

# **CARMIGNAC INVESTISSEMENT**

French UCITS  
Under European Directive 2009/65/EC

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**PROSPECTUS**  
February 2017

## I. GENERAL CHARACTERISTICS

### 1. Structure of the UCITS:

French Mutual Fund (FCP)

### 2. Name

CARMIGNAC INVESTISSEMENT

### 3. Legal form and Member State in which the UCITS was established:

French mutual fund (Fonds Commun de Placement – FCP) established in France, governed by European Directive 2009/65 EC

### 4. Creation date and intended lifetime:

The fund was approved by the Autorité des Marchés Financiers on 11 January 1989. It was launched on 26 January 1989 for a period of 99 years (ninety nine years).

### 5. Fund overview

UNIT CATEGORIES	ISIN	ALLOCATION OF DISTRIBUTABLE INCOME	BASE CURRENCY	TARGET INVESTORS	MINIMUM INITIAL SUBSCRIPTION*	MINIMUM SUBSEQUENT SUBSCRIPTION*
A EUR Acc	FR0010148981	Accumulation	EURO	All investors	1 unit	0.100 unit
A EUR Y dis	FR0011269182	Distribution	EURO	All investors	EUR 1,000	EUR 1,000
E EUR Acc	FR0010312660	Accumulation	EURO	All investors	1 unit	1 unit
A CHF Acc Hdg	FR0011269190	Accumulation	CHF (hedged)	All investors	CHF 50,000,000	CHF 1,000

Hedged units are hedged against currency risk.

\* The minimum initial subscription amount does not apply to entities belonging to the Carmignac group or to funds that it manages.

### 6. Address at which the latest annual and semi-annual reports can be obtained

The latest annual reports and the composition of the assets will be sent to unitholders within eight business days upon written request to:

CARMIGNAC GESTION, 24, place Vendôme, 75001 PARIS

Contact: Marketing and Communications

Tel: +33 (0)1 42 86 53 35 - Fax: +33 (0)1 42 86 52 10

The prospectus and KIID (Key Investor Information Document) are available on the website: [www.carmignac.com](http://www.carmignac.com)

The AMF website ([www.amf-france.org](http://www.amf-france.org)) contains additional information on the list of regulatory documents and all the provisions relating to investor protection.

## II. DIRECTORY

### 1. Management company

Carmignac Gestion, a *société anonyme* (public limited company), 24 place Vendôme, 75001 Paris, with COB approval dated 13 March 1997 under number GP 97-08.

### 2. Custodian

CACEIS Bank, a *société anonyme* (public limited company) with a board of directors and credit institution approved by the ACPR, registered office: 1-3 Place Valhubert, 75013 PARIS

*Description of the custodian's role:* CACEIS Bank carries out the tasks described in the regulations applicable to the fund:

- Safekeeping of fund assets
- Checking that decisions taken by the management company are lawful
- Monitoring the fund's cash flows.

The management company has also appointed the custodian with managing the fund's liabilities, which includes centralising fund unit subscription and redemption orders, and keeping a register of fund units issued. The custodian is independent of the management company.

*Identification and management of conflicts of interest:* Potential conflicts of interest may be identified, especially in cases where the management company has business relations with CACEIS Bank going beyond those relating to custody. To manage these situations, the custodian has drawn up, and regularly updates, a conflict of interest management policy aimed at preventing any conflicts of interest that may result from these business relations. The aim of the policy is to identify and analyse potential conflicts of interest, and to manage and monitor these situations.

*Delegates:* CACEIS Bank is responsible for the safekeeping of the fund's assets. However, the custodian may delegate its safekeeping activities to a sub-custodian in order to offer asset custody services in certain countries. The sub-custodian appointment and supervision process meets the highest quality standards, and includes the management of potential conflicts of interest that may arise through these appointments.

A description of the delegated custody tasks, a list of delegates and sub-delegates of CACEIS Bank, and information on conflicts of interest that may result from these delegations, are available on the CACEIS website: [www.caceis.com](http://www.caceis.com). Up-to-date information is made available to investors on request.

The list of sub-custodians is also available on [www.carmignac.com](http://www.carmignac.com). A paper copy of this list is available free of charge, on request, from Carmignac Gestion.

### 3. Statutory auditors

Cabinet VIZZAVONA, 64, boulevard Maurice Barrès – 92200 Neuilly-sur Seine

Authorised signatory: Patrice Vizzavona, and

KPMG AUDIT, 2, avenue Gambetta – 92066 Paris La Défense

Authorised signatory: Isabelle Bousquie

### 4. Promoter(s)

Carmignac Gestion, *société anonyme* (public limited company), 24, place Vendôme, 75001 Paris

Fund units are admitted for trading by Euroclear. As such, some promoters may not hold mandates from or be known to the management company.

### 5. Financial management partially delegated to (less than 50% of the assets under management, for exposing the portfolio to or hedging it against equity risk)

CARMIGNAC GESTION LUXEMBOURG, *société anonyme*, a subsidiary of Carmignac Gestion,  
UCITS management company approved by the CSSF, 7 rue de la Chapelle, L-1325 Luxembourg

### 6. Accounting delegated to

CACEIS Fund Administration, *société anonyme* (public limited company), 1-3 Place Valhubert, 75013 Paris

CACEIS Fund Administration is the CREDIT AGRICOLE group entity specialising in fund administration and accounting for the group's internal and external clients.

On this basis, the Management Company has delegated the fund's accounting administration and valuation to CACEIS Fund Administration as account manager. CACEIS Fund Administration is responsible for valuing assets, calculating the fund's net asset value and producing periodic documents.

### 7. Centralising agent

CACEIS Bank is tasked with managing the fund's liabilities and to this end centralises and processes requests to buy and sell fund units. As issuance account keeper, CACEIS Bank manages relations with Euroclear France for all procedures requiring this organisation's involvement.

#### a) Centralising agent for subscription and redemption requests as delegated by the Management Company

CACEIS Bank, a *société anonyme* (public limited company) with a board of directors,  
A credit institution approved by the ACPR, 1-3 Place Valhubert, 75013 PARIS

#### b) Other establishments responsible for receiving subscription and redemption requests

CACEIS Bank, Luxembourg Branch (Pre-centralising agent)  
5, Allée Scheffer, L-2520 LUXEMBOURG

### 8. Institutions responsible for ensuring compliance with the centralisation cut-off time

CACEIS Bank, a *société anonyme* (public limited company) with a board of directors, 1-3 Place Valhubert, 75013 Paris  
And Carmignac Gestion, *Société Anonyme*, 24 Place Vendôme 75001 Paris

### 9. Registrar

CACEIS Bank, a *société anonyme* (public limited company) with a board of directors, 1-3 Place Valhubert, 75013 Paris

### III. OPERATING AND MANAGEMENT PROCEDURES

#### GENERAL CHARACTERISTICS

##### 1. Characteristics of the units

- **Rights attached to the units**

Each unitholder has a co-ownership right in and to the assets of the fund proportional to the number of units they hold.

