29/12/2023

LONGCHAMP PATRIMOINE FUND

PROSPECTUS

UCITS Fund compliant with European Directive 2009/65/EC

I. GENERAL CHARACTERISTICS

1 – FUND STRUCTURE

- **Name** — **LONGCHAMP PATRIMOINE FUND ('the Fund')**
- **Legal Form** — UCITS Fund governed by French law (FCP or OPCVM)
- **Creation date and expected term** — The Fund has been approved on 19/08/2014 and has been created on 26/09/2014 for a period of 99 years.

- **Fund Overview**

Share Class	Characteristics						
	ISIN Code	Allocation of Distributable Income	Base Currency	Initial NAV	Target Investors	Minimum Initial Investment	Minimum Subsequent Investment
S	FR0012034783	Accumulation	EURO	1 000 €	All subscribers, and more specifically institutional and high net worth individuals	100, 000 € (*)	1 thousandths of a unit
I	FR0013462033	Accumulation	EURO	1 000 €	All subscribers, and more specifically institutional and high net worth individuals	50, 000 € (*)	1 thousandths of a unit
A	FR0012034791	Accumulation	EURO	1 000€	All subscribers	1,000 € (*)	1 thousandths of a unit

(*) The minimum initial subscription amount does not apply to Longchamp AM.

- **Address for obtaining latest financial statements (Annual and Semi-Annual Reports):**

The latest financial statements (Annual and Semi-Annual Reports) shall be sent to shareholders within eight business days upon written request to:

Longchamp Asset Management
30 rue de Galilée
75116 Paris
Tel: 01.71.70.40.30
E-mail: ir@longchamp-am.com

Any additional information can be obtained from the Investment Manager mentioned above.

2 – ROLES

- **Investment Manager**

Longchamp Asset Management
Asset Management Company incorporated in France and approved by the Autorité des Marchés Financiers ("AMF") on 01/03/2013
License number: GP-13000009
Head Office and Postal Address: 30 rue Galilée - 75116 – Paris.

- **Custodian, Trustee, Transfer Agent**

SOCIETE GENERALE SECURITIES SERVICES
Credit institution created on 04 May 1864 by decree of authorization signed by Napoléon III and certified by the Autorité de Contrôle Prudentiel et de Résolution (ACPR)
Custodian's postal address: 75886 Paris Cedex 18, France
Transfer Agent's postal address: 32 rue du Champ de Tir – 44000 Nantes, France
Head Office: 29 Boulevard Haussmann – 75009 Paris, France

Custodian of the Fund, Société Générale S.A., will be acting through its "Securities Services" department (the "Custodian"). Société Générale, whose registered office is at 29 boulevard Haussmann in Paris (75009), registered with the Paris Trade and Companies Register under number 552 120 222, is approved by the Autorité de Contrôle Prudentiel et de Résolution and subject to the supervision of the AMF.

Description of the Custodian's responsibilities and potential conflicts of interest
The Fund's Custodian carries out three types of responsibilities, respectively controlling compliance of decisions made by Investment Manager, monitoring cash flows of the Fund and safeguarding custody of the Fund's assets.

The primary purpose of the Custodian is to protect the interest of the Fund shareholders.

Potential conflicts of interest may be identified, in particular if the Investment Manager also maintains commercial relations with Société Générale in parallel with its appointment as a Custodian (which may be the case when Société Générale calculates, by delegation of the Investment Manager, the net asset value of the Fund of which Société Générale is the Custodian or where a group relationship exists between the Investment Manager and the Custodian).

In order to address such situations, the Custodian has implemented and updates a conflict of interest management policy aimed to:

- Identifying and analysing situations of potential conflict of interest
- Recording, managing and monitoring such situations by:
    i. Based on the ongoing measures in place to manage conflicts of interest such as segregation of duties, the separation of hierarchical and functional lines, tracking of internal insider lists, dedicated computing environments;
    ii. Implementing on a case-by-case basis:
        (a) Preventive and appropriate measures such as the creation of ad-hoc monitoring lists, new Chinese walls or verifying that transactions are handled appropriately and / or informing shareholders concerned
        (b) Refusing to manage activities that may give rise to conflicts of interest.

Description of any custody functions delegated by the Custodian, list of delegated and sub-delegated and identification of conflicts of interest likely to result from such delegation
The Fund Custodian is responsible for the custody of the assets (as defined in Article 22.5 of Directive 2009/65 / EC as amended by Directive 2014/91 / EU). In order to offer asset custody services in a large number of countries and to enable UCITS funds to achieve their investment objectives, the Custodian has appointed sub-custodians in countries where the Custodian would not directly have a local presence. These entities are listed on the following website:
www.securities-services.societegenerale.com/fr/nous-connaitre/chiffres-cles/rapports-financiers/
In accordance with Article 22 bis 2. of the UCITS V Directive, appointment and supervision process of sub-custodians follows the highest quality standards, including management of potential conflicts of interest that may arise in the future. The Fund Custodian has established an effective

policy aimed at identifying, preventing and managing conflicts of interest in accordance with national and international regulations as well as international standards.
The delegation of custodial functions of the Custodian to sub-custodians may lead to conflicts of interest which have been identified and are controlled. The Fund Custodian's policy as implemented consists in a mechanism that prevents the occurrence of situations where a conflict of interest may arise and the exercise of its activities in a way that ensures that the Custodian always acts in the best interests of the Fund. Preventive measures consist in particular of ensuring full confidentiality of information shared, physically separating the main activities which may potentially create conflicting interests, identifying and classifying monetary and non-monetary compensations and benefits, and to implement a gift policy. Up-to-date information on the above will be sent to shareholders upon request.

- **Auditor**

PricewaterhouseCoopers Audit
Postal Address & Head Office: Crystal Park - 63 rue de Villiers – 92200 Neuilly-sur-Seine, France
represented by Mr. Didier Bénâtre

- **Distributor**

Longchamp Asset Management
30 rue Galilée
75116 Paris
Tel: 01.71.70.40.30
E-mail : ir@longchamp-am.com

Longchamp Asset Management may delegate the marketing of the Fund's shares to accredited third parties. The Fund is registered with Euroclear France; its shares may be purchased or redeemed through financial intermediaries that may not be known to the Investment Manager.

- **Administration and Valuation**

Administration and valuation are delegated to the following entity (the "Administrator"):

SOCIETE GENERALE
Postal Address: 189 rue d'Aubervilliers – 75886 PARIS Cedex 18
Head Office: 29 boulevard Haussmann – 75009 PARIS
The accounting management mainly consists in ensuring the calculation of the net asset values.
The administrative management mainly consists of assisting the Management Company in the legal monitoring of the Fund

- **Advisers**

Nil

II. OPERATING AND MANAGEMENT PROCEDURES

1 - General Characteristics

- **Characteristics of the share classes**

ISIN Codes:
Class S: FR0012034783
Class I: FR0013462033
Class A: FR0012034791

Nature of rights attached to shares:
Every shareholder has a right of co-ownership over the Fund's assets, which is proportional to the number of shares held.

