

# 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.

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 the 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 contractually agreed with the Investment Management Company. In particular, it must ensure that decisions taken by the Investment Management Company 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.