION

Article 5 – The Management Company

The management company shall manage the Fund in compliance with the Fund's Investment Strategy.

The management company is authorized to make any decision to change the investment strategy or the investment policy of the alternative investment fund, for the benefit of unit-holders, in compliance with laws and regulations.

The management company shall act in all circumstances in the sole interest of the unit-holder and has the exclusive right to exercise the voting rights attached to the securities held in the Fund.

Article 5b – Operating rules

The instruments and eligible securities as assets of the Fund and the investment strategy of the Fund are described in the Prospectus.

The management Company when deciding the modifications of the investment objective and the investment strategy of the Fund will duly inform the units holders in a reasonable time.

All the other modifications of the prospectus or the funds rules will be made at the management company discretion.

Article 6 – The depositary

The depositary shall provide the services required under applicable laws and regulations and the services entrusted to it contractually by the Management Company. The depositary shall ensure that the Management Company's decisions are proper and shall take any protective measures it deems necessary. The depositary shall inform the Autorité des marchés financiers (AMF) of any disputes with the Management Company.

Article 7 – The auditor

An auditor shall be appointed for a term of six fiscal years by the Management Company's chairman or the chief operating officer, with the approval of the Autorité des marchés financiers.

The auditor shall certify that accounts are true and fair.

The auditor may be reappointed.

It shall inform the Autorité des marchés financiers as soon as possible of any event or decision concerning the collective investment scheme of which it gains knowledge in the course of its work that may:

1° constitute an infringement of applicable laws or regulations and which may have a significant effect on the Fund's financial situation, earnings or assets

2° compromise the operation of the Fund's business

3° result in a qualified opinion or a refusal to certify the accounts.

The valuation of assets and the determination of exchange ratios during transformations, mergers or demergers shall be carried out under the auditor's supervision.

The auditor shall determine the value of all contributions in kind.

The auditor shall certify the composition of the Fund's assets and other information before it is reported.

The auditor's fees shall be agreed between the auditor and Management Company's "Directoire" on the basis of the estimated auditing work. The auditor shall validate the accounting statements serving as the basis for the payment of interim dividends.

The auditor's fees shall be included in the management expenses.

Article 8 - Financial statements and the management report

At the end of each financial year, the Management Company shall prepare the financial statements and the management report on the past year for the Fund, and if necessary for each sub-fund.

The Management Company shall draw up an inventory of the Fund's assets at least every six months and under the depositary's supervision. The Management Company shall keep these documents available to unit-holders for four months after the end of the fiscal year and shall inform them of the amount of income to which they are entitled. These documents shall be either mailed to unit-holders at their express request or made available to them at the office of the Management Company or of any other entity selected by the Management Company for this purpose.

SECTION 3 - PROCEDURES FOR ALLOCATING INCOME AND DISTRIBUTIONS

Article 9 - Procedures for allocating income and distributions

The net income for the year is the sum of the interest, arrears, dividends, premiums, bonuses, directors' fees and any other proceeds from the securities in the Fund's portfolio, plus any proceeds from sums temporarily made available, after deduction of management expenses and interest expenses.

An AIF may distribute the following amounts:

1° The net income for the year, plus retained earnings and plus or minus the net revenue accruals for the year

2° Realized capital gains, net of expenses, minus realized capital losses, net of expenses, recognized for the year, plus similar net capital gains recognized over the previous years that were not distributed or accumulated, minus or plus the balance of capital gains accruals.

The amounts indicated in points 1) and 2) above may be distributed independently of each other, in whole or in part.

The distributable amounts shall be paid within five months after the end of the fiscal year.

The Management Company may opt to reinvest the income in the assets of the Fund or to distribute them one or several times a year. The Management Company may adopt the following policies;

- **Pure accumulation**: all distributable income shall be full reinvested, with the exception of those amounts that must be distributed by law.
- **Distribution**: available amounts are fully distributed, through the potential interim accounts.
- **Accumulation and/or Distribution**: each year, the Management Company may decide on how to allocate the income of the Fund. The Management Company may decide, throughout the fiscal year, to distribute one or several interim accounts within the limit of available amounts recorded at the date of the decision. Undistributed available amounts will be reinvested, except realized net capital gains which are carried forward by the on the next fiscal years.

The appropriation of earnings and other distributable amounts is described in detail in the prospectus.

SECTION 4 – MERGER, DEMERGER, DISSOLUTION & LIQUIDATION

Article 10 - Merger – Demerger

The Management Company may transfer all or part of the assets in the Fund to another fund or FIA, or split the Fund into two or more funds.

Such mergers or splits may only be carried out one month after unitholders have been notified. They give rise to the issuance of a new confirmation indicating the number of units held by each unitholder.

Article 11 - Winding up – Extension

If the Fund's assets (or the assets of a sub-fund if applicable) fall below and remain less than the amount indicated in Article 2 of the Fund's Rules for a period of thirty days, the Management Company shall inform the Autorité des marchés financiers and shall dissolve the Fund (or sub-fund if applicable) unless it is merged with another AIF.

The Management Company may dissolve the Fund before it reaches its term. In this case it must inform the unit-holders of its decision and subscription or redemption orders will not be accepted after this date.

The Management Company shall also dissolve the Fund if the redemption of all units has been requested, the depositary ceases its activity and no other depositary has been appointed or if the Fund reaches its initial term and said term has not been extended, or upon expiry of the Fund's extended term.

The Management Company shall inform the AMF by mail of the planned dissolution date and procedure. It will then send the AMF the auditor's report.

The Management Company may decide to extend the Fund's term with the depositary's approval. It shall make this decision at least three months before the Fund's term is to expire and inform unit-holders and the AMF of this decision.

Notwithstanding the first paragraph of this article, the Management Company, reserves the right to wind-up the Fund in the event that the Fund's assets at any time fall below EUR 5,000,000.

Article 12 - Liquidation

In the event of dissolution, the Management Company or the depositary with its approval shall manage the liquidation. Failing this, a liquidator shall be appointed by the courts at the request of any unit-holder. For this purpose liquidators shall be entrusted with full powers to sell assets, pay off any creditors and distribute the remaining balance among the unit-holders in the form of cash or securities.

The auditor and the depositary shall continue to perform their duties until the liquidation is completed.

SECTION 5 – DISPUTES

Article 13 – Competent courts - Election of domicile

Any disputes concerning the Fund that may arise during its lifetime or upon its liquidation, either between the unit-holders or between unit- holders and the Management Company or the depositary, shall be subject to the jurisdiction of the competent courts.