

CARMIGNAC EURO-ENTREPRENEURS

Coordinated French mutual fund (FCP)

Full prospectus

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CARMIGNAC EURO-ENTREPRENEURS SIMPLIFIED PROSPECTUS

Coordinated French mutual fund (FCP)

SECTION A - STATUTORY

OVERVIEW

- ISIN code: FR0010149112
- Name: CARMIGNAC EURO-ENTREPRENEURS
- Legal structure: French mutual fund (*fonds commun de placement* – FCP)
- Sub-funds/feeder fund: no
- Management company: CARMIGNAC GESTION
- Accounting delegated to: CACEIS Fastnet
- Intended lifetime: this Fund was initially created for a period of 99 years
- Custodian: CACEIS Bank
- Centralisation of subscription and redemption requests: CACEIS BANK
- Statutory auditors: Cabinet Patrice VIZZAVONA and KPMG AUDIT
- Promoter: CARMIGNAC GESTION

INFORMATION ON INVESTMENTS AND MANAGEMENT

■ CLASSIFICATION

Equities of European Community countries

■ INVESTMENT OBJECTIVE

The Fund is managed on a discretionary basis with an active asset allocation policy. Its objective is to outperform its performance indicator the DJ Stoxx 200 Small index.

■ PERFORMANCE INDICATOR

The Fund's performance indicator is the DJ Stoxx 200 Small index.

The Dow Jones 200 Small Price index is calculated ex-dividend in euro by Dow Jones and Stoxx (Bloomberg code: SXXP). This index includes around 200 securities representing small capitalisation companies of European Community countries (data at 30/06/2005).

This index does not strictly define the investment universe but allows investors to assess the 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.

■ INVESTMENT STRATEGY

The Fund is managed on a discretionary basis with an active asset allocation policy and at least 60% of its assets are permanently invested in equities of European Community countries.

A minimum of 75% of the Fund's portfolio is invested in securities eligible for the PEA (French equity savings plan). The investment strategy is essentially based on the selection of European Community small and mid caps offering the best growth potential without restriction in terms of allocation by geographical zones, business sectors or type of security.

Up to 25% of the net assets may also be invested in markets outside the European Community.

As the Fund is managed on an active, discretionary basis, the asset allocation may differ substantially from that of its performance indicator, the DJ Stoxx 200 Small index, depending on the manager's expectations.

The assets may also consist of fixed income securities, debt securities or money market instruments as well as variable rate bonds.

Up to 25% of the assets may be invested in fixed income products for the purpose of risk diversification in the event of expected negative movements in equities.

Where applicable, the portion of assets invested in equities of emerging countries may not exceed 10% of the assets of the FCP; the objective of these investments is to seek out opportunities in high-growth economic zones.

The manager reserves the right to invest up to 10% of the net assets in junk bonds on an ancillary basis.

For cash management purposes, up to 10% of the assets may also consist of units or shares of UCITS.

Carmignac Euro-Entrepreneurs may use deposits and cash borrowings to optimise the management of cash within the Fund.

The Fund may enter into securities lending transactions on a limited basis in order to optimise its income.

For hedging purposes, the manager may use derivatives and, on a limited basis, securities with embedded derivatives traded on French and/or foreign regulated or OTC futures and options markets. The use of financial futures enables the manager to hedge the portfolio's exposure to the equity risk associated with an expected development on the financial markets. These transactions shall not exceed the total value of the Fund's assets at any time.

■ RISK PROFILE

The Fund shall invest in financial instruments and, where applicable, UCITS selected by the Management Company. These financial instruments shall be subject to the evolution and fluctuations of the market.

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.

Risk of capital loss: the portfolio is managed on a discretionary basis and 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.

Risk associated with market capitalisation: the Fund is mainly exposed to one or more equity markets of small and medium cap stocks. As there are fewer small and mid cap stocks listed on stock exchanges, market movements are more pronounced and rapid than in the case of large capitalisation stocks. The net asset value of the Fund may therefore assume the same behaviour.

Equity risk: as Carmignac Euro-Entrepreneurs is exposed to the risks of the equity markets, the net asset value of the Fund may decrease in the event of a downward movement on the equity markets.

Interest rate risk: the portfolio may be exposed to interest rate risk through investment in fixed income products. Interest rate risk results in a decline in the net asset value in the event of a rise in interest rates.

Credit risk: 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 may drop. The net asset value of the Fund may decrease.

