FCP in compliance with European standards

CARMIGNAC PATRIMOINE

Coordinated French mutual fund (FCP)

Prospectus

December 2011

DETAILED MEMORANDUM

1. DETAILED CHARACTERISTICS

1.1 STRUCTURE OF THE FUND

Name

CARMIGNAC PATRIMOINE

Legal form and Member State in which the Fund was established

Fonds Commun de Placement (French mutual fund – FCP), established in France and conforming to European standards.

Creation date and intended lifetime

The Fund was approved by the *Commission des Opérations de Bourse* (COB), the French Stock Exchange Commission, on 3 November 2004. It was launched on 3 January 2005 for a period of 99 years (ninety nine years).

Fund overview

Unit classes	Initial net asset value	Sub-funds	ISIN code	Dividend policy	Base cur-rency	Target subscribers	Minimum initial subscription	Minimum subsequent subscription
A	EUR 762.24	No	FR0010135103	Accumulation	EURO	All investors	1 unit	0.100 unit
E	EUR 100	No	FR0010306142	Accumulation	EURO	All investors	1 unit	1 unit
GBP	GBP 100	No	FR0010956649	Accumulation	GBP	All investors	1 unit	0.100 unit

The Fund comprises three unit classes. The characteristics of A and E units are identical except for the following two points:

- management fees
- subscription and redemption fees

GBP units have the same characteristics as A units except that they are denominated in pound sterling (GBP).

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

The latest annual and semi-annual reports shall be sent to unitholders within one week 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 is available on the website: www.carmignac.com
The AMF website (www.amf-France.org) contains additional information on the list of regulatory documents and all the provisions relating to investor protection.

1.2 DIRECTORY

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.

Custodian

CACEIS BANK FRANCE, a *société anonyme* (public limited company) with a Board of Directors and credit institution approved by the CECEI, 1-3 Place Valhubert, 75013 Paris

Centralisation of subscription and redemption requests

CACEIS BANK FRANCE, a *société anonyme* (public limited company) with a Board of Directors and credit institution approved by the CECEI, 1-3 Place Valhubert, 75013 Paris

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

CACEIS BANK FRANCE, a *société anonyme* (public limited company) with a Board of Directors, 1-3 Place Valhubert, 75013 Paris
And Carmignac Gestion, *société anonyme* (public limited company), 24, place Vendôme, 75001 Paris

Registrars

CACEIS BANK FRANCE, a *société anonyme* (public limited company) with a Board of Directors, 1-3 Place Valhubert, 75013 Paris

Statutory Auditors

Cabinet Patrice VIZZAVONA, 64, boulevard Maurice Barrès, 92200 Neuilly sur Seine, Signatory: Mr Patrice VIZZAVONA
And KPMG AUDIT, 1 Cours Valmy, 92923 Paris La Défense Cedex

Promoter

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

Accounting delegated to:

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

2. MANAGEMENT AND ADMINISTRATION PROCEDURES

2.1 GENERAL CHARACTERISTICS

Characteristics of the units and shares

Each unitholder has a co-ownership right in and to the assets of the Fund proportional to the number of units they hold.
CACEIS BANK FRANCE assumes the role of custodian.
The administration of units is carried out by Euroclear France.
Specific characteristics of an FCP: no voting rights are attributed to the ownership of units; all decisions are taken by the Management Company.
Unitholders may subscribe and redeem thousandths of units. Units are issued in bearer form.

Year-end

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

Applicable tax regime

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

<u>At Fund level</u>
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.

<u>At unitholder level:</u>
- Unitholders resident in France
Gains or losses realised by the FCP, income distributed by the FCP 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.

<u>Redemption of units followed by a subscription</u>
As the FCP consists of three unit classes, a conversion from one unit class by means of a redemption followed by a subscription of another unit class constitutes, from a tax point of view, a sale in return for payment of a consideration likely to generate a taxable gain.