Inclusion in a Register:
The investor's name and rights will be registered by an account entry with the financial intermediary of investor's choice for bearer shares, at the issuer, and if requested, with financial intermediary of investor's choice for registered securities.

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

Voting Rights:

No voting rights are attributed to the ownership of units. Decisions regarding the Fund are taken by the Investment Management Company; information on functioning of the Fund is provided to shareholders, as appropriate, either individually or through the news, either through periodic statements or by any other means.

Bearer Shares
The amount of securities is expressed in thousandths. Subscriptions and redemptions are in thousandths of units.

Closing Day:
Last trading day of each calendar year as observed of the Paris Stock Exchange.

Closing day of the first term:
Last trading day of December 2015 as observed on the Paris Stock Exchange.

Tax Regime:
The Fund is not subject to corporate taxation and fiscal transparency is applicable to any holder of shares. Fiscal policy applicable to amounts distributed by the Fund or to unrealized capital gains or losses depends on the tax regime applicable to each investor relative to his / her state of jurisdiction and/or to the Fund's jurisdiction.

Information on the "Fatca" law:

France and the United States have entered into a Model I Intergovernmental Agreement ("IGA") to implement in France the U.S. "FATCA" law, which is designed to combat tax evasion by U.S. taxpayers holding financial assets abroad. The term "U.S. taxpayer" means an individual who is a U.S. citizen or resident, a partnership or corporation organized in the U.S. or under the laws of the U.S. federal government or one of the U.S. federal states, or a trust if (i) a court located in the U.S. had, under the law (ii) one or more U.S. taxpayers have a right of control over all substantial decisions of the trust, or over the estate of a decedent who was a citizen or resident of the United States;

The FCP has been registered as a "reporting financial institution" with the US tax authorities. As such, the FCP is required to report to the French tax authorities, for 2014 and subsequent years, information regarding certain holdings or amounts paid to certain U.S. taxpayers or non-U.S. financial institutions considered non-participants in FATCA, which will be subject to an automatic exchange of information between the French and U.S. tax authorities. Investors will be required to certify their FATCA status to their financial intermediary or management company, as the case may be.

As a result of the FCP's application of its obligations under the IGA as implemented in France, the FCP will be considered to be in compliance with FATCA and should be exempt from FATCA withholding tax on certain U.S. source income or proceeds.

An investor whose units are held through an account holder located in a jurisdiction that has not entered into an IGA is advised to inquire of such account holder as to its intentions with respect to FATCA. In addition, certain account holders may need to collect additional information from investors in order to comply with their FATCA or account holder country obligations. In addition, the extent of FATCA or IGA obligations may vary depending on the jurisdiction of the account holder. Therefore, investors are advised to consult their usual tax advisor.

2 - SPECIFIC PROVISIONS

ISIN Codes:
Class S: FR0012034783
Class I: FR0013462033
Class A: FR0012034791

• Classification

Fund of Funds: Up to 100% of the Fund's net assets.

• Investment Objective

The objective of the Fund is to seek to deliver an annualized performance net of fees higher than that of €STR capitalized +1.085% over the recommended investment period of 5 years minimum, through the selection of diversified funds mainly exhibiting an absolute return objective.

• Benchmark

The Fund's benchmark is the €STR capitalized:
Class S: €STR capitalized +1.085%
Class I: €STR capitalized +1.085%
Class A: €STR capitalized +1.085%

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**

The Fund aims to achieve steady, consistent absolute returns while maintaining a low correlation with traditional asset classes through the implementation of a conviction and dynamic investment management process.

Investment Universe

The Fund may invest up to 100% maximum of its net assets in comingled funds domiciled in France or abroad, of which up to 30% can be in European Alternative Investment Funds open to non-professional investors meeting the requirements of Article R.214-13 of the French Monetary and Financial Code. The Funds will be classified as “equity”, “diversified” or “money market” with no geographic or sector distinction. The investment process will mainly consist in an allocation to a series of comingled funds exhibiting an absolute return objective.

Strategies implemented by the funds selected for an allocation will include equity (0-60%), fixed income (0-60%), convertible arbitrage (0-40%), merger arbitrage and special situations (0-30%), quantitative trading (0-20%) and global macro (0-20%). The Fund’s main investment objective is to deliver absolute returns with low correlation to traditional asset classes.

Although the investment universe exhibits a wide range of approaches and portfolio management techniques, the following section describes the Fund’s investable strategies:

- Equity strategies include long/short equity strategies (whereby both long and short positions may be taken and which net exposure may be different from 100%) as well as traditional long only equity strategies (for which short-selling is forbidden resulting in a net exposure limited to 100% of net assets).
- Fixed Income strategies which seek to take advantage of changes in yield’s curves and which investment universe includes government bonds, futures and interest rates swaps.
- Convertible arbitrage strategies which seek to exploit discrepancies between convertible bonds and their underlying assets.
- Merger arbitrage strategies which seek to capture a premium observed between the acquisition price announced by the bidding company and the target company’s market value.
- Special Situations strategies which seek exposure to opportunities generated by company events such as mergers, restructuration, bankruptcies, etc.
- Quantitative Trading strategies which build their portfolios based on predictions computed by a quantitative model which analyses prices and any relevant information to generate a “buy” or “sell” signal. These strategies mainly invest in future and forward contracts.
- Global Macro strategies which seek to take advantage of the macroeconomic environment and therefore use all instruments available reflecting the economic situation: foreign exchange; indices; yield curve; commodities.

In addition to the fund selection performed by the investment Management Company and in order to strengthen the investment rationales, the Fund may occasionally hold:

- Exchange Traded Funds (ETF) subject to a limit of 20% of the Fund’s net assets
- Equities from companies within OECD countries subject to a limit of 15% of the Fund’s net assets,
- EMTN (Euro Medium Term Notes) and warrants, subject to a limit of 25% of net assets
- Subordinated instruments of companies which head office are located in an OECD country (subordinated bonds, AT1/CoCos,…), subject to a limit of 20% of net assets

According to market conditions, the Fund may invest up to 100% in fixed income securities or money market instruments.

Fund selection process

Investment decisions are based on the combined analysis of the following approaches:

- Top Down approach: Macro-economic approach, which strives to anticipate the growth prospects relative to different sectors and geographical areas. This analysis also looks to formulate investment thesis and identify strategies which display the most potential within a given market environment. This top-down analysis is crucial in determining the Fund's allocation to the various available strategies within the investment universe.