Emerging markets risk: the operating and supervision conditions of these markets may deviate from the standards prevailing on the large international markets. Where applicable, the portion of assets invested in equities of emerging countries may not exceed 10% of the assets of the FCP.

Foreign exchange risk: to a limited extent, the Fund is exposed to foreign exchange risk through the purchase of securities denominated in currencies other than those of the European Economic Area and through investment in junk bonds.

■ SUBSCRIBERS AND INVESTOR PROFILE

All investors

The Fund is intended for all types of investors, natural persons and legal entities wishing to diversify their investments in European Union small and mid cap stocks.

■ RECOMMENDED INVESTMENT PERIOD

Given the Fund's exposure to the equity market, the recommended investment period is more than 5 years.

The appropriate amount to invest in this fund depends on the personal situation of the investor. To determine this amount, the investor's personal wealth, his cash requirements both current and future, as well as his degree of risk aversion, must all be taken into account. Investors are also advised to sufficiently diversify their investments to avoid being exposed to the risks of this Fund only.

INFORMATION ON EXPENSES, FEES AND TAXATION

■ SUBSCRIPTION AND REDEMPTION FEES

Subscription fees increase the subscription price paid by the investor, while redemption fees decrease the redemption price. The fees charged by the FCP serve to offset the costs incurred by the FCP to invest and disinvest investors' monies. Fees not paid to the FCP are attributed to the management company, the Fund promoter, etc.

INFORMATION ON EXPENSES, FEES AND TAXATION

■ **SUBSCRIPTION AND REDEMPTION FEES**

Subscription fees increase the subscription price paid by the investor, while redemption fees decrease the redemption price. The fees charged by the FCP serve to offset the costs incurred by the FCP to invest and disinvest investors' monies. Fees not paid to the FCP are attributed to the management company, the Fund promoter, etc.

Expenses payable by the investor, deducted at the time of subscriptions and redemptions	Basis	Rate
Maximum subscription fee payable to third parties	net asset value X number of units	Maximum 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

■ **OPERATING AND MANAGEMENT FEES**

These fees cover all the costs invoiced directly to the FCP, except transaction costs. Transaction costs include intermediary fees (brokerage, stock market taxes, etc.) as well as transaction fees, if any, that may be charged by the custodian and the management company in particular. The following fees may be charged in addition to the management and administration fees:

- performance fees. These reward the management company if the FCP exceeds its objectives: They are therefore charged to the FCP;
- transaction fees charged to the FCP;
- a portion of the income from temporary purchases or sales of securities.

For more details about the fees charged to the FCP, please refer to section B of the simplified prospectus.

Fees charged to the Fund	Basis	Rate
Management and administration fees, inclusive of tax (including all charges (other than transactions costs), performance fees and fees related to investments in UCITS or investment funds)	Net assets	Maximum 1.5% inclusive of tax
Performance fees	Net assets	Maximum 20% of the positive difference between the performance of the Fund and its performance indicator when it is established (1)
Transaction fees charged by the management company	Maximum deduction for each transaction	French stock exchange: 0.3% (inclusive of tax) on each transaction; this fee is 0.1% (inclusive of tax) for bond transactions Foreign stock exchange: 0.4% (inclusive of tax) on each transaction; this fee is 0.1% (inclusive of tax) for bond transactions

(1) Performance fees:

The performance fees are based on a comparison between the performance of the Fund and its performance indicator over the calendar year.

The Fund's performance indicator is the DJ Stoxx 200 Small index.

The Fund's performance is calculated according to changes in the net asset value. If over the calendar year the Fund's performance is lower than that of the DJ Stoxx 200 Small index, the variable part of the management fees shall be zero.

If during the year the Fund's performance since the beginning of the calendar year is positive and greater than that of the DJ Stoxx 200 Small index calculated over the same period, this outperformance shall be the basis for a provision for the variable management fees on calculation of the net asset value.

In the event that the Fund underperforms the DJ Stoxx 200 Small index between two net asset value calculation dates, any provision previously made shall be readjusted by a reduction in the provision. Such reductions in the provision are limited to the amount of previous contributions.

This variable part of the management fees shall only be received definitively at the close of each calendar year if the performance of the Fund has been positive and greater than that of its performance indicator, the DJ Stoxx 200 Small index, over the

year. It is deducted annually from the last net asset value of the month of December by the management company.

These fees (the fixed fees and any variable amounts) shall be charged directly to the Fund's income statement.