2.2 SPECIFIC PROVISIONS

2.2.1 ISIN codes

Unit classes	ISIN codes	Dividend policy
A	FR0010135103	Accumulation
E	FR0010306142	Accumulation
GBP	FR0010956649	Accumulation

2.2.2 Classification

Balanced

2.2.3 Investment objective

The Fund’s objective is to outperform the following composite performance indicator over a recommended investment horizon of 3 years: 50% MSCI AC World Free index, the Morgan Stanley international equity index, and 50% Citigroup WGBI All Maturities EUR index, the world bond index.

2.2.4 Performance indicator

The Fund’s performance indicator is the following composite index: 50% MSCI AC World index, the Morgan Stanley international equity index, calculated ex-dividend, and 50% Citigroup WGBI All Maturities EUR index, the world bond index, calculated with coupons reinvested. The performance indicator is rebalanced annually.

This composite 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 market risk of the Fund is comparable to that of its performance indicator.
Description of the MSCI AC World index: the performance indicator for the equity component is the MSCI All Countries World Index. It is calculated in dollars net of dividends by MSCI (Bloomberg code: MSEUACWF).

Description of the Citigroup WGBI All Maturities EUR index: the performance indicator of the bond component is the Citigroup WGBI All Maturities EUR index. It is calculated in euro with coupons reinvested by Citigroup (Bloomberg code: SBWGEU).

2.2.5 Investment strategies

Strategies used

The investment policy takes into account the principle of risk spreading by means of the diversification of investments.

The allocation of the portfolio between the different asset classes and categories of UCITS (equities, balanced, bonds, money market, etc.) based on fundamental analysis of the global macroeconomic environment and of its indicators (growth, inflation, deficits, etc.) may vary according to the manager's expectations.
As the Fund is managed on an active, discretionary basis, its asset allocation may differ substantially from that of its performance 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 performance indicator in terms of geographical zones, sectors, ratings and maturities.
Stock selection is based on detailed financial analysis, meetings organised by companies, visits to these companies and daily news. Depending on the situation, the criteria used for stock selection are the value of the assets, return, growth and quality of the management, in particular.
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.

Description of performance drivers

Debt securities and money market instruments

The Fund's net assets are between 50% and 100% invested in eurozone, international and emerging money market instruments, treasury bills, government and/or private fixed and/or floating rate bonds and inflation-linked bonds (exposure to emerging countries may not exceed 25% of the net assets).
The overall modified duration of the fixed income portfolio may differ considerably from that of the performance indicator. Modified duration is defined as the change in portfolio capital (as %) for a change in interest rates of 100 basis points. The Fund's modified duration may range from -4 to +10.

The weighted average rating of the bonds held directly by the Fund or through investment in UCITS is at least investment grade (i.e. rated at least BBB-/Baa3 by the rating agencies Standard & Poor's and Moody's).
The Fund may invest in unrated bonds or those with a rating below investment grade.
There are no restrictions in terms of duration or allocation between private and public issuers.

Equities

Up to 50% of the net assets of the Fund is exposed to equities and other securities giving or capable of giving direct or indirect access to capital or voting rights and traded on eurozone and/or international markets. The Fund may be exposed to emerging market equities (within the limit of 25% of the net assets).
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 or hedging purposes. It 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 differ from that of its performance indicator and/or equity and bond portfolio.

Derivatives

The Fund may invest in futures and options traded on eurozone and international regulated, organised or over-the-counter markets.
In this context, the Fund may take positions to hedge and/or expose the portfolio to industrial sectors, geographical zones, interest rates, equities (all caps), transferable securities and similar assets or indices in order to achieve the investment objective.
The portfolio is exposed or hedged through the sale or purchase of options and/or futures on the main world equity and fixed income indices listed on regulated or over-the-counter markets.
Where appropriate, the Fund may also use interest rate swaps.

The Fund may use credit derivatives in order to hedge it against or expose it to credit risk through the use of index credit derivatives and single and multiple-issuer credit derivatives. Transactions carried out on the credit derivatives market are complex derivative transactions; such transactions are therefore limited to 10% of the net assets.