- **Custodian**

CACEIS Bank assumes the role of custodian.

Units are admitted for trading by Euroclear France.

- **Voting rights**

Specific characteristics of an FCP: no voting rights are attributed to the ownership of units; all decisions are taken by the management company.

- **Form of units**

Units are issued in bearer or administered registered form. They may not be issued in pure registered form.

- **Fractions of units (if any):**

Unitholders may subscribe and redeem thousandths of units.

- **Year-end**

The accounting year ends on the date of the last net asset value of the month of December.

- **Tax regime**

The fund is governed by the provisions of appendix II, point II. B. of the Agreement between the government of the French Republic and the government of the United States of America intended to improve compliance with tax obligations internationally and implement the law concerning respect for tax obligations applicable to foreign accounts signed on 14 November 2013.

Investors are reminded that the information that follows only constitutes a general overview of the French tax regime applicable to investments in a French fund according to current French legislation. Investors are therefore advised to assess their personal situation with their usual tax adviser.

##### At Fund level

Due to their co-ownership structure, FCPs are not subject to corporation tax in France; they therefore enjoy a certain level of transparency. Therefore, income received and earned by the fund in the course of its investment activities is not taxable at this level.

Abroad (in the investment countries of the fund), gains realised on the sale of foreign transferable securities and foreign income received by the fund in connection with its investment activities may in some cases be taxable (generally in the form of withholding tax). Foreign taxes may, in limited cases, be reduced or waived if any tax treaties apply.

##### At unitholder level

- Unitholders resident in France: Gains or losses realised by the fund, income distributed by the fund as well as gains or losses recorded by the unitholder are subject to the applicable tax regime.

- Unitholders resident outside France: Subject to tax treaties, taxes imposed in article 150-0 A of the *Code Général des Impôts* (CGI), the French General Tax Code, do not apply to gains realised at the time of the redemption or sale of units of the fund by persons who are not resident in France for tax purposes within the meaning of article 4 B of the CGI, or whose registered office is located outside France, provided that these persons have not directly or indirectly held more than 25% of the units at any time in the five years prior to the redemption or sale of their units (CGI, article 244a C).

Unitholders resident outside France shall be subject to the provisions of the tax legislation in force in their countries of residence.

Investors having access to the fund through a life insurance policy will be taxed at the rates applicable to life insurance policies.

##### Redemption of units followed by a subscription

As the fund is made up of several unit classes, a conversion from one class of units by means of a redemption followed by a subscription of another class of units constitutes, for tax purposes, a sale in return for payment of a consideration likely to generate a taxable gain.

**SPECIFIC PROVISIONS**

- **ISIN**

UNIT CATEGORIES	ISIN
A EUR Acc	FR0010148981
A EUR Ydis	FR0011269182
E EUR Acc	FR0010312660
A CHF Acc Hdg	FR0011269190

- **CLASSIFICATION**

International equities

- **INVESTMENT OBJECTIVE**

The fund's objective is to outperform the MSCI AC World NR Index (USD), calculated with net dividends reinvested, over a recommended investment horizon of five years.

- **REFERENCE INDICATOR**

The reference indicator is the MSCI global international equities index, the MSCI AC WORLD NR (USD), calculated with net dividends reinvested. It is calculated by MSCI in dollars, then converted into euro (Bloomberg code: NDUEACWF). This index does not strictly define the investment universe but allows investors to assess the performance and risk profile that they can expect when investing in the fund.

The MSCI AC WORLD NR (USD) index represents the largest international companies in developed and emerging countries.

- **INVESTMENT STRATEGY**

a) Strategies used

The sub-fund is actively managed and invests primarily in international equities listed on stock exchanges worldwide, without excluding other transferable securities.

The investment strategy is applied without restriction in terms of allocation by geographical zone, sector, type or size of security.

At least 60% of the assets of Carmignac Investissement is permanently exposed to Eurozone, international and emerging market equities.

The allocation of the portfolio between the different asset classes and fund categories (equities, balanced, bonds, money market, etc.) is based on analysis of the global macroeconomic environment and of its indicators (growth, inflation, deficits, etc.) and may vary according to the manager's expectations.

As the fund is managed on an active, discretionary basis, the asset allocation may differ substantially from that of its reference indicator. Likewise, the portfolio established in each of the asset classes on the basis of detailed financial analysis may vary considerably from the weightings of the reference indicator in terms of geographic regions, sectors, currencies, ratings and maturities.

In particular, the overall modified duration of the fixed income portfolio may differ considerably from that of the reference indicator. Modified duration is defined as the change in portfolio capital (as %) for a change in interest rates of 100 basis points. The modified duration of the portfolio may fluctuate between -4 and +5.

The manager uses Relative Value strategies as performance drivers, looking to take advantage of the relative value between different instruments, in particular through:

- Long/Short Equity: this strategy offers both long and short exposure to equity markets.
- Fixed Income Arbitrage: this strategy offers lender and borrower exposure to different regions, different segments of the yield curve and/or different fixed income instruments.
- Long/Short Currencies: this strategy offers exposure to currency appreciation and depreciation.

These performance drivers are exploited through derivatives (at least partially).

To clarify, the manager may also take short positions on underlyings eligible for the portfolio if he or she feels that the market is overvaluing these underlyings. These positions are taken through forward financial instruments, including CFD (Contracts For Difference).

The manager's decisions regarding exposure to foreign exchange risk will be made on the basis of a global macroeconomic analysis, in particular of the outlook for growth, inflation and monetary and fiscal policy of the different economic zones and countries.

Furthermore, up to 20% of the fund may be exposed to the commodity sector (commodity indices) via eligible financial contracts.

The manager may take positions for the purpose of hedging units denominated in currencies other than the euro against currency risk by using over-the-counter forward exchange contracts.

***b) description of asset categories and financial contracts as well as their contribution to the investment objective being achieved***

***Equities***

At least 60% of the net assets of the fund shall be permanently exposed to equities and other securities giving or capable of giving direct or indirect access to capital or voting rights, traded on Eurozone and international markets, including a potentially significant portion in the emerging countries.