■ **TAX REGIME**

Depending on your tax status, any capital gains and income resulting from the ownership of units of the UCITS may be subject to tax. For French investors, the FCP is eligible for the Equity Savings Plan (PEA): any capital gains and income are exempt from taxation provided the PEA has a minimum lifetime of 5 years. Switches within the PEA are not treated as sales. We advise you to obtain further information in this regard from the Fund promoter.

COMMERCIAL INFORMATION

■ **SUBSCRIPTION AND REDEMPTION PROCEDURES**

Subscription and redemption requests are centralised on each NAV calculation and publication day (D) before 18:00, 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.

Subscription and redemption requests received by Carmignac Gestion before 18:00 are precentralised by Carmignac Gestion and executed under the same conditions as above.

In some countries, the subscription of units 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 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 INDICATED IN THE PARAGRAPH ABOVE**

CACEIS Bank, 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 requests applies to said promoters vis-à-vis CACEIS Bank. 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 requests to CACEIS Bank.

■ **FINANCIAL YEAR-END**

Date of the last net asset value of the month of December:

■ **ALLOCATION OF INCOME**

Accumulation fund Dividends are recorded on an accruals basis.

■ **DATE AND FREQUENCY OF NET ASSET VALUE CALCULATION**

Daily:

The calendar used to determine the days on which the net asset value is published is the legal calendar of public holidays within the meaning of article L.222-1 of the Code de Travail, the French Labour Code.

■ **PLACE AND METHODS OF PUBLICATION OR COMMUNICATION OF THE NET ASSET VALUE**

Carmignac Gestion, Address: 24, place Vendôme, 75001 Paris. 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. It is published on the Carmignac Gestion website: www.carmignac-gestion.com

■ **BASE CURRENCY OF THE UNITS OR SHARES**
euro

■ **CREATION DATE**

The Fund was approved on 18 August 1998 by the *Autorité des Marchés Financiers* (the French Financial Markets Authority), formerly the *Commission des Opérations de Bourse* (the French Stock Exchange Commission). It was launched on 1 October 1998 for a period of 99 years (ninety nine years).

■ **INITIAL NET ASSET VALUE**

The initial net asset value is EUR 152.45.

ADDITIONAL 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

FCP IN COMPLIANCE WITH EUROPEAN STANDARDS, ELIGIBLE FOR THE FRENCH EQUITY SAVINGS PLAN (PEA)

24, place Vendôme
75001 PARIS

Email: carmignac@carmignac-gestion.com

The full prospectus is available on the website www.carmignac-gestion.com

Contact: Marketing and communications

Tel: +33 (0)1.42.86.53.35

Fax: +33 (0)1.42.86.52.10

Publication date of the prospectus: 01/03/2010

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

simplified prospectus must be made available to subscribers prior to subscription.

■ *PUBLICATION OF INFORMATION CONCERNING THE VOTING POLICY OF THE MANAGEMENT COMPANY AND ITS IMPLEMENTATION*

The "voting policy" document, the management company's report on the conditions under which it has exercised the voting rights of the UCITS that it manages and information concerning the vote on each resolution may be consulted at its registered office :

Carmignac Gestion, 24, place Vendôme, 75001 Paris. Email: carmignac@carmignac-gestion.com

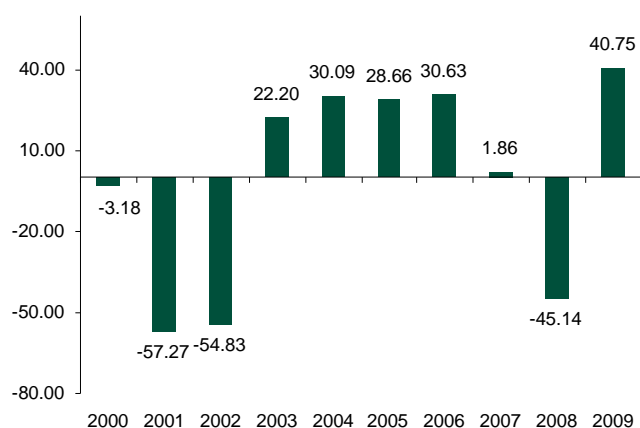
SECTION B - STATISTICS

Fund performance at 31.12.2009 in EUR

C units:

FR0010149112

Annual performance as a %



Annualised performance in EUR	1 year	3 years	5 years
UCITS	40.75%	-7.67%	5.73%
Composite performance indicator: DJ STOXX 200 Small	49.13%	-11.36%	3.05%

The Fund's performance is calculated with net dividends reinvested. That of the performance indicator, however, does not take distributed income into account.