- Bottom-up approach: Consists in analyzing the strengths and weaknesses of investment companies managing funds included in the investment universe, their strategic positioning, the quality and experience of their investment teams, quality of past results, stability of their asset base, operational strength and quality of risk management performed by the investment management companies... Funds included in the allocation will have been thoroughly due diligenced. The "bottom up" approach is essential for selecting strategies which the Fund is comfortable allocating to.

Quantitative tools may be used to strengthen the decision-making process especially to adjust the portfolio's volatility; however the final investment decisions will remain discretionary.

Selection	Due-Diligence	Portfolio Construction	Ongoing Portfolio Management
Investment Universe analysis: • Performances consistancy • Risk profile adequacy • Investment Team stability • Managers reliability • Fees, transparency and liquidity analysis	A robust assessment: • Investment team and investment strategy analysis • Historical returns analysis • Operational Due-Diligence • Underlying exposures evaluation • Annually reassessed grading • On-site visits and calls	"Top-Down" Macroeconomic views Strategic risks ↓ **Weight Attribution** Conviction strength Correlation with other assets ↑ Manager's experience Relative and absolute performances **"Bottom-Up"**	• Granular exposure review • Performance review • Frequent contact with managers • Weight reviews during monthly investment committees • Formalized reporting of portfolio reviews

Fund Allocation Policy

The Fund's allocations seek to be more strategic than tactical; thus the gradual and granular changes. Factors considered for allocation include, expectation of future returns with respect to the Fund's specific risk factors (average levels of market exposure, concentration and liquidity). Maximum allocation to a single fund is capped at 20% of the Fund's total net asset value. Strategies benefiting from an allocation to the Fund will be subject to ongoing monitoring and risk management controls.
The portfolio management process will seek to limit the annual volatility of the Fund's net asset values to a maximum of 6%. The global exposure of the Fund, defined as the sum of the exposures of each of the individual funds benefiting from an allocation, will be actively managed in order for the Fund to meet its volatility acceptance level.

The Fund is committed to respecting the following exposures:

- 0% to 60% in equity funds (all sectors, geographies, including emerging markets of all market capitalizations) with the following constraints:
    - 0% to 15% % in funds involved in emerging market equities
    - 0% to 15% in small-cap equity markets

Total exposure will not exceed 100% of the Fund's net assets.

The Fund may hold:

- Up to 100% in securities and money market instruments
- 0% to 100% in government bonds of OECD countries
- 0% to 20% in corporate bonds of companies with headquarters in an OECD country
- 0% to 20% in convertible bonds of companies with headquarters in an OECD country

The interest rate risk sensitivity will range between 0 and 5.

The Fund will limit its currency risk from non-euro currencies to 20% maximum.
To ensure compliance with volatility constraints and during financial turmoil, the investment team may temporarily adapt the Fund's exposure – whether in part or more significantly - and invest in bonds or money market instruments of OECD countries which rating will not be below BBB at the time of purchase
For securities outside money market and OECD countries public bonds, no rating constraint is applied.

To select and monitor fixed income securities, the Investment Management Company will not rely solely on ratings as provided by credit rating agencies. An internal and proprietary credit analysis will also be conducted to select a security. The Investment Management Company may thus make decisions to buy, hold or in case of deterioration, sell positions.

- **Assets (excluding derivatives)**

Investment guidelines in terms of instruments are displayed in the table below:

Exposure relates to the investments directly held by the Fund and may include assets mentioned in the table below with the specified constraints. The sum of direct exposures will not exceed 100%.

Direct Exposure (At the Fund level)		
Asset Class	**Minimum Exposure**	**Maximum Exposure**
Funds	0%	100%
AIF	0%	30%
Government Bonds	0%	100%
Corporate Bonds (1)	0%	20%
Subordinated Securities, AT1/CoCos (2)	0%	20%
Convertible Bonds (3)	0%	20%
Equities or equity related securities of companies belonging to OECD countries	0%	15%
Securities embedding derivatives; EMTN (Euro Medium Term Notes) (4)	0%	25%
Exchange Traded Funds	0%	20%

(1) Exposure to corporate bonds will be considered outside of investments made in (2), (3) and (4) which have their own specific constraints. This maximum exposure limit relates to vanilla corporate, whether fixed or variable, bonds.

- **Comingled funds**

  The Fund may hold up to 100% of its net assets in units or shares of comingled funds, alternative investment funds or investment funds under French law within the limits mentioned below:

  - Up to 100% of units or shares of comingled funds registered in France and / or a European country as defined in the European Directive 2009/65 / EC that may not invest more than 10% of their assets in units or shares in other funds or investment funds, including:
    - Equity strategies (0%-60%) with an upper limit of 15% in emerging market equities and 15% in small cap equities
    - Fixed income strategies (0%-60%),
    - Convertible bonds arbitrage strategies (0%-40%)
    - Merger arbitrage and special situations strategies (0%-30%)
    - Global macro strategies (0%-20%)
    - Quantitative trading strategies (0%-20%)

  - Up to 30% of net assets in units or shares of Alternative Investment Funds registered in France or abroad or foreign investment funds that meet the four conditions defined in Article R. 214-13 of the French Monetary and Financial Code
  - Up to 20% of net assets in Exchange Traded Funds (ETF)

- **Debt securities and money market instruments:**

  The Fund is authorized to invest up to 100% in government bonds of OECD countries; and:

    - 0% to 20% in corporate bonds of companies with headquarters in an OECD member;
    - 0% to 20% in subordinated instruments which headquarters are located in an OECD country (subordinated bonds, AT1/CoCos, …);
    - 0% to 20% in convertible bonds of companies with headquarters in an OECD member.

The Fund may use debt securities or money market instruments for cash management purposes.

- **Equities:**
  The Fund may hold up to 15% of its net assets in equities or capital securities of companies in OECD countries and/or listed companies in an OECD country.

- **Securities with embedded derivatives (excluding those classified as money markets or debt related instruments):**
  The fund may hold up to 25% of its net assets in EMTN (Euro Medium Term Notes) and warrants linked to equity, fixed income and foreign exchange markets in order to gain an exposure to their volatility with an optional profile.
  The investment manager may take action on the following risks:
    - Equity risk
    - Interest rate risk
    - Currency risk
    - Credit risk
    - Other risk: correlation

  Type of interventions, operations being limited to the achievement of the investment objective:
    - Hedging
    - Exposure
    - Arbitrage

  Hedging will not be systematic but discretionary depending on the manager's analysis.

  Type of instruments used:
    - EMTN (Euro Medium Term Notes)
    - Warrants
    - Convertible bonds

  Integrated derivatives strategy to achieve investment objective:
    - Buy / sell instruments issued by financial institutions

- **Deposits:**
  The Fund may invest up to 10% in deposits, which will be held with one or more credit institutions.

- **Cash borrowing:**
  Cash borrowing may not exceed 10% of the Fund’s net assets and shall be used to provide liquidity only for a temporary period of time, to holders who wish to redeem their units.