The net assets of the fund may be invested in small, mid and large caps.

***Currencies***

The fund may use currencies other than the fund's valuation currency for exposure and hedging purposes. The fund may invest in futures and options on regulated, organised or over-the-counter markets in order to generate exposure to currencies other than its valuation currency or to hedge the fund against foreign exchange risk. The Fund's net currency exposure may amount to 125% of net assets and may differ from that of its reference indicator and/or equity and bond portfolio.

The manager may also take positions for the purpose of hedging hedged units denominated in currencies other than the euro against currency risk by using over-the-counter forward exchange contracts.

***Debt securities and money market instruments***

In order to achieve its investment objective, the assets of the fund may be invested in Eurozone and/or international and/or emerging market fixed rate bonds, transferable debt securities, variable rate bonds and inflation-linked bonds.

As the fund is managed on a discretionary basis, no asset allocation constraints apply.

The weighted average rating of the bonds held directly by the Fund or through investment in funds shall be at least investment grade according to at least one of the major rating agencies. The fund may invest in unrated bonds or those with a rating below investment grade.

The management company will carry out its own analysis of the risk/reward profile of the securities (return, credit rating, liquidity, maturity). As a result, the decision to buy, hold or sell a security (particularly where the rating has changed) is not solely based on the rating criteria, but also reflects an internal analysis of the credit risks and market conditions carried out by the management company.

There are no restrictions in terms of duration or allocation between private and public issuers.

***Derivatives***

The manager may use the following derivatives in pursuit of the Fund's investment objective:

- Nature of the markets in which the fund invests: the manager invests in futures traded on regulated, organised or OTC Eurozone and international markets.
- Risks/instruments to which the manager wishes to be exposed (either directly or through indices):
  - currency
  - interest rate
  - equity
  - dividend
  - volatility and variance (up to 10% of the net assets)
  - commodity (only through indices and for up to 20% of the net assets).
  - ETFs (financial instruments)
- Nature of the derivatives used: the derivatives available to fund managers are options (vanilla, barrier, binary), futures and forwards, swaps (including performance) and CFDs (contracts for difference) on one or more underlyings.
- Nature of investment transactions:
  - Hedging
  - Exposure
  - Arbitrage

***Strategy for using derivatives to achieve the investment objective:***

-Equity and equity index derivatives are used long and short to adjust (increase, reduce or offset) the portfolio's overall exposure to the stock markets, and its allocation between various business sectors, countries and regions. An equity derivative contract can be used to hedge exposure to an entity or to gain exposure to an entity.

-Currency derivatives are used to adjust the portfolio's currency allocation (currency risk management) by exposing the portfolio to a currency or hedging its exposure, or for general cash management.

-Interest rate derivatives are used long and short to adjust the portfolio's overall exposure to fixed income markets, and its allocation between various yield curve segments, countries and regions.

-Volatility or variance derivatives are used long and short to adjust the portfolio's exposure to volatility or variance, and its allocation between various business sectors, countries and regions.

-Equity derivatives are used for implementing so-called "relative value" strategies, by being both long and short in the equity markets, and "short only" strategies by being short only.

-Currency derivatives are used for implementing so-called "relative value" strategies, by being both long and short in the currency markets, and "short only" strategies by being short only.

- Fixed income derivatives are used for implementing so-called "relative value" strategies, by being both long and short in the fixed income markets, and "short only" strategies by being short only.

-Dividend derivatives are used long and short to manage or hedge dividend risk, dividend risk being the risk that the dividend of a share or equity index action is not paid as anticipated by the market.

The manager may take positions for the purpose of hedging units denominated in currencies other than the euro against currency risk by using over-the-counter forward exchange contracts.

Overall exposure to derivatives is controlled by combining expected leverage of 2 with the Fund's VaR limit, which must not be more than double the reference indicator's. (cf. section VI. Overall Risk)

Derivative transactions may be concluded with counterparties selected by the management company in accordance with its "Best Execution/Best Selection" policy and the approval procedure for new counterparties. The latter are major French or international counterparties, such as credit institutions, and collateral is required. It should be noted that these counterparties have no discretionary decision-making powers over the composition or management of the fund's portfolio or over the underlying assets of financial derivative instruments.

#### *Securities with embedded derivatives*

The fund can invest in securities which include derivatives (particularly warrants, convertible bonds, credit link notes, EMTNs, share purchase warrants, etc.) traded on regulated, organised or over-the-counter Eurozone and/or international markets.

The strategy for using securities with embedded derivatives is the same as that described for derivatives. The use of securities with embedded derivatives compared to the other derivative instruments referred to above is justified by the manager's decision to optimise the hedging or, where necessary, the exposure of the portfolio by reducing the cost associated with the use of these financial instruments in order to achieve the investment objective.

The risk associated with this type of investment is limited to the amount invested for the purchase of the securities with embedded derivatives.

The amount of this type of investment in securities with embedded derivatives, excluding contingent convertible bonds, may not exceed 10% of the net assets.

The portfolio manager may invest up to 10% of the net assets in contingent convertible bonds (CoCos). These securities often deliver a higher return (in exchange for higher risk) than conventional bonds due to their specific structure and the place they occupy in the capital structure of the issuer (subordinated debt). They are issued by banks under the oversight of a supervisory authority. They may have bond and equity features, being hybrid convertible instruments. They may have a safeguard mechanism that turns them into ordinary shares if a trigger event threatens the issuing bank.

#### *UCIs and investment funds*

The fund may invest up to 10% of its net assets in:

- units or shares of French or foreign UCITS;
- units or shares of French or foreign AIFs;
- foreign investment funds,

provided that the foreign UCITS, AIF or investment fund meets the criteria of the French Monetary and Financial Code.

The fund may invest in funds managed by Carmignac Gestion or an affiliated company.

The fund may use trackers, listed index funds and exchange traded funds.

**Deposits and cash**

The fund may use deposits in order to optimise its cash management and to manage the various subscription or redemption settlement dates of the underlying funds. These trades are made within the limit of 20% of the net assets. This type of transaction will be made on an exceptional basis.

The fund may hold cash on an ancillary basis, in particular in order to meet its redemption obligations in relation to investors.

Cash lending is prohibited.

**Cash borrowings**

The fund may borrow cash, in particular to cover investment/disinvestments and subscriptions/redemptions. As the fund is not intended to be a structural borrower of cash, these loans will be temporary and limited to 10% of the fund's net assets.