*Past performance is not an indication of future performance.
Performance may vary over time.*

Performance calculations are provided in the Fund's nominal currency.

Comments: Converted on 1 January 2003

Fees charged to and information concerning transactions of the Fund over the last financial year ended 31.12.2009

Fees charged to the Fund

Management and administration fees		1.50%
Cost of investing in other UCITS or investment funds		n/a
Costs arising from the purchase of UCITS and investment funds	n/a	
Trailer fees negotiated by the management company of the investing UCITS	n/a	
Other fees charged to the Fund		1.33%
Performance fees	n/a	
Transaction fees	1.33%	
Total charged to the Fund		2.83%

Information concerning transactions

Transaction costs in the equity portfolio represented 2.17% of the average net assets.

The turnover rate in the equity portfolio was 229.45% of the average net assets.

Transactions between the management company on behalf of the UCITS it manages and associated companies (market intermediaries) represented the following percentages of the total transactions in all asset classes for this financial year:

Asset class	Transactions
EQUITIES	None
BONDS	None

Management and administration fees

These fees include all fees directly charged to the Fund except transaction costs and performance fees, if any. Transaction costs include intermediary expenses (brokerage, stock market taxes, etc.) and transaction fees (see below). Management and administration fees in particular include fees for financial management, administration and accounting, and depository, custody and auditing fees.

Cost arising from the purchase of UCITS and/or investment funds

Certain UCITS invest in other UCITS or in foreign investment funds (target UCITS). Buying and holding a target UCITS (or an investment fund) causes the investing UCITS to bear two types of cost:

- subscription/redemption fees. However, the portion of these fees payable to the target UCITS is allocated to the transaction costs and so is not counted here.
- fees charged directly to the target UCITS, which constitute indirect costs for the investing UCITS.

In certain cases the investing UCITS can negotiate trailer fees, i.e. a rebate of some of these fees. These rebates serve to reduce the total fees that the investing UCITS actually pays.

Other fees charged to the Fund

Other fees may be charged to the Fund. Specifically:

- performance fees. These reward the management company if the Fund exceeds its objectives;
- transaction fees. Transaction fees are fees charged to the Fund on each transaction carried out in the portfolio. Details of these fees are given in the full prospectus. They accrue to the management company under the terms laid out in Section A of the simplified prospectus.

Investors should note that these other expenses are liable to fluctuate substantially from year to year and that the figures shown here are those recorded during the previous financial year.

DETAILED MEMORANDUM

1. GENERAL CHARACTERISTICS

1.1 STRUCTURE OF THE FUND

- o Name

CARMIGNAC EURO-ENTREPRENEURS

- o Legal form and Member State in which the Fund was established

French mutual fund (*Fonds Commun de Placement* – FCP) established in France in compliance with European standards (Directive 85/611/EEC, amended by Directive 2001/107/EC).

- o Creation date and intended lifetime

The Fund was approved on 18 August 1998 by the *Autorité des Marchés Financiers* (the French Financial Markets Authority), formerly the *Commission des Opérations de Bourse* (the French Stock Exchange Commission). It was launched on 1 October 1998 for a period of 99 years (ninety nine years).

- o Fund overview

Initial net asset value	Sub-funds	ISIN code	Dividend policy	Base currency	Target investors	Minimum initial subscription	Minimum subsequent subscription
EUR 152.45	No	FR0010149112	Accumulation	euro	All investors	1 unit	1 unit

- o Address from where 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. Email:

carmignac@carmignac-gestion.com

The full prospectus is available on the website www.carmignac-gestion.com

Contact: Marketing and communications

Tel: +33 (0)1.42.86.53.35

Fax: +33 (0)1.42.86.52.10

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

- o Management company

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

- o Custodian

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

- o Centralisation of subscription and redemption requests

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

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

CACEIS Bank, 1-3 Place Valhubert, 75013 Paris and CARMIGNAC GESTION, *société anonyme*, 24 place Vendôme, 75001 PARIS

- o Registrar

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

- o Statutory auditors

Cabinet Patrice VIZZAVONA, 64, boulevard Maurice Barrès, 92200 Neuilly sur Seine
Authorised signatory: Mr Patrice VIZZAVONA

KPMG AUDIT, 1 Cours Valmy, 92923 PARIS La Défense Cedex

- o Promoter(s)

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

- o Accounting delegated to:

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

2. MANAGEMENT AND OPERATIONS

2.1 GENERAL CHARACTERISTICS

- o Characteristics of the units and shares

ISIN CODE: FR0010149112

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 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.

