

CARMIGNAC PATRIMOINE

Coordinated French mutual fund (FCP)

Simplified prospectus

CARMIGNAC PATRIMOINE SIMPLIFIED PROSPECTUS

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SECTION A - STATUTORY

OVERVIEW

- ISIN code
- A units: FR0010135103
- E units: FR0010306142
- GBP units: FR0010956649
- Name: CARMIGNAC PATRIMOINE
- Legal structure: French FCP (*fonds commun de placement*)
- Sub-funds/feeder fund: No
- Management company: CARMIGNAC GESTION
- Accounting delegated to: CACEIS Fastnet
- Intended lifetime: This Fund was initially created on 3 January 2005 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

Balanced

■ INVESTMENT OBJECTIVE

The objective of the Fund is to outperform its performance indicator, which consists of 50% MSCI AC World index converted into euro, the Morgan Stanley international equity index, + 50% Citigroup WGBI All Maturities EUR index, the world bond index. The Fund aims to achieve a return which allows for the creation of capital in the medium term in view of its risk profile, i.e. by investing a minimum of 50% in bonds, treasury bills and transferable debt securities on the European and international markets, with the remainder invested in European and international equities.

■ PERFORMANCE INDICATOR

The Fund's performance indicator is the following composite index: 50% MSCI AC World Free index, the Morgan Stanley international equity index, converted into euro, + 50% Citigroup WGBI All Maturities EUR index, the world bond index.

This composite index does not strictly define the investment universe but allows the investor 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.

The MSCI AC World Index: the performance indicator of the equity component is the Morgan Stanley Capital Investment All Countries World index, converted into euro. It is calculated ex-dividend in dollars by Morgan Stanley (Bloomberg code: MSEUACWF) and converted into euro. This index includes around 2,402 stocks representing international companies (data at 30 September 2004).

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 by Citigroup (Bloomberg code: SBWGEU). This index includes around 654 securities representing international bond issuers (data at 30 September 2004).

■ INVESTMENT STRATEGY

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, the 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.

In particular, the portfolio's overall sensitivity to fixed income products and instruments may differ considerably from that of the performance indicator. Sensitivity is defined as the change in portfolio capital (as %) for a change in interest rates of 100 basis points. The sensitivity of the portfolio may fluctuate between -4 and +10.

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.

At most 50% of the net assets of the FCP shall be exposed to equities and other securities giving or capable of giving, directly or indirectly, access to capital or voting rights, traded on eurozone and/or international markets, potentially including a significant portion in the emerging countries (without, however, exceeding 25% of the net assets).

Between 50% and 100% of the assets of the FCP shall be invested in fixed rate bonds, transferable debt securities, treasury bills, variable rate bonds and eurozone and international inflation-linked bonds, potentially including a significant portion in the emerging countries (without, however, exceeding 25% of the net assets).

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

The manager may invest in futures and options (on equities, interest rates, currencies) traded on eurozone and/or international regulated or over-the-counter markets. The maximum commitment of these derivative transactions shall be limited to the total value of the Fund's assets at any time.

The manager may invest in complex derivatives for the purposes of hedging against or creating exposure to credit risk. The manager shall use index credit derivatives (ITRAXX, CDX, ABX, etc.) as well as single and multiple-entity credit derivatives. These transactions shall not exceed 10% of the net assets.

The manager may invest in eurozone and/or international convertible bonds, including those of the emerging countries in particular.

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.

In all cases, the amounts invested in securities with embedded derivatives may not exceed 10% of the net assets.

The FCP may use deposits and cash borrowings to optimise its cash management.

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

■ RISK PROFILE

Your money shall be invested in financial instruments and, where appropriate, in UCITS selected by the management company. These financial instruments and UCITS shall be subject to the evolution and fluctuations of the market.

The risk profile of the FCP is suitable for an investment horizon of over 3 years.

Like any financial investment, potential investors should be aware that the value of the Fund's assets is subject to the fluctuations of the international equity and bond markets and that it may vary substantially. Unitholders receive no guarantee that they will get back the invested capital.