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 interest rate and equity derivatives markets may only be used to generate leverage amounting to a maximum of 100% of the Fund's assets.

Securities with embedded derivatives

The Fund may invest in eurozone and/or international convertible bonds, including those of emerging countries in particular.
The Fund may invest in securities with embedded derivatives (warrants, credit link notes, EMTN, subscription certificates) traded on regulated, organised or over-the-counter eurozone and/or international markets.

In this context, the Fund may take positions to hedge and/or expose the portfolio to industrial sectors, geographical zones, interest rates, equities (all caps), currencies, credit, transferable securities and similar assets or indices in order to achieve the investment objective.

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.

In all cases, the amounts invested in securities with embedded derivatives may not exceed 10% of the net assets.
The risk associated with this type of investment is limited to the amount invested for the purchase of the securities with embedded derivatives.

UCITS, investment funds, trackers or Exchange Traded Funds (ETF)

The Fund may invest up to 10% of its net assets in UCITS.
The Fund may invest in UCITS managed by Carmignac Gestion.
The Fund shall invest in the following assets subject to the regulatory limits:
- French or foreign UCITS that comply with the European Directive;
- French funds that do not comply with the European directive;

The Fund may use trackers, listed index funds and exchange traded funds on a limited basis.

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 UCITS. Up to 20% of its assets may be invested in deposits with the same credit institution. This type of operation shall be carried out 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 use cash borrowings, in particular in order to optimise its cash management and to manage the various subscription or redemption settlement dates of the underlying UCITS. These transactions shall be carried out within the regulatory limits.

Temporary purchase and sale of securities

The Fund may enter into securities lending transactions in order to optimise its income.
Any temporary purchases or sales of securities shall be carried out under market conditions. Additional information can be found under the heading "Fees and expenses".
The Fund may enter into repurchase and reverse repurchase agreements.

2.2.6 Risk profile

Your money will mainly be invested in financial instruments selected by the Management Company. These instruments are subject to the evolution and fluctuations of the market.
The risk profile of the Fund is suitable for an investment horizon of over 3 years.
Potential investors should be aware that the value of the Fund's assets is subject to the fluctuations of the international equity, bond and currency markets and that it may vary substantially.

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 advisors specialised in such matters in order to ensure that this investment is appropriate in relation to his/her financial situation.

Risk associated with discretionary management: discretionary management is based on the expected evolution of the financial markets. The FCP's performance will depend on the companies selected by the Management Company. There is a risk that the Management Company may not invest in the best performing companies.
Equity risk: 0% to 50% of the Fund's net assets is exposed to the equity risk of the eurozone, international and emerging markets through investments in financial instruments. Furthermore, regarding the small and mid-cap markets, the volume of stocks listed on the stock exchange is relatively low; market downturns are therefore more acute and more abrupt than for large caps. The net asset value of the Fund may therefore decline rapidly and significantly.
Investors are reminded that the operating and supervision conditions of the emerging markets may deviate from the standards prevailing on the large international markets.

Risk related to currency exposure: Exposure is calculated as the sum of the absolute values of net exposure in each currency. Currency appreciations or depreciations may cause the net asset value to fall.

Interest rate risk: Interest rate risk results in a decline in the net asset value in the event of a rise 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 Fund is invested in securities rated investment grade and in junk bonds. Credit risk is the risk that the issuer may default. Should the quality of corporate bond issuers decline, for example in the event of a downgrade in their rating by the financial rating agencies, the value of the corporate bonds or even the derivatives linked to the issuer of such bonds (Credit Default Swaps) may fall. The net asset value of the Fund may decrease.
Furthermore, a more specific credit risk linked to the use of credit derivatives, such as credit default swaps, exists.
The table below shows the situations in which the use of credit default swaps presents a risk:

Holding the underlying of the CDS	Aim of the manager's use of the CDS	Existence of credit risk
YES	Sell protection	Yes, in the event of the downgrading of the issuer of the underlying security
YES	Purchase protection	NO
NO	Sell protection	Yes, in the event of the downgrading of the issuer of the underlying security

NO	Purchase protection	Yes, in the event of the downgrading of the issuer of the underlying security

This credit risk is controlled by a qualitative analysis carried out by the team of credit analysts on the evaluation of companies' solvency.