- o Year-end

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

- o 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.

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 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.

2.2 SPECIFIC PROVISIONS

2.2.1 Classification

Equities of European Community countries

2.2.2 Investment objective

The Fund is managed on a discretionary basis with an active asset allocation policy. Its objective is to outperform its performance indicator the DJ Stoxx 200 Small index.

2.2.3 Performance indicator

The Fund's performance indicator is the DJ Stoxx 200 Small index.

The Dow Jones 200 Small Price index is calculated ex-dividend in euro by Dow Jones and Stoxx (Bloomberg code: SCXP). This index includes around 200 securities representing small capitalisation companies of European Community countries (data at 30/06/2005).

This index does not strictly define the investment universe but allows investors to assess the 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.

2.2.4 Investment strategy

- Strategies used

The Fund is managed on a discretionary basis with an active asset allocation policy and at least 60% of its assets are permanently invested in equities of European Community countries.

A minimum of 75% of the Fund's portfolio is invested in securities eligible for the PEA (French equity savings plan).

The investment strategy is essentially based on the selection of European Community small and mid caps offering the best growth potential without restriction in terms of allocation by geographical zones, business sectors or type of security.

Up to 25% of the net assets may also be invested in markets outside the European Community.

As the Fund is managed on an active, discretionary basis, the asset allocation may differ substantially from that of its performance indicator, the DJ Stoxx 200 Small index, depending on the manager's expectations.

The assets may also consist of fixed income securities, debt securities or money market instruments as well as variable rate bonds.

Up to 25% of the assets may be invested in fixed income products for the purpose of risk diversification in the event of expected negative movements in equities.

- Description of the asset classes

Equities

A minimum of 75% of the portfolio is invested in equities of small and medium capitalisation companies eligible for the PEA. The remainder may be invested in equities or other equity securities of countries outside the European Community, including small and medium capitalisations and covering all sectors. Where applicable, the portion of assets invested in equities of emerging countries may not exceed 10% of the assets of the FCP; the objective of these investments is to seek out opportunities in high-growth economic zones.

Debt securities and money market instruments

In order for the manager to diversify the portfolio, between 0% and 25% of the assets of the FCP may be invested in eurozone and/or international fixed rate bonds, transferable debt securities, floating rate notes and inflation-linked bonds.

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

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

The average rating of the bonds held directly by the Fund or through investments in UCITS shall be at least investment grade (i.e. rated at least BBB-/Baa3 by the rating agencies Standard and Poor's and Moody's). However, the manager reserves the right to invest up to 10% of the net assets in bonds whose rating may be below investment grade.

UCITS and investment funds

The Fund may invest up to 10% of its net assets in UCITS.

The Fund may invest in UCITS managed by Carmignac Gestion.

The net assets of the FCP may be invested in small, mid and large caps. The Fund shall invest in the following assets subject to the regulatory limits:

- French or foreign funds that comply with the European Directive (coordinated);
- where applicable, French funds that do not comply with the European Directive and are classified by the Autorité des Marchés Financiers as equity, bond, money market or balanced funds;

Trackers or exchange traded funds (ETF)

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

Derivatives

The manager may invest in futures and options traded on eurozone and/or international regulated or over-the-counter markets.

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

The portfolio is hedged through the sale or purchase of options and/or futures on the main equity indices listed on regulated markets.

The manager may hedge the portfolio in the event of an expected drop in the markets.

The manager may also take positions for the purpose of hedging the portfolio against foreign exchange risks by using forward exchange contracts.

The maximum commitment of these derivative transactions shall be limited to the total value of the Fund's assets at any time.

Securities with embedded derivatives

The manager may invest in eurozone and/or international convertible bonds.

The manager may invest from time to time in securities with embedded derivatives (warrants, credit link notes, EMTN, certificates indexed on the volatility of the equity markets) traded on regulated or over-the-counter eurozone and/or international markets.

Deposits and cash

The FCP 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 FCP 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 FCP may borrow cash on a limited basis in order to optimise its cash management and to manage the various subscription or redemption settlement dates of the underlying UCITS. These transaction may be carried out within a limit of 10% of its assets.

Temporary purchase and sale of securities

The FCP may enter into securities lending transactions on a limited basis 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".

2.2.5 Risk profile

The Fund shall invest in financial instruments and, where applicable, UCITS selected by the Management Company. These financial instruments shall be subject to the evolution and fluctuations of the market.