- **Securities lending and repurchase agreement:**
  Nil.

- **Derivatives:**
  Nil.

• Risk Profile

Fund’s assets will be invested in financial instruments selected by the Investment Management Company. These instruments are subject to market conditions and fluctuations.

Holders of shares or units of the Fund will be exposed to the following risks:

- **Risk of capital loss:** The loss of capital arises when a unit is sold at a lower price than its purchase value. The Fund does not provide for capital guarantee or protection. The initial investment is exposed to market risks, and, in case of adverse market conditions, may not be returned as invested initially;

- **Risk associated with discretionary management:** This investment style is fully discretionary and is based on expectations regarding the performance of various markets (equity, fixed income) and / or on the securities selected for an investment. There is a risk that the Fund may not be invested in the best-performing markets or securities at all times. The Fund’s performance may therefore translate into lower returns than its objectives and result in a decline of the Fund’s net asset value;

- **Equity Risk:** Equity markets may experience significant fluctuations depending on the changes in the global economy and in corporate earnings. In case equity markets fall, the Fund’s net asset value may decrease.

- **Risk associated with investments in equities of small cap companies:** Such securities may, given the potentially lower volume of securities listed on the stock exchange, trigger liquidity risks. This may translate into more significant and rapid stock price depreciation. The net asset value of the Fund can therefore fall more rapidly and more sharply;

- **Risk associated with investments in emerging markets:** Investors' attention is drawn to the fact that monetary and operating conditions in emerging and developing countries may deviate from the standards prevailing in the major international markets. The net asset value of the Fund may fall more rapidly and more sharply;

- **Interest rate risk:** In case of a rise in interest rates, the value of fixed income instruments in which the Fund is invested may decline, leading to a decrease in the Fund's net asset value;

- **Credit risk:** In the event of a downgrade in an issuer's credit rating, or in an extreme case of an issuer's defaulting, the value of related debt securities may decrease and therefore the Fund's net asset value may fall;

- **Risk associated with high-yield bond investment:** Securities that the Investment Management Company or credit rating agencies would define as "speculative" exhibit an increased risk of default, and are thus likely to be subject to heightened volatility, which can lead to a decrease in the Fund's net asset value;

- **Currency risk:** An unfavorable evolution of the euro against other currencies may have a negative impact and lead to a decline in the Fund's net asset value.

- **Liquidity risk**: The Fund may be exposed to liquidity risk if a part of investments is made in forward financial instrument considered as liquid but which might have a low liquidity level in certain circumstances, and then have an impact on the Fund's liquidity risk.

- **Risk associated with derivatives**: The Fund uses derivatives which are OTC derivatives for investment and/or hedging purposes. These volatile instruments may be subject to different types of risks such as the market risk, the liquidity risk, the counterparty risk, the legal risk and operational risk. OTC derivatives investments may have a limited liquidity on the secondary market and it might be difficult to assess the value of that position. That's why there is no guarantee that derivative strategies achieve the objective.

- **Risk associated with AT1**: The Fund uses subordinated bonds, which include AT1 (capital securities for financial institutions). These securities may be subject to liquidity risk and conversion risk or nominal decrease when the issuer's equity capital fall below a trigger level.

- 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 integration 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.

- **Guarantee or Protection**

Nil.

- **Targeted Investors and Typical Investors Profile**

Share classed S: All investors, and more specifically institutional and high net worth individuals.
Share classed A: All investors.
Share classed A: All investors.

The Fund is intended for investors seeking low correlation with traditional asset classes and consistent absolute returns during the recommended investment horizon.

The reasonable amount to invest in the Fund depends on the personal situation of each investor. To assess this amount, one is advised to consider his/her current personal wealth and financial needs (including those on a 5 year investment horizon) as well as his/her willingness to take on risks associated with an investment in the Fund or his/her preference for a more cautious investment. It is also highly recommended to diversify investments adequately to avoid being solely exposed to the Fund's risks.

- **Recommended Investment Period**

More than 5 years.

- **Computation and Distribution of Income and Capital Gains**

The net income for the fiscal year shall correspond to the interests, arrears, dividends, premiums and allotments, directors' fees and all other financial products generated by securities held in the Fund's portfolio, as well as any cash amount momentarily available, altogether subject to management fees and loan interests.

Distributable income consists of:

1. Net income for the financial year, plus moneys carried forward and plus or minus the balance of past accrued income;
2. Net capital gains, after fees, minus any net capital loss accrued during the current financial year, plus net capital gains of the same kind accrued during previous years that have not been subject to distribution or capitalization, impacted (positively or negatively) by the balance of the capital gains' regularized account.

Capitalization (Share Classed S, I and A):
The distributable amounts shall be entirely capitalized each year.

	Fully Capitalized	*Partially Capitalized*	*Fully Distributed*	*Partially Distributed*
Net Income	***X***			
Net Realized Capital Gains or Losses	***X***			

- **Frequency of Distribution**

Nil.

- **Shares Characteristics**

<u>Share class S:</u> **1,000 Euros.**
<u>Share class I :</u> **1,000 Euros.**
<u>Share class A:</u> **1,000 Euros.**

Share class S: **In fractions of 1 thousandth of units**. Denominated in Euro (€).
Share class I: **In fractions of 1 thousandth of units**. Denominated in Euro (€).
Share class A: **In fractions of 1 thousandth of units**. Denominated in Euro (€).

Minimum initial investment

Share class S: **100,000€** (This minimum does not apply to discretionary mandates nor management, employees and funds of Longchamp Asset Management SAS).
Share class I: **50,000€** (This minimum does not apply to discretionary mandates nor management, employees and funds of Longchamp Asset Management SAS).
Share class A: **1,000€** (This minimum does not apply to discretionary mandates nor management, employees and funds of Longchamp Asset Management SAS).

Minimum subsequent investment or redemption: **1 thousandth of a unit**. The minimum investment for discretionary mandates or those that the Investment Management Company's senior management and employees would proceed with ought to be made in full units.

- **Dealing Deadline for Subscription and Redemption Requests**

Subscription and redemption orders are centralized on D-1 at 12:00 p.m., Paris time, i.e. 1 business day (days that are not public holidays within the meaning of Article L 3133-1 of the French Labor Code and the opening day of the Paris Stock Exchange, official calendar of Euronext Paris SA) preceding the net asset value day (D).

Execution

- Orders received before 12:00pm 1 business day prior to the net asset value day (D), will be executed on the next net asset value day.
- Orders received after 12:00pm 1 business day prior to the net asset value day (D), will be executed on the following net asset value day.

Settlement

- In the case of subscriptions, payment (cash) and delivery (shares/units) shall occur within four business days following the relevant Reference Day (T+4).

  In the case of redemptions, payment (cash) and delivery (shares /units) shall occur within four business days following the relevant Reference Day (T+4).