Currency risk: currency risk is linked to exposure to a currency other than the Fund's valuation currency. The Fund is directly or indirectly exposed to currency risk via its investments and use of forward financial instruments.

Liquidity risk: the markets in which the FCP participates may occasionally be subject to temporary illiquidity. These market distortions may have an impact on the pricing conditions under which the FCP might be caused to liquidate, initiate or modify its positions.

Risk of capital loss: the FCP does not guarantee or protect the capital invested.

2.2.7 Target investors

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, in the United States or on behalf of or for the benefit of a US person, as defined in Regulation S.
Aside from this exception, the FCP is open to all investors.
The FCP may be used within unit-linked life insurance policies.

The appropriate investment amount 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 FCP 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 3 years.

2.2.8 Allocation of net income

The FCP comprises three unit classes, A, E and GBP. Income from A, E and GBP units is accumulated in full. Dividends are recorded on an accruals basis.

2.2.9 Characteristics of the units

A and E units are denominated in euro. Thousandths of units may be issued.
GBP units are denominated in pound sterling. Thousandths of units may be issued.

The characteristics of A and E units are identical except for the following two points:
- management fees;
- subscription and redemption fees.

GBP units have the same characteristics as A units except that they are denominated in pound sterling.

2.2.10 Frequency of distributions

No dividends are distributed for an accumulation FCP.

2.2.11 Subscription and redemption procedures

Date and frequency of the net asset value

The NAV is calculated daily, except on French public holidays.

Terms and conditions of subscriptions and redemptions

Subscription and redemption requests are centralised on each NAV calculation and publication day (D) before 18:00 (CET/CEST), and are executed the following business day on the basis of the net asset value calculated using the closing price of D and published on D+1.
Subscription and redemption requests received by Carmignac Gestion before 18:00 (CET/CEST) are precentralised by Carmignac Gestion and executed under the same conditions as above.
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 and redemption requests received after 18:00 (CET/CEST) shall be treated as if they were received on the following NAV calculation and publication day.

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

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

Investors are reminded that requests transmitted to promoters other than the institutions indicated above must take into consideration the fact that the cut-off time for the centralisation of orders applies to said promoters vis-à-vis CACEIS BANK FRANCE. Consequently, such promoters 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 orders to CACEIS BANK FRANCE.

Place and methods of publication or communication of the NAV

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

The net asset value announced at 15:00 (CET/CEST) each day shall be used for the calculation of the subscriptions and redemptions received before 18:00 (CET/CEST) on the previous day.
The net asset value is available 24 hours per day on the following number, +33 (0)1 42 61 62 00, and is displayed at the offices of Carmignac Gestion and on the Carmignac Gestion website: www.carmignac.com

2.2.12 Fees and expenses

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	Fixed income rate
Subscription fee not payable to the Fund	Net asset value X number of units	A units: maximum 4% inclusive of tax E units: none GBP units: Maximum 4% inclusive of tax
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

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	Fixed income rate
Management and administration fees inclusive of tax	Net assets	A units: Maximum 1.5% inclusive of tax E units: Maximum 2% inclusive of tax (1) GBP units: Maximum 1.5% inclusive of tax
Performance fees	Net assets	Maximum 10% of this outperformance when it is established (2)
Transaction fees charged by the Management Company	Maximum payable per transaction	French stock exchange: 0.3% inclusive of tax per transaction, for bonds: 0.05% inclusive of tax Foreign stock exchange: 0.4% inclusive of tax per transaction, for bonds: 0.05% inclusive of tax

(1) The 2% rate includes a maximum distribution fee of 0.5%, payable to the distributor.

(2) The performance fees are based on a comparison between the performance of the Fund and its performance indicator over the financial year.