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.

Risk of capital loss: the portfolio is managed on a discretionary basis and 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.

Risk associated with market capitalisation: the Fund is mainly exposed to one or more equity markets of small and medium cap stocks. As there are fewer small and mid cap stocks listed on stock exchanges, market movements are more pronounced and rapid than in the case of large capitalisation stocks. The net asset value of the Fund may therefore assume the same behaviour.

Equity risk: as Carmignac Euro-Entrepreneurs is exposed to the risks of the equity markets, the net asset value of the Fund may decrease in the event of a downward movement on the equity markets.

Interest rate risk: the portfolio may be exposed to interest rate risk through investment in fixed income products. Interest rate risk results in a decline in the net asset value in the event of a rise in interest rates.

Credit risk: 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 may drop. The net asset value of the Fund may decrease.

Emerging markets risk: the operating and supervision conditions of these markets may deviate from the standards prevailing on the large international markets. Where applicable, the portion of assets invested in equities of emerging countries may not exceed 10% of the assets of the FCP.

Currency risk: to a limited extent, the Fund is exposed to foreign exchange risk through the purchase of securities denominated in currencies other than those of the European Economic Area. The fluctuations of currencies in relation to the currencies of the European Economic Area may have a positive or negative influence on the net asset value of the Fund.

Risk associated with junk bonds: a bond is considered a junk bond when its credit rating is below "investment grade". The manager reserves the right to invest up to 10% of the net assets in junk bonds on an ancillary basis. The value of junk bonds may fall more substantially and more rapidly than other bonds and negatively impact the net asset value of the Fund which may decrease as a result.

2.2.6 Target investors

The FCP is available to all investors.

The Fund is intended for all types of investors, natural persons and legal entities wishing to diversify their investments through European Union small and mid-cap stocks.

Given the Fund's exposure to the equity market, the recommended investment period is more than 5 years.

The appropriate investment amount depends on the personal situation of the investor. To determine this amount, investors' personal wealth, their cash requirements now and 5 years from now as well as their degree of risk aversion must all be taken into account. It is recommended that investors seek the advice of a professional in order to diversify their investments and to decide on the proportion of their financial portfolio or wealth that should

be invested in this FCP. Investors are also advised to sufficiently diversify their investments to avoid being exposed to the risks of this Fund only.

2.2.7 Allocation of income

Accumulation fund Dividends are recorded on an accruals basis.

2.2.8 Characteristics of the units

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

2.2.9 Frequency of distributions

No dividends are distributed for an accumulation FCP.

2.2.10 Subscription and redemption procedures

Date and frequency of the net asset value

- Daily.
- The calendar used to determine the days on which the net asset value is published is the legal calendar of public holidays within the meaning of article L.222-1 of the *Code de Travail*, the French Labour Code.

Terms and conditions of subscriptions and redemptions

Subscription and redemption requests are centralised on each NAV calculation and publication day (D) before 18:00, 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.

Subscription and redemption requests received by Carmignac Gestion before 18:00 are precentralised by Carmignac Gestion and executed under the same conditions as above.

In some countries, the subscription of units 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 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 indicated in the paragraph above:

CACEIS Bank, 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 requests applies to said promoters vis-à-vis CACEIS Bank. 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 requests to CACEIS Bank.

Place and means of publication of the net asset value

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

The net asset value announced at 15:00 each day shall be used for the calculation of the subscriptions and redemptions received before 18:00 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-gestion.com

2.2.11 Fees and expenses

Subscription and redemption fees

Subscription fees increase the subscription price paid by the investor, while redemption fees decrease the redemption price. The fees charged by the FCP serve to offset the costs incurred by the FCP to invest and disinvest investors' monies. Fees not paid to the FCP are attributed to the management company, the Fund promoter, etc.

Expenses payable by the investor, deducted at the time of subscriptions and redemptions	Basis	Rate
Maximum subscription fee payable to third parties	net asset value x number of units	Maximum 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

Management and administration fees

These fees cover all the costs invoiced directly to the FCP, except transaction costs. Transaction costs include intermediary fees (brokerage, stock market taxes, etc.) as well as transaction fees, if any, that may be charged by the custodian and the management company in particular. The following fees may be charged in addition to the management and administration fees:

- performance fees. These reward the management company if the FCP exceeds its objectives; They are therefore charged

to the FCP;

- transaction fees charged to the FCP;
- a portion of the income from temporary purchases or sales of securities.
- For more details about the fees charged to the FCP, please refer to section B of the simplified prospectus.