Financial institution responsible for subscription and redemption:
SOCIETE GENERALE : 29 Bd Haussmann – 75009 Paris 1 : Except any specific time discussed with your financial institution

Previous Business Day (T-1)	Previous Business Day (T-1)	(T) Trading Day	3 Business Days after (T+3)	4 Business Days after (T+4)	4 Business Days after (T+4)
Subscription orders received before 12:00 PM[1]	Redemption orders received before 12:00 PM[1]	Trade execution	NAV Publication	Subscription settlement	Redemption settlement

"D" defines the reference day of the net asset value.

> Introduction of a "Gates" cap on redemptions:

Description of the liquidity mechanism:

The Fund has a redemption cap mechanism.
Pursuant to Articles L. 214-8-7 of the French Monetary and Financial Code and 411-20-1 of the AMF's General Regulations, the Management Company may decide to cap redemptions ("Gates") when exceptional circumstances so require and if the interests of unitholders or the public so dictate.

The Management Company may decide not to execute all redemption requests centralized on the same net asset value, in view of the consequences for liquidity management, in order to guarantee the Fund's balanced management and equal treatment of unitholders.

Calculation method and threshold:

The management company has introduced a redemption ceiling above a threshold of 10%, corresponding to the ratio of redemptions net of subscriptions to the fund's net assets.

This system is not systematically applied, and the management company reserves the right to honor all or part of redemption requests above this threshold. The management company may also decide at a given net asset value date, notwithstanding the activation of the mechanism, to honor all or part of redemption requests exceeding this threshold.

The application of this mechanism is identical for all fund unitholders who have made a redemption request on the same net asset value. Consequently, these redemption orders are executed in the same proportion for all fund unitholders.

Processing unexecuted orders :

Cases with automatic carry-over

Unexecuted orders are automatically carried forward to the next centralization date and do not take priority over new orders. Holders' attention is drawn to the fact that unexecuted orders cannot be cancelled or revoked by the holder under any circumstances.
If a redemption split is activated again on this net asset value, it will be split under the same conditions as new orders.

Cases of exemption from the trigger mechanism :

The redemption capping mechanism does not apply to redemption and subscription requests for the same number of units, on the same net asset value, and for the same holder ("allers-retours").

Informing unitholders in the event of a triggering event :

In the event of activation of the Gates system, all Fund unitholders will be informed by any means, via the Management Company's website. Unitholders whose redemption orders have not been executed on a given net asset value date will be specifically informed as soon as possible.

> Net asset value adjustment mechanism - "Swing Pricing with trigger point":

- The aim of this mechanism is to avoid penalizing investors present in the fund in the event of significant subscriptions or redemptions, by applying an adjustment factor to investors who subscribe or redeem significant amounts of the fund's assets, which is likely to generate costs for incoming or outgoing investors that would otherwise be charged to investors who remain in the fund.

- Thus, on the day the net asset value is calculated, the fund managers may decide to adjust the net asset value upwards or downwards, to take into account the readjustment costs attributable to the positive/negative balance of subscriptions/redemptions. In this case, a positive subscriptions/redemptions balance results in an upward adjustment, while a negative subscriptions/redemptions balance results in a downward adjustment.

- Cost parameters are determined by the management company and reviewed periodically, at least every six months. These costs are estimated by the management company on the basis of transaction fees and buy/sell spreads, by asset class, market segment or security.

- It is not possible to predict whether the "swing" will be applied at any given time in the future, nor the frequency with which the management company will make such adjustments.

- Investors are informed that the volatility of the fund's net asset value may not solely reflect that of the securities held in the portfolio due to the application of swing pricing.

- The "swung" net asset value is the only net asset value of the fund and the only one communicated to the fund's investors. However, if a performance fee is charged, it is calculated on the net asset value before application of the adjustment mechanism.

In accordance with regulations, the characteristics of this mechanism, such as the trigger percentage, are known only to the people in charge of its application.

- **Net Asset Value Frequency**

The net asset value is calculated on the basis of the closing price on the Friday, with the exception of public holidays within the meaning of Article L 3133-1 of the French Labor Code and days on which the Paris Stock Exchange is closed (Euronext SA calendar). In this case, it is calculated on the basis of the closing price of the next business day.

In addition, a net asset value is calculated on the last trading day (as defined above) of each month.

The net asset values are calculated 3 business days after each reference day of the net asset value (D+3). They are calculated on the basis of the last known net asset values for UCIs, for other securities, on the basis of the last quoted price.

Net asset values are available from the management company and on its website: www.longchamp-am.com.

- **Fees and Expenses**

Subscription and Redemption Fees:

Subscription fees increase the subscription price paid by the investor, while redemption fees decrease the redemption price. Fees paid to the Fund serve to offset the costs incurred by the Fund to invest and disinvest investors' monies. Fees not paid to the Fund are paid to the Investment Management Company, the promoter, etc.

Fees payable by the investor on subscriptions and redemptions	Basis	Applicable rates
Subscription fee not payable to the Fund	Net Asset Value per unit x number of units	Nil
Subscription fee payable to the Fund	Net Asset Value per unit x number of units	Nil
Redemption fee not payable to the Fund	Net Asset Value per unit x number of units	Nil
Redemption fee payable to the Fund	Net Asset Value per unit x number of units	Nil

Operating and Management Fees

The following fees cover for the fees charged directly by the Fund, excluding transaction fees, which include intermediaries' fees (brokerage, etc ...) and transaction fees, if any, that may be charged by the custodian and administrator of the Investment Management Company.

Other fees may be added to the operating and management Fees, such as:

- Performance fees: Rewards the Investment Management Company when the Fund outperforms its benchmark.
- Transaction fees charged to the Fund.

Fees charged to the Fund	Basis	Maximum chargeable rate
Management Fees	Net Assets	• Share class S: 0.00% • Share class I: 0.50% • Share class A: 1.00%
Management Fees payable to the external companies (statutory auditor, custodian, distributors, lawyers)	Net Assets	0.20%
Maximum Indirect Expenses linked to underlying investments (commissions and fees)	Net Assets	Maximum 1.50% inclusive of tax
Transaction Fees	Payable upon each transaction, based on the transactions' gross amount	• Equity: 0.10% (with a minimum of 75€) • Bonds: 0.10% (with a maximum of 95€) • UCI: maximum 150€ • Money Market Instruments: 25€ (France) and 55€ (International)
Performance Fees	Net Assets	Share class S, I and A: **10% above annual** €STR Capitalized +1.085% Note below (1)

(1) Performance Fee is calculated using the High Water Mark system.

The performance fee is equal to 10% (inclusive of tax) of Fund's net annual performance above €STR Capitalized +1.085%. It is calculated over a reference period of 12 months. By exception, the first reference period will begin at the Fund's creation to end on the last day of December 2015. Performance is calculated by comparing the Fund's net assets evolution over €STR Capitalized +1.085%to another reference Fund bearing the same variation in subscriptions and redemptions than the Fund.