**Temporary purchase and sale of securities**

For efficient portfolio management purposes, and without deviating from its investment objectives, the fund may allocate up to 20% of its net assets to temporary purchases/sales (securities financing transactions) of securities eligible for the fund (essentially equities and money market instruments). These trades are made to optimise the fund's income, invest its cash, adjust the portfolio to changes in the assets under management, or implement the strategies described above. The transactions consist of:

- Securities repurchase and reverse repurchase agreements
- Securities lending/borrowing

The expected proportion of assets under management that may be involved in such transactions is 10% of the net assets.

The counterparty to these transactions is CACEIS Bank, the fund's custodian. CACEIS Bank does not have any power over the composition or management of the fund's portfolio.

As part of these operations, the fund may receive/give financial guarantees (collateral); the section entitled "Collateral management" contains information on how these work and on their characteristics.

Additional information on the cost of such trades appears under the heading "Fees and expenses".

**CONTRACTS AS COLLATERAL**

Within the scope of OTC derivatives transactions and temporary purchases/sales of securities, the fund may receive or give financial assets constituting guarantees with the objective of reducing its overall counterparty risk.

The financial guarantees shall primarily take the form of cash in the case of OTC derivatives transactions, and cash and eligible government bonds in the case of temporary purchases/sales of securities. All financial guarantees received or given are transferred with full ownership.

The counterparty risk involved in OTC derivatives transactions and the risk involved in temporary purchases/sales of securities may not, in aggregate, exceed 10% of the fund's net assets where the counterparty is one of the credit institutions defined in the regulations in force, or 5% of its net assets in all other cases.

In this regard, any financial guarantee (collateral) received and serving to reduce counterparty risk exposure shall comply with the following:

- it shall take the form of cash or bonds or treasury bills (of any maturity) issued or guaranteed by OECD member states, by their regional public authorities or by supranational institutions and bodies with EU, regional or worldwide scope;
- it shall be held by the Custodian of the fund or by one of its agents or a third party under its supervision or by any third-party custodian subject to prudential supervision and which is not linked in any way to the provider of the financial guarantees;
- in accordance with the regulations in force, it shall at all times fulfil liquidity, valuation (at least daily), issuer credit rating (at least AA-), counterparty correlation (low) and diversification criteria, and exposure to any given issuer shall not exceed 20% of the net assets.
- financial guarantees received in the form of cash shall be mainly deposited with eligible entities and/or used in reverse repurchase transactions, and to a lesser extent invested in first-rate government bonds or treasury bills and short-term money market funds.

Government bonds and treasury bills received as collateral are subject to a discount of between 1% and 10%. The manager agrees this contractually with each counterparty.

**RISK PROFILE**

The Fund is invested mainly in financial instruments selected by the management company. The performance of these instruments depends on the evolution and fluctuations of the markets.

The risk profile of the fund is suitable for an investment horizon of over 5 years.

The risk factors described below are not exhaustive. It is up to each investor to analyse the risk associated with such an investment and to form his/her own opinion independent of CARMIGNAC GESTION, where necessary seeking the opinion of any advisers specialised in such matters in order to ensure that this investment is appropriate in relation to his/her financial situation.



**Equity risk:** As a minimum of 60% of the fund's assets are exposed to equities, the net asset value of the fund may decrease in the event of an equity market upturn or downturn.

**Risk of capital loss:** The fund does not guarantee or protect the capital invested. A capital loss occurs when a unit is sold at a lower price than that paid at the time of purchase.

**Emerging markets risk:** Investors should note that the fund may be exposed to emerging markets, where operating and supervisory conditions may deviate from the standards of major international marketplaces, and where price variations may be high.

**Risk associated with commodity indices:** Changes in commodity prices and the volatility of this sector may cause the net asset value to fall.

**Currency risk:** currency risk is linked to exposure – through investments and the use of forward financial instruments – to a currency other than the fund's valuation currency. It may reach 125% of the net assets. Currency appreciations or depreciations may cause the net asset value to fall. For units denominated in a currency other than the euro, the currency risk linked to fluctuations in the euro versus the valuation currency is residual thanks to systematic hedging. This hedging may generate a performance differential between units in different currencies.

**Interest rate risk:** Interest rate risk is the risk that the net asset value may fall in the event of a change in interest rates. When the modified duration of the portfolio is positive, a rise in interest rates may lead to a reduction in the value of the portfolio. When the modified duration of the portfolio is negative, a fall in interest rates may lead to a reduction in the value of the portfolio.

**Credit risk:** The portfolio manager reserves the right to invest in bonds rated below investment grade, i.e. in bonds that present a high credit risk. credit risk is the risk that the issuer may default. Should the quality of issuers decline, for example in the event of a downgrade in their rating by the financial rating agencies, the value of the bonds may drop and lead to a fall in the fund's net asset value.

**Volatility risk:** The increase or decrease in volatility may lead to a fall in net asset value. The fund is exposed to this risk, particularly through derivative products with volatility or variance as the underlying instrument.

**Liquidity risk:** The markets – including small and mid caps – in which the fund participates may be subject to temporary illiquidity. These market distortions could have an impact on the pricing conditions under which the fund may be caused to liquidate, initiate or modify its positions.

**Risk associated with discretionary management:** The management style is based on a discretionary approach selecting assets according to expectations of how different markets (equity, bond) will perform. There is therefore a risk that the fund might not be invested in the best-performing markets at all times.

**Counterparty risk:** Counterparty risk measures the potential loss in the event of a counterparty defaulting on over-the-counter financial contracts or failing to meet its contractual obligations on temporary purchases or sales of securities. The fund is exposed to it through over-the-counter financial contracts agreed with various counterparties. In order to reduce the fund's exposure to counterparty risk, the management company may establish financial guarantees in favour of the fund.

**Risk attached to investments in China:** as part of its exposure to emerging markets, the fund may invest up to 10% of its net assets directly in the Chinese domestic market. Investments in China are exposed to political and social risk (restrictive regulations that could be changed unilaterally, social unrest, etc.), economic risk due to the legal and regulatory environment being less developed than in Europe, and stock market risk (volatile and unstable market, risk of sudden suspension of trading, etc.). The fund is exposed to the risk associated with the RQFII licence and status, which was allocated to Carmignac Gestion in 2014 on behalf of funds managed by the group's management companies. Its status is subject to ongoing review by the Chinese authorities and may be revised, reduced or withdrawn at any time, which may affect the fund's NAV. The fund is also exposed to the risk associated with investments made via the Hong Kong Shanghai Connect (Stock Connect) platform, which makes it possible to invest through the Hong Kong market in more than 500 stocks listed in Shanghai. This system inherently involves higher counterparty and securities delivery risks.