If the performance since the beginning of the financial year is positive and exceeds the performance of the following composite index: 50% MSCI AC World Index, the Morgan Stanley international equity index, and 50% Citigroup WGBI All Maturities EUR, the world bond index, a daily provision of up to 10% of this outperformance is established. In the event of underperformance in relation to this index, a daily amount corresponding to a maximum of 10% of this underperformance is deducted from the provision established since the beginning of the year.

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

Repurchase agreements are carried out under the market conditions applicable at the time of the transaction. Carmignac Gestion does not receive any fees in relation to these transactions.

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*, formerly the *Commission des Opérations de Bourse*. For further information, please refer to the Fund's annual report.

2.2.13 Choice of intermediaries

Carmignac Gestion uses a multi-criteria approach to select intermediaries guaranteeing 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.

3. COMMERCIAL INFORMATION

Publication of information about the Fund

The latest annual and semi-annual reports shall be sent to unitholders within one week upon written request to: CARMIGNAC GESTION, 24, place Vendôme, 75001 PARIS

Contact: Communications department

Tel: 33 (0)1.70.38.56.85

Fax: 33 (0)1.42.86.52.10

The prospectus is available on the website: www.carmignac.com

Place and means of publication of the net asset value

Carmignac Gestion, 24 place Vendôme, 75001 Paris.

The net asset value announced at 15:00 (CET/CEST) each day shall be used for the calculation of the subscriptions and redemptions received before 18:00 (CET/CEST) on the previous day. The net asset value is available 24 hours per day on the following number, +33 (0)1 42 61 62 00, and is displayed at the offices of Carmignac Gestion and on the Carmignac Gestion website: www.carmignac.com

4. INVESTMENT RULES

4.1 Regulatory ratios

The FCP shall respect the regulatory limits applicable to standard coordinated French UCITS as laid down by the French Monetary and Financial Code (*Code Monétaire et Financier*).

4.2 Specific limits

A minimum investment of 50% in bonds, treasury bills and money market instruments traded on European and international markets.

4.3 Calculating overall risk

Since 29 September 2011, overall risk has been calculated using the Value-at-Risk method over a two-year historical horizon with a 99% confidence threshold over 20 days. The maximum level of gearing envisaged is 2.

5. VALUATION AND ACCOUNTING RULES FOR THE ASSETS

5.1 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 the exchange rate provided in Paris on the valuation day (ASFFI price provided at 13:00, with the exception of the US$ which is sourced from REUTERS at 15:00 GMT on the MGTX page). 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 available.
- on the OTC market: on the basis of the latest price available.

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 available.
- not listed and not registered in Paris: on the basis of the latest price available for those in Europe, and on the basis of the latest price available for the other securities.

Transferable securities whose prices have not been determined on the valuation day, or whose prices have been adjusted, are valued under the responsibility of the Management Company at their foreseeable sale prices.

- **The UCITS are valued 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 money market instrument 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 3 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 3 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 3 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 3 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.

5.2 Off-balance sheet transactions

Transactions on regulated markets

- **Futures**: 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**: 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 3 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: valuation 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.

5.3 Method used to record interest and income
Income is recorded on an accruals basis.

5.4 Calculation of management and performance fees
The fixed management fees are capped at 1.5%, inclusive of tax, of the daily average of the assets under management for class A and GBP units and 2% for class E units. They are recorded for each net asset value. The calculation is carried out *pro rata temporis* on the basis of the assets under management.

Performance fees: if the performance since the beginning of the financial year is positive and exceeds the performance of the composite index (50% MSCI AC World EUR, the Morgan Stanley international equity index, + 50% Citigroup WGBI All Maturities EUR, the world bond index), a daily provision of a maximum of 10% of this outperformance is established. In the event of underperformance in relation to this index, a daily amount corresponding to a maximum of 10% of this underperformance is deducted from the provision established since the beginning of the year. This provision is deducted annually from the last net asset value of the month of December by the Management Company.