The High Water Mark (HWM) system allows the Investment Management Company to be entitled to a performance fees if the following conditions are satisfied:

- The Fund outperforms the Fund's benchmark over the financial year.
- The net asset value at the end of the financial year is higher than the latest closing net asset value on which a performance fee has been deducted.

- If, over the given period, the Fund's performance net of fees is higher than that of Fund's benchmark and satisfy the HWM conditions, the variable part of management fees will be 10% (inclusive of tax) of the difference between the performance of the Fund's net of fees and the reference fund.

- If, over the given period, the Fund's performance net of fees is lower than that of Fund's benchmark or do not satisfy the HWM conditions, the variable part of management fees will be 0.

  - In the event of an underperformance relative to the Fund's benchmark between the two net asset values, any provision previously done will be readjusted by a provision reversal. Reversal provisions will reach a limit set by previous commissions.

This variable part will be definitively received at the of the reference period, if over the reference period, the Fund's performance net of fees is higher than that of the reference's fund. Redemptions that occurred during the financial will lead to an early payment of variable fees. Those fees will be directly attributed on the Fund's account of reserve.

Selection of intermediaries

As part of its "Best Selection" obligation, the Investment Management Company selects brokers and /or counterparties through a policy in accordance with the regulation, including Article 314-75 of the General Regulations of the Autorité des Marchés Financiers.
The selection of brokers and other counterparties will be independently decided by the Investment Management Company based on prices and quality of service. The Investment Management Company is prohibited from placing orders with a single intermediary.

Tax:
Income and capital gains associated with the holding of units and shares 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 advice from a professional tax advisor.

III. COMMERCIAL INFORMATION

Dissemination of information related to the Fund is managed by:

Longchamp Asset Management
30 rue Galilée, 75116 Paris
Tel: 01.71.70.40.30

E-mail: ir@longchamp-am.com
Website: www.longchamp-am.com

Environmental, social and corporate governance: The Investment Manager does not take ESG criteria into account in the Fund's management decisions.

The "Voting Policy" document summarizing conditions under which voting rights may be exercised are available upon written request sent to the Investment Manager.

IV. INVESTMENT RULES

In accordance with Articles L 214-20, R 214-9 and subsequent of the Monetary and Financial Code, the Fund assets' investment constraints and risks limits shall be respected at all the times. If the mentioned limits were to be breached for reasons independent from the Investment Manager or following the exercise of subscription rights, the Investment Management Company will focus as a priority on rectifying the situation in a timely manner, taking into account the best interest of the Fund's shareholders.

V. GLOBAL RISK

The Fund's global risk is calculated using the commitment approach.

VI. RULES OF ASSETS ACCOUNTING AND VALUATION

The Fund accounts its revenues using the **paid** coupon method.

ACCOUNTING OF ENTRY AND EXIT POSITIONS IN PORTFOLIO:

The accounting of positions entered and exited is recorded excluding any transaction fee.

VALUATION METHODS:

For each valuation, the assets are valued as per the following guidelines:

Equity and similar listed assets (French or foreign securities):

Valuation is done as per the stock market price.
The stock market price used is based on the stock market / exchange where the security is listed:
Securities quoted in European markets: Last available stock market price of the day.
Securities quoted in Asian markets: Last available stock market price of the day.
Securities quoted in Australian markets: Last available stock market price of the day.
Securities quoted in North American markets: Last available stock market price of the day.
Securities quoted in Latin-American markets: Last available stock market price of the day.

In the event that a security is not priced on the exchange for a given day, the closing stock market price of the previous business day is used.

Fixed Income and debt related assets (French or foreign securities) and EMTN:

Valuation is done as per the stock market price.
The stock market price used is based on the stock market / exchange where the security is listed:
Securities quoted in European markets: Last available stock market price of the day.
Securities quoted in Asian markets: Last available stock market price of the day.
Securities quoted in Australian markets: Last available stock market price of the day.
Securities quoted in North American markets: Last available stock market price of the day.
Securities quoted in Latin-American markets: Last available stock market price of the day

In the event that a security is not priced on the exchange for a given day, the closing stock market price of the previous business day is used.

In the case of an unrealistic stock market price, the Investment Management Company undertakes the responsibility of making an estimate more in line with actual market parameters. According to the available sources, the evaluation can be done using various methods, for e.g.:

- quote from a contributor,
- an average of quotes from several contributors,
- using an actuarial method utilizing the spread (credit or other) and current yield curve,
- etc.

Units or shares of UCITS funds and AIFs in the portfolio:

Valuation is based on the latest available net asset value.

Negotiable debt instruments:

Negotiable debt instruments, which upon acquisition, have a residual maturity of less than three months, will be valued linearly.
Negotiable debt instruments, which upon acquisition, have a residual maturity of more than three months, are valued at their market value until their maturity reaches 3 months and one day
The difference between their market value until their maturity reaches 3 months and 1 day and their redemption value is linearized for the remaining 3 months.

Exception: BTF and BTAN are valued at market price until maturity.

Market quote used:

Bon du Trésor Francais / Bon du Trésor à Terme Negociable:

Actuarial yield to maturity or market price as quoted by the Bank of France for the specific day.

Other negotiable debt instruments:

a/ Instruments with a maturity comprised between 3 months and one year:

- If the negotiable debt instrument is subject to significant transactions: an actuarial method is applied using the security's respective rate of return as provided by the market.
- Other negotiable debt instruments: Using proportional method using a rate of return equivalent to that of EURIBOR of similar maturity, which may potentially be corrected by a margin accounting for intrinsic characteristics of the issuer.

b/ Instruments with a maturity of more than 1 year: using an actuarial method.

- If the negotiable debt instrument is subject to significant transactions: the rate of return used is that of the market as provided on a specific day.
- Other negotiable debt instruments: Using a rate of return of BTANs of an equivalent maturity, which may potentially be corrected by a margin accounting for intrinsic characteristics of the issuer.

Futures Contracts:

Futures contracts are valued using the underlying assets' market prices. Market prices may vary depending on the Exchange where the futures contract is listed:
Futures traded on European markets: last available market price of the day or the price as of settlement date
Futures traded quoted on North American markets: last available market price of the day or the price as of settlement date

Options:
Options are valued following the same principle as their underlying securities:
Options traded on European markets: last available market price of the day or the price as of settlement date
Options traded on North American markets: last available market price of the day or the price as of settlement date

Swaps:

Swaps with maturity within 3 months are valued linearly.
Swaps with maturity greater than 3 months are valued at market prices.
Valuation of index swaps based on market price is computed applying a commonly used probabilistic mathematical model for those products. The model use Monte Carlo simulations.
In the case a swap's underlying securities are clearly identified in terms of credit quality and duration), the latter are valued using all available resources.