**Risks associated with investment in contingent convertible bonds (CoCos):** Risk related to the trigger threshold: these securities have characteristics specific to them. The occurrence of the contingent event may result in a conversion into shares or even a temporary or definitive writing off of all or part of the debt. The level of conversion risk may vary, for example depending on the distance between the issuer's capital ratio and a threshold defined in the issuance prospectus. Risk of loss of coupon: with certain types of CoCo, payment of coupons is discretionary and may be cancelled by the issuer. Risk linked to the complexity of the instrument: as these securities are recent, their performance in periods of stress has not been established beyond doubt. Risk linked to late or non repayment: contingent convertible bonds are perpetual instruments repayable only at predetermined levels with the approval of the relevant authority. Capital structure risk: unlike with the standard capital hierarchy, investors in this type of instrument may suffer a capital loss, which holders of shares in the same issuer would not incur. Liquidity risk: as with the high yield bond market, the liquidity of contingent convertible bonds may be affected significantly in the event of a period of turmoil in the markets.

**Risks associated with temporary purchases and sales of securities:** the use of these transactions and management of their collateral may carry certain specific risks, such as operational risks and custody risk. Use of these transactions may therefore have a negative effect on the fund's net asset value.

**Legal risk:** This is the risk that contracts agreed with counterparties to temporary purchases/sales of securities, or over-the-counter forward financial instruments, may be drafted inappropriately.

**Risk associated with the reinvestment of collateral:** the fund does not intend to reinvest collateral received, but if it does, there would be a risk of the resultant value being lower than the value initially received.

#### • TARGET SUBSCRIBERS AND INVESTOR PROFILE

Units of this fund have not been registered in accordance with the US Securities Act of 1933. They may therefore not be offered or sold, either directly or indirectly on behalf of or for the benefit of a US person, as defined in Regulation S. Furthermore, units of this fund may not be offered or sold, either directly or indirectly, to US persons and/or to any entities held by one or more US persons as defined by the US Foreign Account Tax Compliance Act (FATCA).

Aside from this exception, the fund is open to all investors.

The fund may be used within unit-linked life insurance policies.

The amount that is appropriate to invest in this fund depends on your personal situation. To determine their level of investment, investors are invited to seek professional advice in order to diversify their investments and to determine the proportion of their financial portfolio or their assets to be invested in this fund relative to, more specifically, the recommended investment period and exposure to the aforementioned risks, their personal assets, needs and own objectives.

The recommended investment period is 5 years.

#### • ALLOCATION OF DISTRIBUTABLE INCOME

DISTRIBUTABLE INCOME	ACC UNITS	DIS UNITS
Allocation of net income	Accumulation (dividends are recorded on an accruals basis)	Distributed or carried forward as decided by the management company
Allocation of net realised capital gains or losses	Accumulation (dividends are recorded on an accruals basis)	Distributed or carried forward as decided by the management company

#### • FREQUENCY OF DISTRIBUTIONS

No dividends are distributed for accumulation units.

With regard to distribution units, the portion on which distributable income is payable shall be decided by the management company and is paid annually on A EUR Ydis units.

Payment of distributable income is made annually within five months of the financial year-end.

#### • CHARACTERISTICS OF THE UNITS

EUR units are denominated in euro. Thousandths of units may be issued.

CHF units are denominated in Swiss francs. Thousandths of units may be issued.

Hedged units are hedged against currency risk.

#### • SUBSCRIPTION AND REDEMPTION PROCEDURES

##### *Procedures for transferring from one unit class to another*

As the fund is made up of several unit classes, a redemption of one class of units followed by a subscription to another class of units constitutes, for tax purposes, a sale in return for payment of a consideration likely to generate a taxable gain.

##### *Date and frequency of the net asset value*

The net asset value is calculated daily according to the Euronext Paris calendar, with the exception of public holidays in France. The list of these holidays can be obtained from the centralising agent on request.

##### *Terms and conditions of subscriptions and redemptions*

Subscription and redemption requests are centralised on each NAV calculation and publication day (D) before 6pm (CET/CEST), and are executed on the next business day on the basis of the net asset value calculated using the closing price of D and published on D+1.

In some countries, the subscription of shares may be carried out according to the specific procedures authorised by the regulatory authority of the country in question.

Subscriptions and redemptions resulting from a request transmitted after the cut-off time mentioned in the prospectus (late trading) are prohibited. Subscription/redemption requests received by the centralising agent after 6pm (CET/CEST) shall be considered to have been received on the subsequent net asset value calculation and publication day.

The period between the date the subscription or redemption request is centralised and the settlement date by the custodian to the bearer is three business days for all units. If one or more holidays (Euronext holidays and French public holidays) occur during this settlement period, then the period will be extended accordingly. The list of these holidays can be obtained from the centralising agent on request.

The management company respects the principles set out in AMF position 2004-07 regarding market timing and late trading practices. Its compliance with these practices is notably reflected in a confidentiality agreement signed with each professional investor as per Directive 2009/138/EC (Solvency II), such that sensitive information on the portfolio's composition will be used only to meet prudential obligations.

#### *Institutions responsible for ensuring compliance with the centralisation cut-off time*

CACEIS Bank, 1-3 place Valhubert, 75013 Paris and CARMIGNAC GESTION, 24, place Vendôme, 75001 Paris

Investors are reminded that requests transmitted to intermediaries other than Caceis Bank must take into consideration the fact that the cut-off time for the centralisation of requests applies to said intermediaries vis-à-vis CACEIS Bank. Consequently, such intermediaries may apply their own cut-off time, which may be earlier than the cut-off time indicated above, in order to take into account the time required to transmit requests to CACEIS Bank.

#### *Place and methods of publication or communication of the NAV*

Carmignac Gestion, Address: 24, place Vendôme, 75001 Paris.

The net asset value announced at 3pm (CET/CEST) each day shall be used for the calculation of the subscriptions and redemptions received before 6pm (CET/CEST) on the previous day.

The net asset value is shown at CARMIGNAC GESTION and published on the CARMIGNAC GESTION website: [www.carmignac.com](http://www.carmignac.com)

### • FEES AND EXPENSES

#### *a) subscription and redemption fees*

Subscription fees increase the subscription price paid by the investor, while redemption fees decrease the redemption price.