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.

The discretionary management style is based on expectations regarding the performance of different markets (equities, bonds). There is a risk that the Fund might not be invested in the best-performing markets at all times.

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.

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 sensitivity of the portfolio is positive, a rise in interest rates may lead to a reduction in the value of the portfolio. When the sensitivity of the portfolio is negative, a fall in interest rates may lead to a reduction in the value of the portfolio.

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 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. The manager may invest in bonds whose rating is below investment grade. The average rating of the bonds held directly by the Fund or through investment in UCITS shall be at least investment grade (i.e. rated at least BBB-/Baa3 by the rating agencies Standard & Poor's and Moody's).

Currency risk: the FCP is exposed to currency risk through the purchase of securities denominated in currencies other than the euro or indirectly through the purchase of financial instruments denominated in euro whose underlying investments are not hedged against currency risk as well as through currency forward exchange contracts. French unitholders may be exposed to currency risk.

Cash: 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.

TARGET SUBSCRIBERS AND INVESTOR PROFILE

The FCP is available to all investors.

Investors include institutions (including associations, pension funds, paid leave funds and all non-profit organisations), legal entities and natural persons. The Fund's investment policy meets the needs of certain company treasurers, institutions subject to tax and high net worth individuals.

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.

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. The fees which are 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	A units: Maximum 4% E units: None GBP 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	A units: Maximum 1.5% inclusive of tax GBP units: Maximum 1.5% inclusive of tax E units: Maximum 2% inclusive of tax (1)
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) 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 2% rate includes a maximum distribution fee of 0.5%, payable to the distributor.

(2) Performance fees:

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

The Fund's performance indicator is the following composite index: 50% MSCI AC World Free index, the Morgan Stanley international equity index, converted into euro, + 50% Citigroup WGBI All Maturities EUR index, the world bond index.

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

If the performance since the beginning of the financial year is positive and exceeds the performance of the composite index (50% the Morgan Stanley international equity index, MSCI AC World Index Eur, + 50% the world bond index, Citigroup WGBI All Maturities Eur), a daily provision of maximum 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.

If over the financial year the Fund's performance is lower than that of its performance indicator, 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 its performance indicator 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 in relation to its performance indicator 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 financial year if the performance of the Fund has been positive and greater than that of its performance indicator 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. 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 (CET/CEST), and are executed on the next business day on the basis of the net asset value calculated using the closing price of D and published on D+1.

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 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**

The FCP comprises three unit classes, A, E and GBP. Income from A, E and GBP units is fully reinvested. 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. The net asset value will be published on the Carmignac Gestion website: www.carmignac.com

- **BASE CURRENCY OF THE UNITS OR SHARES**

A and E units are denominated in euro. GBP units are denominated in pound sterling.

Classes of units	Initial net asset value	Sub-funds	ISIN code	Dividend distribution of income
A	EUR 762.24	No	FR0010135103	accumulation
E	EUR 100	No	FR0010306142	accumulation
GBP	GBP 100	no	FR0010956649	accumulation

- **CHARACTERISTICS OF THE DIFFERENT UNIT CLASSES**

Unit classes	Base currency	Target subscribers	Minimum initial subscription	Minimum subsequent subscription
A	EUR	All investors	1 unit	0.100 unit
E	EUR	All investors	1 unit	1 unit
GBP	GBP	All investors	1 unit	0.100 unit

The Fund comprises three unit classes: A units, E units and GBP units. 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.

- **CREATION DATE**

The Fund was approved by the AMF on 3 November 2004. It was launched on 3 January 2005 for a period of 99 years (ninety nine years).

- **INITIAL NET ASSET VALUE**

The initial net asset value of the A unit is EUR 762.24.

The initial net asset value of the E unit is EUR 100.

The initial net asset value of GBP units is GBP 100.

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

24, place Vendôme

75001 PARIS

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

Contact: Marketing and communications

Tel: 33 (0)1.42.86.53.35

Fax: 33 (0)1.42.86.52.10

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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.