Fees charged to the Fund	Basis	Rate
Management and administration fees, inclusive of tax (including all charges (other than transactions costs), performance fees and fees related to investments in UCITS or investment funds)	Net assets	Maximum 1.5% inclusive of tax
Performance fees	Net assets	Maximum 20% of the positive difference between the performance of the Fund and its performance indicator when it is established (1)
Transaction fees charged by the management company	Maximum payable per transaction	French stock exchange: 0.3% (inclusive of tax) on each transaction; this fee is 0.1% (inclusive of tax) for bond transactions Foreign stock exchange: 0.4% (inclusive of tax) on each transaction; this fee is 0.1% (inclusive of tax) for bond transactions

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

The Fund's performance indicator is the DJ Stoxx 200 Small index.

The Fund's performance is calculated according to changes in the net asset value.

If over the calendar year the Fund has performed positively (calculated with gross dividend reinvested) and has outperformed its performance indicator, the DJ Stoxx 200 Small index, the variable part of the management fees shall represent 20% of the difference between the performance of the fund and the performance indicator.

If over the calendar year the Fund's performance is lower than that of the DJ Stoxx 200 Small index, the variable part of the management fees shall be zero.

If during the year the Fund's performance since the beginning of the calendar year is positive and greater than that of the DJ Stoxx 200 Small index calculated over the same period, this outperformance shall be the basis for a provision for the variable management fees on calculation of the net asset value.

In the event that the Fund underperforms the DJ Stoxx 200 Small index between two net asset value calculation dates, any provision previously made shall be readjusted by a reduction in the provision. Such reductions in the provision are limited to the amount of previous contributions.

This variable part of the management fees shall only be received definitively at the close of each calendar year if the performance of the Fund has been positive and greater than that of its performance indicator, the DJ Stoxx 200 Small index, over the year. It is deducted annually from the last net asset value of the month of December by the management company.

These fees (the fixed fees and any variable amounts) shall be charged directly to the Fund's income statement.

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.

2.2.12 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.

3. COMMERCIAL INFORMATION

3.1 Date and frequency of the net asset value

Daily.

The calendar used to determine the days on which the net asset value is published is the legal calendar of public holidays within the meaning of

article L.222-1 of the *Code de Travail*, the French Labour Code.

3.2 Subscription and redemption conditions:

Subscription and redemption requests are centralised on each NAV calculation and publication day (D) before 18:00, 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.

Subscription and redemption requests received by Carmignac Gestion before 18:00 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 shall be treated as if they were received on the following NAV calculation and publication day.

3.3 Institutions responsible for ensuring compliance with the centralisation cut-off time indicated in the paragraph above

CACEIS Bank, 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 requests applies to said promoters vis-à-vis CACEIS Bank. 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 requests to CACEIS Bank.

3.4 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 each day shall be used for the calculation of the subscriptions and redemptions received before 18:00 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-gestion.com

3.5 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. Email: carmignac@carmignac-gestion.com

The full prospectus is available on the website www.carmignac-gestion.com

Contact: Marketing and communications

Tel: +33 (0)1.42.86.53.35

Fax: +33 (0)1.42.86.52.10

4. INVESTMENT RULES

4.1 Regulatory ratios

The FCP shall respect the regulatory limits applicable to standard coordinated French UCITS. The table below summarises the main rules.

<p>EQUITIES, DEBT SECURITIES, UNITS AND DEBT SECURITIES ISSUED BY SECURITISATION FUNDS, namely: equities and other securities giving access, or capable of giving access, directly or indirectly, to capital or to voting rights, transferable by registration or delivery. Debt securities that each represent a liability of the entity issuing them, transferable by registration or delivery, except for commercial paper. Units and debt securities issued by securitisation funds</p>	<ul style="list-style-type: none"> • Up to 100% in the following financial instruments governed by French law, or a foreign law listed in the column on the left. • The Fund may not invest more than 5% in securities of the same issuing group. • Within the portfolio, a single entity may constitute the issuing group. This ratio may be increased to 10% for one entity and 20% for one issuing group, if the total value of the groups that exceed 5%, does not exceed 40% of the assets.
<p>UNITS OR SHARES OF UCITS OR ELIGIBLE INVESTMENT FUNDS (including French or foreign ETFs)</p>	<p>Up to 10% of assets:</p> <ul style="list-style-type: none"> • in units or shares of French UCITS • in units or shares of European UCITS complying with the Directive • in units or shares of investment funds meeting the criteria set by the General Regulation of the AMF
<p>CONTROL RESTRICTIONS</p>	<p>Up to 10% of the liabilities of a single issuer. Up to 25% of the liabilities of a single issuer for UCITS.</p>
<p>"OTHER ELIGIBLE ASSETS" WITHIN THE 10% LIMIT</p>	<ul style="list-style-type: none"> • Units or shares of French venture capital funds – FCPR (including innovation funds – FCPI, and local investment funds – FIP), French futures funds (FCIMT), French or foreign UCITS or investment funds investing more than 10% of their assets in units and shares of UCITS or investment funds, feeder funds, UCITS with simplified investment rules (ARIA) (the three types of ARIA covered are: leveraged ARIA funds, unleveraged ARIA funds, and funds of hedge funds), UCITS