EXPENSES PAYABLE BY THE INVESTOR, DEDUCTED AT THE TIME OF SUBSCRIPTIONS AND REDEMPTIONS	BASIS	RATE
Maximum subscription fee, inclusive of tax, not payable to the Fund	Net asset value X number of units	A EUR Acc units: 4% A EUR Ydis units: 4% E EUR Acc units: None A CHF Acc Hdg units: 4%
Subscription fee payable to the fund	Net asset value X number of units	None
Redemption fee payable to third parties	Net asset value X number of units	None
Redemption fee payable to the Fund	Net asset value X number of units	None

#### *b) management and administration fees*

Management and administration fees include all fees charged directly to the fund except transaction costs (intermediary expenses and transaction fees) and performance fees. These reward the management company if the fund exceeds its objectives.

	FEES CHARGED TO THE FUND	BASIS	RATE
1 and 2	Financial management fees and administration fees external to the management company	Net assets	A EUR Acc units: 1.50% A EUR Ydis units: 1.50% E EUR Acc units: 2.25% A CHF Acc Hdg units: 1.50% Maximum inclusive of tax
4	Transaction fees charged by the management company	Maximum payable per transaction	<b>French stock exchange:</b> 0.3% maximum (inclusive of tax) on each transaction; this fee is 0.05% maximum (inclusive of tax) for bond transactions  <b>Foreign stock exchange:</b> 0.4% maximum (inclusive of tax) on each transaction; this fee is 0.05% maximum (inclusive of tax) for bond transactions
5	Performance fee	Net assets	Maximum 10% of outperformance over and above performance of 10% (1)

(1) The performance fees are based on the performance of the fund over the financial year.

If the performance since the beginning of the financial year is positive and exceeds 10% on an annual basis, a daily provision of 10% of this outperformance is established. In the event that the level of this outperformance decreases, a daily amount corresponding to 10% of this underperformance is deducted from the provision accumulated since the beginning of the year. In the event of redemptions, the portion of the performance fee provision corresponding to redeemed shares is transferred to the management company under the crystallisation principle. The performance fee is paid to the management company in full at the end of the financial year.

*Other expenses:*

Contributions payable to the AMF for fund administration in accordance with d) of 3° of II of article L.621-5-3 of the French Monetary and Financial Code are charged to the fund.

*Calculation and distribution of the proceeds of temporary purchases and sales of securities*

The management company does not receive any remuneration in respect of efficient portfolio management techniques (temporary purchases and sales of securities).

All income resulting from these techniques is returned to the fund, minus operating costs payable to CACEIS Bank Luxembourg Branch as lending agent in securities lending/borrowing transactions. Caceis Bank Luxembourg Branch belongs to the same group as the custodian, Caceis Bank. The lending agent's charges may not exceed 15% of income generated on these lending/borrowing transactions. With respect to repurchase agreements, the fund is the direct counterparty in such transactions and receives the full amount of the remuneration.

For further information, please refer to the fund's annual report.

*Payments in kind*

CARMIGNAC GESTION does not receive payments in kind for its own account or on behalf of third parties as defined in the General Regulation of the Autorité des marchés financiers. For further information, please refer to the fund's annual report.

*Choice of intermediaries*

Carmignac Gestion uses a multi-criteria approach in order to select intermediaries that guarantee the best execution of stock market orders.

The criteria applied are both quantitative and qualitative and depend on the markets for which the intermediaries provide services, in terms of both geographical area and instruments.

The analysis criteria include, inter alia, the availability and proactivity of the intermediary representatives, the financial situation of the intermediaries, their speed, the quality of the processing and execution of orders and intermediary costs.

#### IV. COMMERCIAL INFORMATION

Publication of information about the Fund:

The latest annual reports and the composition of the assets will be sent to unitholders within eight business days upon written request to: CARMIGNAC GESTION, 24, place Vendôme, 75001 PARIS

The prospectus and KIID (Key Investor Information Document) are available on the website: [www.carmignac.com](http://www.carmignac.com)

Information on taking environmental, social and governance (ESG) criteria into account is available on the [www.carmignac.com](http://www.carmignac.com) website, and is included in the annual report.

Contact: Communications department

Tel: +33 (0)1 42 86 53 35

Fax: +33 (0)1 42 86 52 10

#### V. INVESTMENT RULES

The fund shall respect the regulatory limits applicable to standard coordinated French UCITS under European directive 2009/65/EC as laid down by the French Monetary and Financial Code (Code Monétaire et Financier).

#### VI. OVERALL RISK

Since 29 September 2011, overall risk has been calculated using the relative Value-at-Risk method over a two-year historical horizon with a 99% confidence threshold over 20 days, with the Fund's reference indicator as a reference portfolio. The maximum level of gearing envisaged is 2 but may be higher under certain market conditions (e.g. low/high volatility, low interest rates, central bank intervention).

#### VII. ASSET VALUATION RULES

##### 1. Valuation rules:

##### *a) Methods used for the valuation of balance sheet items and futures and options*

##### *Investments in securities*

Securities purchased are recorded at their acquisition price excluding fees, and securities sold are recorded at their sale price excluding fees.

Securities, futures and options held in the portfolio denominated in other currencies are converted into the accounting currency on the basis of exchange rates observed in Paris on the valuation day.

The portfolio is valued according to the following methods:

##### *French securities*

- on the spot market, deferred settlement system: on the basis of the latest price.

French government bonds are valued on the basis of the mid price of a contributor (a primary dealer selected by the French Treasury), supplied by an information server. This price is subject to a reliability check by means of a comparison with the prices of several other primary dealers.

##### *Foreign securities*

- listed and registered in Paris: on the basis of the latest price.

- not registered in Paris:

- on the basis of the latest price available for those in Europe.

- on the basis of the latest price available for the other securities.

French and foreign securities whose prices have not been determined on the valuation day are valued at the last officially published price or at their probable sale price under the responsibility of the management company. Justification is sent to the statutory auditor at the time of the audit.

##### *Funds: at the latest redemption price or the latest net asset value available*

They are valued at the latest redemption price or the latest net asset value available.

##### *Money market instruments and synthetic assets composed of a negotiable debt security backed by one or more interest rate and/or currency swaps ("asset swaps")*

For those traded in large volumes and which have a residual maturity greater than three months: at the market price on the basis of information feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.).

For those not traded in large volumes and which have a residual maturity greater than three months: at the market price on the basis of information feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.) for equivalent money market instruments whose price shall be incremented or decreased, where applicable, by a differential representing the issuer's specific characteristics and by applying an actuarial method.