Foreign exchange futures contracts:

These types of contracts are used to hedge currency risk linked to the holding of securities denominated in a currency different from that of the Fund and translate into a borrowing of the required amount in the required currency. Such contracts are valued based on the yield curve of the foreign / base currency.

Swing Princing:

On the day the net asset value is calculated, the managers may decide to adjust the net asset value upwards or downwards, to take account of readjustment costs attributable to the positive/negative balance of subscriptions/redemptions. In this case, a positive subscriptions/redemptions balance results in an upward adjustment, while a negative subscriptions/redemptions balance results in a downward adjustment.

Cost parameters are determined by the management company and reviewed periodically, at least every six months. These costs are estimated by the management company on the basis of transaction fees and buy/sell spreads, by asset class, market segment or security.

It is not possible to predict whether the "swing" will be applied at any given time in the future, nor the frequency with which the management company will make such adjustments.

OFF-BALANCE SHEET COMMITMENTS VALUATION METHOD:

Off-balance-sheet commitments on futures contracts are valued at their market value. valuation is done by multiplying the number of contracts with the nominal. Off-balance sheet commitments on OTC contracts will be recorded at their nominal value and in the absence of nominal, at an equivalent amount.
Valuation of off-balance sheet commitments on options is determined on the basis of the underlying's equivalent, resulting in the number of options being multiplied by the delta, which results of a mathematical model (such as Black-Scholes), which parameters are: market price of the underlying, maturity of the option, short-term interest rates, exercise price of the option and volatility of the underlying. The presentation in the off-balance sheet corresponds to the economic nature of the transaction and not the purpose of the contract.
Off-balance-sheet commitments on dividend swaps are valued at their nominal value off-balance sheet. Backed or un-backed swaps are recorded at their nominal values off-balance sheet.

Given or received guarantees: Nil

VII. COMPENSATION POLICY

Longchamp Asset Management has implemented a compensation policy that complies with the requirements of the UCITS V Directive and ESMA Guidelines. This compensation policy is consistent and promotes sound and effective risk management and does not encourage risk taking that would be incompatible with the risk profiles, the regulations and the constituent documents of the UCITS it manages. This policy is also consistent with the interests of UCITS and its investors.

Longchamp Asset Management's employees in scope for application of this policy receive a fixed salary (in cash), in line with market practice. They are also eligible for variable compensation, paid in the form of a bonus, and wholly subject to social benefits, just like the fixed compensation. This variable compensation is a balanced complement to the fixed part of the remuneration, considering employee's performance. Its determination remains discretionary and takes into account qualitative and quantitative factors such as the financial health of the Investment Manager, the strength of the operational unit concerned, the performance of the UCITS and the assessments of each employees' contributions.

The complete compensation policy for Longchamp Asset Management as well as the total amount paid for the financial year, broken down according to the regulatory criteria, are available free of charge and upon written request to your contact with the Investment Manager: Longchamp Asset Management, 30 rue Galilee, 75116 Paris.

RULES AND REGULATIONS OF THE FUND

LONGCHAMP PATRIMOINE FUND

TITLE I – ASSETS AND UNITS

Article 1 – Co-ownership

Rights of the co-owners are expressed in units, with each unit representing the same fraction of the Fund's assets. Each shareholder has a right of co-ownership of the Fund's assets in proportion to the number of units held.
The duration of the Fund is 99 years from the date of its creation, except in the event of its early dissolution or extension as defined in these Rules and Regulations.
Following the decision of the Board of Directors of the Investment Management Company, units may be sub-divided into thousandths, referred to as fractions of units.
The provisions of the Rules and Regulations governing the issue and redemption of units shall apply to fractions of units, which value shall always be proportionate to that of the units they represent. Unless otherwise provided, all other provisions of the Rules and Regulations relating to units shall apply to fractions of units without any need to make a specific provision to that end.
Lastly, the Board of Directors of the Investment Management Company may decide, at its own discretion, to sub-divide the units by issuing new units, which shall be allocated to shareholders in exchange for their existing units.

Article 2 - Minimum Assets

Units may not be redeemed if the Fund’s assets fall below EUR 300,000; if the assets remain below this amount for a period of more than 30 days, the Investment Manager shall make the necessary provisions to liquidate the Fund, or to carry out one of the operations mentioned in article 411-16 of the AMF General Regulation (transfer of the Fund).

Article 3 - Issue and Redemption of Units

Units are issued at any time following receipt of subscription requests from shareholders, on the basis of their net asset value plus a subscription fee, where applicable.
Subscriptions and redemptions are executed under the conditions and according to the procedures defined in the Fund’s Prospectus.
Units of the Fund may be listed on a stock exchange in accordance with the regulations in force.
Subscriptions must be fully paid up on the day the net asset value is calculated. They may be made in cash and/or by a contribution in kind in the form of financial instruments. The Investment Management Company is entitled to refuse any securities offered and, for that purpose, must communicate its decision within seven days of the date on which the securities were tendered. If they are accepted, the securities contributed in kind are valued according to the rules laid down in article 4 and the subscription is based on the first net asset value following acceptance of the relevant securities.
Redemptions are made exclusively in cash, except in the event of liquidation of the Fund when shareholders have agreed to be redeemed in kind. They are settled by the registrar within a maximum of five days from the valuation day of the units.
However, if in exceptional circumstances the redemption requires the prior sale of assets held in the Fund, this deadline may be extended to a maximum of 30 days.
With the exception of a succession or an inter vivos gift, the sale or transfer of units between shareholders, or between shareholders and third parties, is treated as a redemption followed by a subscription; if this involves a third party, the sale or transfer amount must, where applicable, be supplemented by the beneficiary in order to at least reach the minimum subscription amount stipulated by the Fund’s Prospectus.
In application of article L.214-8-7 of the French Monetary and Financial Code, the redemption of units by the Fund as well as the issue of new units may be suspended on a temporary basis by the Investment Management Company in exceptional circumstances and if this is deemed necessary to protect the interests of shareholders.

In accordance with articles L. 214-8-7 of the French Monetary and Financial Code and 411-20-1 of the AMF's General Regulations, the management company may decide to cap redemptions in exceptional circumstances and in the interests of shareholders or the public.
The operating procedures for the capping mechanism and for informing unitholders are described in detail.

The threshold above which redemptions, net of subscriptions occurring on the same centralization date, are capped is set at 10% of the Fund's net assets. This threshold is determined on the basis of the Fund's last net asset value, which may be estimated by the management company on the corresponding valuation day.

If the redemption cap is triggered by the management company, redemption orders exceeding this threshold may be honored, in full or in part, at the discretion of the management company.
The portion of orders not executed will be automatically carried forward to the next valuation date, with no possibility for the investor to cancel or revoke them.