	<p>with simplified registration procedures, contractual UCITS.</p> <ul style="list-style-type: none"> • Shares or units of foreign investment funds meeting the criteria set by the General Regulation of the AMF; • Warrants, • Short-term notes • Promissory notes, • Mortgage notes • Financial instruments not traded on regulated markets, including transferable debt securities or similar instruments.
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4.2 Specific limits

A minimum of 75% of the portfolio is invested in equities of small and medium capitalisation companies of European Community countries.

4.3 Calculation of commitment

The FCP has chosen to use the linear method to calculate the off-balance sheet commitment.

5. VALUATION AND ACCOUNTING RULES FOR THE ASSETS

The annual financial statements for the financial year lasting 12 months and ended on the day of the last net asset value of the year are presented in accordance with the provisions laid down in Accounting Regulatory Committee (CRC) regulation no. 2003-02 of 2 October 2003 with regard to the accounting guidelines applicable to UCITS.

5.1 Main changes introduced by the new chart of accounts for UCITS

The presentation of financial instruments on the balance sheet, previously influenced by risk diversification ratios, has been substituted by presentation according to type of instrument.

Off-balance sheet positions are shown according to their economic features.

Swap transactions are henceforth shown at their nominal value.

The notes provide the reader with further information on the types of risk arising both from holdings in financial instruments and from the implementation of the management strategy described in the prospectus or the simplified prospectus.

The accounting currency is the euro.

5.2 Methods used for the valuation of balance sheet items and futures and options

o 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:

o French securities

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

o Foreign securities

- listed and registered in Paris: on the basis of the latest price.
- not listed and 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.

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.

o 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.

o Transferable debt securities and synthetic assets composed of a transferable 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 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

FCP IN COMPLIANCE WITH EUROPEAN STANDARDS, ELIGIBLE FOR THE FRENCH EQUITY SAVINGS PLAN (PEA) sourced from a financial information vendor (Bloomberg, Reuters, etc.) for equivalent transferable debt securities 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 high sensitivity requires valuation at the market price (see the previous paragraph).

- o Temporary purchases and sales of securities according to the conditions provided for in the contract.

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.

- o Futures and options

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

5.3 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 3 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 3 months, the last rate used shall be frozen until the final repayment date, except in the case of high sensitivity 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.

5.4 Method used to record interest and income from fixed income securities

Income is recorded on an accruals basis.

5.5 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. They are recorded at each net asset value calculation and deducted at source *pro rata temporis*.

Performance fees: if the performance since the beginning of the financial year is positive and exceeds the performance of the DOW JONES STOXX 200 SMALL index, a daily provision of 20% of this outperformance is established. In the event of underperformance in relation to this index, a daily amount corresponding to 20% of this underperformance is deducted from the provision established since the beginning of the year. This provision is deducted by the management company annually, from the last net asset value of the month of December.

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 0.1% (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 0.1% (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.

FCP IN COMPLIANCE WITH EUROPEAN STANDARDS, ELIGIBLE FOR THE FRENCH EQUITY SAVINGS PLAN (PEA)

MANAGEMENT REGULATIONS OF THE FCP CARMIGNAC EURO-ENTREPRENEURS

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 simplified prospectus and in its detailed memorandum.

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 simplified prospectus and in the detailed memorandum.

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 simplified and full 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 simplified prospectus and the detailed memorandum.

■ 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 full 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 and the investment rules are described in the detailed memorandum of the full 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 or the custodian.

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 class of units in proportion to their share in the total net assets.

Holders of A and E 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 – SPLIT*

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 custodian or, where applicable, the management company, 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*

All 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.