For those with a residual maturity of three months or less: on a straight-line basis.

In the case of a debt security valued at the market price whose residual maturity falls below or is equal to three months, the last rate used shall be frozen until the final repayment date, unless the security's modified duration requires valuation at the market price (see the previous paragraph).

#### *Temporary purchases and sales of securities in accordance with the terms and conditions provided for in the agreement*

These transactions are valued according to the conditions provided for in the agreement.

Certain fixed income transactions whose maturity is greater than three months may be valued at the market price.

#### *Futures and options transactions*

Forward purchases and sales of currencies are valued in consideration of the amortisation of any positive or negative balance carried forward.

#### **b) Off-balance sheet transactions**

##### *Transactions on regulated markets*

Futures transactions: these transactions are valued according to the markets on the basis of the settlement price. The commitment is calculated as follows: price of futures contract x nominal value of contract x quantities.

Options transactions: these contracts are valued according to the markets on the basis of the opening price or the settlement price. The commitment is equal to the conversion of the option into the underlying equivalent. It is calculated as follows: delta x quantity x ratio or nominal value of the contract x price of the underlying equivalent.

##### *Transactions on over-the-counter markets*

Interest rate transactions: valuation at the market price on the basis of information feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.) and, if necessary, by applying an actuarial method.

Interest rate swap transactions:

For those with a residual maturity greater than three months: valuation at the market price on the basis of information feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.) and by applying an actuarial method.

Backed or non-backed transactions:

- Fixed rate/Variable rate: nominal value of the contract
- Variable rate/Fixed rate: nominal value of the contract
- For those with a residual maturity of three months or less: valued on a straight-line basis.
- In the case of an interest rate swap transaction valued at the market price whose residual maturity is less than or equal to three months, the last rate used shall be frozen until the final repayment date, except in the case of modified duration requiring valuation at the market price (see the previous paragraph).

The commitment is calculated as follows:

- Backed transactions: nominal value of the contract
- Non-backed transactions: nominal value of the contract

Other transactions on over-the-counter markets

- Interest rate, foreign exchange or credit transactions: valuation at the market price on the basis of information feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.) and, if necessary, by applying an actuarial method.
- The commitment is shown as follows: nominal value of the contract.

## **2. Accounting method**

Income is recorded on an accruals basis.

Transaction fees are recorded net of expenses

## **3. Accounting currency**

The fund's financial statements are recorded in euro.

**VIII. REMUNERATION**

The management company's remuneration policy promotes risk management without excessive risk taking. These practices comply with the objectives and interests of the fund managers, funds managed, and fund investors in order to avoid conflicts of interest.

The remuneration policy has been designed and implemented to promote the continuing success and stability of the management company, while allowing it to attract, develop and retain motivated, high-performing staff.

The remuneration policy establishes a structured remuneration system with a sufficiently high fixed component and a bonus system that rewards risk takers for creating long-term value. A significant percentage of risk-takers' variable remuneration is deferred for three years. The deferred portion is linked to the performance of funds representative of the investment strategies implemented the company, ensuring that the long-term interests of investors in the funds managed are taken into account. Bonuses are only ultimately paid out if this is congruent with the management company's financial position.

The remuneration policy was approved by the Board of Directors of the management company. The provisions of the remuneration policy are re-evaluated on a regular basis by the Remuneration and Appointments Committee and are adjusted to fit the changing regulatory framework. Details of the remuneration policy, including a description of how the remuneration and benefits are calculated, as well as information on the remuneration and nominations committee, can be found at: [www.carmignac.com](http://www.carmignac.com). A printout of the policy is available free of charge upon request.

## **MANAGEMENT REGULATIONS OF THE FCP CARMIGNAC INVESTISSEMENT**

### **TITLE 1: ASSETS AND UNITS**

#### **ARTICLE 1 - CO-OWNERSHIP UNITS**

The co-owners' rights are represented by units, with each unit corresponding to the same fraction of the fund's assets. Each unitholder has a co-ownership right in and to the assets of the fund proportional to the number of units they hold.

The duration of the fund is 99 years from its creation, except in the cases of early dissolution or extension provided for in these regulations (see article 11).

The characteristics of the various classes of units and their eligibility requirements are described in the FCP's prospectus.

The different classes of units may:

- benefit from different dividend policies (distribution or accumulation);
- be denominated in different currencies;
- be charged different management fees;
- be charged different subscription and redemption fees;
- have a different nominal value.
- be systematically hedged against risk, either partially or completely, as described in the prospectus. This hedging is taken out via financial instruments that minimise the impact of hedging transactions on the FCP's other unit classes.

The units may be merged or divided.

The Board of Directors of the management company may decide that the units shall be sub-divided into tenths, hundredths, thousandths or ten thousandths, with such subdivisions being referred to as fractions of units.

The provisions of the regulations governing the issue and redemption of units shall apply to fractions of units, whose value shall always be proportionate to that of the units they represent. Unless otherwise provided, all other provisions of the 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 management company may decide, at its own discretion, to sub-divide the units by issuing new units, which shall be allocated to unitholders in exchange for their existing units.

#### **ARTICLE 2 - MINIMUM AMOUNT OF ASSETS**

Units may not be redeemed if the FCP's assets fall below EUR 300,000; if the assets remain below this amount for a period of 30 days, the management company shall make the necessary provisions to liquidate the fund in question, or to carry out one of the operations mentioned in article 422-17 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 unitholders, 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 prospectus.

Units of the fund may be admitted to an official stock exchange listing 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 management company is entitled to refuse any securities offered and, for that purpose, must announce its decision within seven days of the date on which the securities were tendered. If they are accepted, the securities tendered 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 securities concerned.

Redemptions shall be made solely in cash, except in the event of the liquidation of the fund if unitholders have stated that they agree to be repaid in securities. 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 unitholders, or unitholders 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 prospectus.

Pursuant to article L214-8-7 of the French monetary and financial code, the management company may temporarily suspend the redemption of units or the issue of new units by the Fund when exceptional circumstances and the interests of the unitholders so require.

If the net assets of the FCP have fallen below the minimum threshold set by the regulations, no redemptions may be carried out.

A minimum subscription may be applied according to the procedures set out in the prospectus.



The fund manager can restrict or prevent (i) the holding of units by any individual or legal entity not entitled to hold units under the terms of the “Target investors” section of the prospectus (hereinafter, the “Non-Eligible Person”) and/or (ii) the registration in the fund’s register of unitholders or the transfer agent’s register (the “Registers”) of any intermediary who does not come under one of the categories indicated below (“Non-Eligible Intermediary”): active Non-Financial Foreign Entities (active NFFEs), US Persons who are not Specified US Persons and Financial Institutions that are not Non-Participating Financial Institutions\*.