Round-trip" transactions, i.e. subscription and redemption transactions for the same number of units, on the basis of the same net asset value and for the same investor or beneficial owner, will not be subject to the redemption cap..

If the Fund’s net assets fall below the minimum threshold set by the regulation, no redemptions can be carried out.

The UCITS Fund may stop issuing shares in accordance with the third paragraph of article L.214-8-7 of de financial and monetary code, temporarily or permanently, partly or entirely, in objective situations leading to the subscriptions closure such as a maximum number of shares issued, a maximum amount of assets reached or the expiry of a specified subscription period. The triggering of this tool will be the subject of information by any means of the existing holders concerning its activation, as well as the threshold and the objective situation that led to the decision of partial or total closure. In the case of a partial closure, this information will specify the terms and conditions under which existing holders may continue to subscribe for the duration of such partial closing. Shareholders are also informed of the decision of the UCITS or the investment management company to either end the total or partial subscriptions closing (when falling below the trigger threshold), or not putting an end to it (in the case of a threshold change or a change in the objective situation leading to the implementation of this tool). A change in the objective situation invoked or the trigger threshold of the tool must be made in the interests of shareholders. Information by any means specifies the exact reasons for these amendments.

Article 4 - Calculation of the Net Asset Value

Valuation of the Fund’s net asset value is calculated in accordance with the valuation rules specified in the Fund’s Prospectus.

TITLE 2 – OPERATION OF THE FUND

Article 5 - Investment Manager

The Fund is managed by the Investment Management Company in accordance with the Fund's investment objectives.
The Investment Management Company shall act in all circumstances on behalf of the shareholders and has the exclusive right to exercise the voting rights attached to the securities held in the Fund.

Article 5a - Operating Rules

Instruments and deposits eligible to form part of the Fund's assets as well as the Fund's investment rules are described in the Fund's Prospectus.

Article 6 – Custodian

The custodian carries out the duties incumbent upon it under the legal and regulatory provisions in force as well as those to which it has contrac-tually agreed with the Investment Management Company. In particular, it must ensure that decisions taken by the Investment Management Com-pany are lawful. Where applicable, it must take all protective measures that it deems necessary. In the event of a dispute with the Investment Management Company, it shall inform the Autorité des Marchés Financiers (French Financial Markets Authority, "AMF").

Article 7 - Auditor

An auditor is appointed by the governing body of the Investment Management Company for a term of six financial years, subject to the approval of the Autorité des Marchés Financiers.
The auditor certifies the accuracy and consistency of the financial statements.
The auditor may be re-appointed.

The auditor is obliged to promptly notify the Autorité des Marchés Financiers if, in the course of its duties, it becomes aware of any fact or decision concerning the undertaking for collective investment in transferable securities which is liable to:

1. Constitute a breach of the legal and regulatory provisions governing this undertaking and is likely to have significant consequences for its financial position, income or assets;
2. Impair its continued operation or the conditions thereof;
3. Lead to the expression of reservations or a refusal to certify the financial statements.

Assets will be valued and exchange ratios will be determined for the purpose of any conversion, merger or split under the statutory auditor's supervision.
The auditor shall assess all contributions in kind under its responsibility.
The auditor shall check the composition of the assets and other information before any publication.
The auditor's fees are determined by mutual agreement between the auditor and the Board of Directors of the Investment Management Company on the basis of an agenda indicating all duties deemed necessary.
The auditor certifies the financial statements serving as the basis for the payment of interim dividends.

Article 8 - Financial Statements and Management Report

At the end of each financial year, the Investment Management Company prepares the financial statements and a report on the management of the Fund during the last financial year.
The Investment Management Company shall prepare an inventory of the assets at least twice a year and under the supervision of the custodian.
All of the above documents are reviewed by the auditor.

The Investment Management Company shall make these documents available to shareholders within four months after the financial year-end and shall notify them of the amount of income attributable to them: these documents shall be sent by post if expressly requested by the shareholders or made available to them at the office of the Investment Management Company.

TITLE 3 – APPROPRIATION OF DISTRIBUTABLE INCOME

Article 9 – Allocation of Distributable Income

Net income for the financial year is equal to the amount of interest, arrears, dividends, premiums and bonuses, directors' fees and all proceeds relating to securities in the Fund's portfolio, plus the proceeds of moneys temporarily available and less management fees and borrowing costs.
Distributable income shall consist of:

1. The net income for the financial year plus retained earnings, plus or minus the balance of the income equalization accounts for the last financial year.
2. The realized capital gains, net of fees, minus realized capital losses, net of fees, recorded during the financial year, plus net capital gains of the same kind recorded during previous financial years and that have not yet been subject to distribution or accumulation, plus or minus the balance of the capital gains equalization accounts.

- Capitalization:
Distributable income is fully capitalized.

TITLE 4 – MERGER – SPLIT – DISSOLUTION - LIQUIDATION

Article 10 - Merger - Split

The Investment Management Company may either merge all or part of the Fund's assets with another fund under its management, or split the Fund into two or more other funds.
Such mergers or splits may only be carried out after notification to shareholders. They give rise to the issue of a new certificate indicating the number of units held by each shareholder.

Article 11 - Dissolution – Prorogation

If the assets of the Fund remain below the amount set in article 2 above for thirty days, the Investment Management Company shall inform the Autorité des Marchés Financiers and shall dissolve the Fund, except in the event of a merger with another fund.
The Investment Management Company may dissolve the Fund before term. It shall inform the Shareholders of its decision, after which no further subscription or redemption requests shall be accepted.
The Investment Management Company shall also dissolve the Fund if a request is made for the redemption of all of the units, if the custodian's appointment is terminated and no other custodian has been appointed, or upon expiry of the Fund's term, unless such term is extended.
The Investment Management Company shall inform the Autorité des Marchés Financiers by post of the dissolution date and procedure. It shall send the statutory auditor's report to the Autorité des Marchés Financiers.
The Investment Management Company may decide to extend the Fund's term, subject to the custodian's agreement. Its decision must be taken at least 3 months prior to the expiry of the Fund's term and must be communicated to the shareholders and the Autorité des Marchés Financiers.

Article 12 – Liquidation

In the event of a dissolution, the Investment Management Company or the custodian shall act as liquidator; otherwise, the liquidator shall be appointed by the court at the request of any interested party. To this end, they shall be granted the broadest powers to realize assets, pay off any creditors and allocate the available balance among the shareholders in the form of cash or securities.
The auditor and the custodian shall continue to carry out their duties until the end of the liquidation proceedings.

TITLE 5 - DISPUTES

Article 13 - Competent Courts – Jurisdiction

Any disputes relating to the Fund that arise during the Fund's lifetime or during its liquidation, either amongst shareholders or between the shareholders and the Investment Management Company or the custodian, shall be subject to the jurisdiction of the competent courts.