5.6 Transaction fees
CARMIGNAC GESTION receives transaction fees as defined in the *Autorité des Marchés Financiers* (AMF) General Regulation under the following conditions:
- 0.3% (inclusive of tax) for stock market transactions in France, except for bond transactions in which case the fee is reduced to 0.05% (inclusive of tax);
-0.4% (inclusive of tax) for transactions on foreign stock exchanges except for bond transactions in which case the fee is reduced to 0.05% (inclusive of tax).

In an exceptional case where a sub-custodian applies a transaction fee for a particular transaction not described in the provisions above, a description of the transaction and the transaction fees charged shall be provided in the management report of the Fund.

5.7 Dividend policy
No dividends are distributed for an accumulation FCP.

5.8 Accounting currency
The FCP’s financial statements are recorded in euro.

MANAGEMENT REGULATIONS OF THE CARMIGNAC PATRIMOINE FCP

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 par value.

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 Management Company's competent body 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 Fund's assets fall below EUR 300,000. In such a case, and unless the value of the assets recovers above this amount in the interim period, the Management Company shall take the necessary measures to merge or dissolve the Fund within a period of thirty days.

ARTICLE 3 - ISSUE AND REDEMPTION OF UNITS

Units are issued each time a subscription request is received 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 determined. Subscriptions may be made in cash and/or by a contribution in kind in the form of transferable securities. 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. The redemption price is paid by the custodian within five days of 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 L.214-30 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 Fund 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.

ARTICLE 4 - CALCULATION OF THE NET ASSET VALUE

The net asset value is calculated in accordance with the valuation rules specified in the detailed memorandum of the prospectus.
Contributions in kind may comprise only stocks, securities, or contracts admissible as assets of UCITS, and 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 on behalf 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 detailed memorandum of the prospectus.

ARTICLE 6 - THE CUSTODIAN

The custodian is responsible for the custody of the assets held in the Fund, for processing the orders received from the Management Company in relation to the purchase and sale of securities as well as those relating to the exercise of subscription and allotment rights attached to the securities held in the Fund. It is responsible for all collections and payments.
The custodian must ensure that decisions taken by the Management Company are lawful. Where applicable, it must take any protective measures it deems necessary. In the event of a dispute with the Management Company, it shall inform the AMF.

ARTICLE 7 – THE STATUTORY AUDITOR

A statutory auditor has been appointed by the competent body of the Management Company for a term of six financial years with the approval of the AMF.

The statutory auditor carries out the checks and audits established by law and, in particular, certifies whenever necessary the accuracy and consistency of the financial statements and of the accounting information contained in the management report.
The statutory auditor's mandate may be renewed.
The statutory auditor shall inform the AMF and the Management Company of the Fund of any irregularities and misstatements observed during the course of his work.
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 review all contributions in kind and, as part of his responsibilities, shall establish a report on his valuation and his remuneration.
The statutory auditor shall certify 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.
In the event of a liquidation, the statutory auditor shall value the amount of the assets and establish a report on the terms and conditions of such liquidation.
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 list of assets and liabilities is certified by the custodian and all of the above documents are reviewed by the statutory auditor.
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: DISTRIBUTION POLICY

ARTICLE 9 - DISTRIBUTABLE INCOME

The net income for the financial year is equal to the amount of interest, arrears, dividends, premiums and prizes, directors' fees as well as all proceeds generated by the securities held in the portfolio of the Fund, plus income generated by temporary cash holdings, less management fees and borrowing costs.
Distributable income is equal to the net income for the financial year plus retained earnings, plus or minus the balance of the income equalisation accounts for the last financial year.
The Management Company decides on the allocation of net income.
Net gains/losses are attributed to each unit class in proportion to their share in the total net assets.
Holders of A, E and GBP units will be subject to the accumulation policy, i.e. the reinvestment of all income generated.

TITLE 4: MERGER – SPLIT – DISSOLUTION – LIQUIDATION

ARTICLE 10 - MERGER - PLIT

The Management Company may either merge all or part of the assets of the Fund with another UCITS under its management or with a UCITS 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 one month 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. Lastly, it shall send the AMF the statutory auditor's report.
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, where applicable, the custodian, is responsible for carrying out the liquidation. 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.