The terms followed by an asterisk (\*) are defined in the Agreement between the government of the French Republic and the government of the United States of America intended to improve compliance with tax obligations internationally and implement the law concerning respect for tax obligations applicable to foreign accounts signed on 14 November 2013. At the time of writing these Management Regulations, the text of this Agreement is available here: [http://www.economie.gouv.fr/files/usa\\_accord\\_fatca\\_14nov13.pdf](http://www.economie.gouv.fr/files/usa_accord_fatca_14nov13.pdf)

To this end, the management company can:

- (i) refuse to issue any units if it seems that said issue would or could result in said units being held by a Non-Eligible Person or a Non-Eligible Intermediary being entered in the Registers;
- (ii) request that all information which it deems necessary in order to determine whether or not the beneficial owner of the units in question is a Non-Eligible Person be provided at any time from any intermediary whose name appears in the Registers of unitholders, accompanied by a solemn declaration; and
- (iii) if it considers that the beneficial owner of the units is a Non-Eligible Person or that a Non-Eligible Intermediary is entered in the Registers of unitholders of the fund, proceed with the compulsory redemption of all the units held by the Non-Eligible Person or all the units held via the Non-Eligible Intermediary, after a period of 10 working days. The compulsory redemption shall be carried out using the last known net asset value, increased if applicable by the applicable charges, fees and commissions, which shall be borne by the unitholders concerned by the redemption.

#### ARTICLE 4 - CALCULATION OF THE NET ASSET VALUE

The net asset value is calculated in accordance with the valuation rules specified in the prospectus.

Contributions in kind may comprise only stocks, securities, or contracts admissible as assets of UCITS; they are valued according to valuation rules governing the calculation of the net asset value.

## TITLE 2: MANAGEMENT OF THE FUND

#### ARTICLE 5 - THE MANAGEMENT COMPANY

The fund is managed by the management company in accordance with the fund’s investment objectives.

The management company shall act in all circumstances in the exclusive interests of the unitholders and has the exclusive right to exercise the voting rights attached to the securities held in the fund.

#### ARTICLE 5A - OPERATING RULES

The instruments and deposits in which the fund’s assets may be invested, as well as the investment rules, are described in the prospectus.

#### ARTICLE 6 - THE 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 management company. In particular, it must ensure that decisions taken by the portfolio management company are lawful. Where applicable, it must take all protective measures that it deems necessary. In the event of a dispute with the management company, it shall inform the *Autorité des marchés financiers*.

#### ARTICLE 7 - THE STATUTORY AUDITOR

A statutory auditor is appointed by the Board of Directors of the management company for a term of six financial years, subject to the approval of the *Autorité des marchés financiers*.

The statutory auditor certifies the accuracy and consistency of the financial statements.

The statutory auditor may be re-appointed.

The statutory auditor is obliged to notify the *Autorité des marchés financiers* promptly if, in the course of its duties, it becomes aware of any fact or decision concerning the fund 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 statutory auditor shall assess all contributions in kind under its responsibility.

The statutory auditor shall check the accuracy of the composition of the assets and other information before any publication.

The statutory auditor’s fees are determined by mutual agreement between the statutory auditor and the Board of Directors of the management company on the basis of an agenda indicating all duties deemed necessary. The statutory auditor certifies positions serving as the basis for the payment of interim dividends.

The statutory auditor's fees are included in the management fees.

#### ARTICLE 8 - THE FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

At the end of each financial year, the management company prepares the financial statements and a report on the management of the fund during the last financial year.

The management company establishes a list of the FCP's assets at least biannually and under the supervision of the custodian.

The management company shall make these documents available to unitholders within four months of 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 unitholders, or made available to them at the offices of the management company.

### TITLE 3: ALLOCATION OF DISTRIBUTABLE INCOME

#### ARTICLE 9 - ALLOCATION OF DISTRIBUTABLE INCOME

Distributable income is made up of:

1° Net income plus retained earnings, plus or minus the balance of the income equalisation account for the last financial year.

2° Realised capital gains, net of expenses, minus realised capital losses, net of expenses, recognised during the financial year, plus net capital gains of a similar nature recognised during previous financial years and which have not been distributed or accumulated, plus or minus the balance of the capital gains equalisation account.

The sums mentioned in points 1 and 2 may be distributed in full or in part independently of each other.

Distributable income	Acc units	Dis units
Allocation of net income	Accumulation (dividends are recorded on an accruals basis)	Distributed or carried forward as decided by the management company
Allocation of net realised capital gains or losses	Accumulation (dividends are recorded on an accruals basis)	Distributed or carried forward as decided by the management company

Payment of distributable income is made annually within five months of the financial year-end.

Payment of distributable income payable quarterly is made within one month of the end of each calendar quarter.

### TITLE 4: MERGER - SPLIT - DISSOLUTION - LIQUIDATION

#### ARTICLE 10 - MERGER - SPLIT

The management company may either merge all or part of the assets of the fund with another fund under its management or with a fund managed by another company, or split the fund into two or more mutual funds under its management.

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

#### ARTICLE 11 - DISSOLUTION - EXTENSION

If the assets of the fund remain below the amount set in article 2 above for thirty days, the management company shall inform the AMF and shall dissolve the fund, except in the event of a merger with another fund.

The management company may dissolve the fund before term. It shall inform the unitholders of its decision, after which no further subscription or redemption requests shall be accepted.

The 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 management company shall inform the AMF by post of the dissolution date and procedure. It shall send the statutory auditor's report to the AMF.

The fund's extension may be decided by the management company subject to the agreement of the custodian. Its decision must be taken at least three months before the expiry of the fund's term and must be notified to the unitholders and the AMF.

#### ARTICLE 12 - LIQUIDATION

In the event of dissolution, the management company or designated liquidator 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 realise assets, pay off any creditors and allocate the available balance among the unitholders in the form of cash or securities.

The statutory auditor and the custodian shall continue to carry out their functions until the end of the liquidation.

### TITLE 5: DISPUTES

#### ARTICLE 13 - JURISDICTION - ADDRESS FOR SERVICE

Any disputes relating to the fund that may arise during the term of the fund or during its liquidation, either among the unitholders or between the unitholders and the management company or the custodian, shall be submitted to the courts having jurisdiction.