



**LA FRANÇAISE**

**UCITS**  
under Directive 2009/65/EC

# PROSPECTUS

## LA FRANÇAISE

SICAV

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## 1. General features

### 1.1 Legal form of the UCITS

#### Legal form of the UCITS:

Open-ended investment company with variable capital (SICAV)

#### Name:

LA FRANÇAISE

#### Registered office:

128, boulevard Raspail, 75006 Paris

#### Legal form and member state where the UCITS has been incorporated:

Investment company with variable capital (SICAV) under French law, incorporated as a Public Limited Company

#### Launch date and scheduled duration:

The SICAV was authorised on 14/08/2018. It was created on 12/11/2018 for a period of 99 years, through the merger-absorption of the La Française Moderate Multibonds mutual fund, created on 18/1/2001 (which became La Française Global Floating Rates on 13/8/2019), and which changed its name on 6/10/2021 to La Française Carbon Impact Floating Rates.

#### Summary of the management proposal

The SICAV has ten sub-funds:

## La Française Actions Euro Capital Humain

Share type	ISIN code	Original net asset value	Sub-funds	Allocation of gains	Allocation of income	Denomination currency	Target subscribers	Minimum value of initial subscription
R share	FR0010654830	EUR 100.00	No	Capitalisation	Capitalisation	EUR	All subscribers	1 share
F share	FR0012553584	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	Reserved for funds managed by companies in the La Française Group	1 share
I share	FR0010306225	EUR 79.11	No	Capitalisation	Capitalisation	EUR	All subscribers, particularly institutional investors and large private investors	EUR 100,000.00
D share	FR0011859198	EUR 100.00	No	Distribution	Capitalisation and/or distribution and/or carry forward	EUR	All subscribers	1 share

The minimum initial subscription value does not apply to the management company or entities in the La Française Group.

## La Française Rendement Global 2028

Share type	ISIN code	Original net asset value	Sub-funds	Allocation of gains	Allocation of income	Denomination currency	Target subscribers	Minimum value of initial subscription
T D EUR share	FR0013439528	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All investors without payment of retrocession fees to distributors	None
I C USD H share	FR0013439486	USD 1,000.00	No	Capitalisation	Capitalisation	USD	Reserved for professional clients within the meaning of MiFID	USD 100,000.00

T D USD H share	FR0013439536	USD 100.00	No	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends	USD	All investors without payment of retrocession fees to distributors	USD 1,000.00
R C CHF H share	FR0013439445	CHF 100.00	No	Capitalisation	Capitalisation	CHF	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	CHF 1,000.00
OF share	FR001400LW60	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	Reserved for investors subscribing via Optimal Finance Gestion Privée	None
D B EUR share	FR0013439544	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All subscribers with their residence in Belgium, including investors subscribing via distributors providing a non- independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services and to funds managed by companies within the La Française group or to companies within the La Française group.	None
R C USD H share	FR0013439429	USD 100.00	No	Capitalisation	Capitalisation	USD	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	USD 1,000.00
I C EUR share	FR0013439478	EUR 1,000.00	No	Capitalisation	Capitalisation	EUR	Reserved for professional clients within the meaning of MiFID and clients of Groupe BPCE	EUR 100,000.00
I D EUR share	FR0013439502	EUR 1,000.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	Reserved for professional clients within the meaning of MiFID and clients of Groupe BPCE	EUR 100,000.00
R D	FR0013439460	USD	No	Capitalisation	Capitalisation	USD	All subscribers,	USD

USD H share		100.00		and/or carry forward and/or distribution, with the possibility to pay interim dividends	and/or carry forward and/or distribution, with the possibility to pay interim dividends		including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	1,000.00
R D EUR share	FR0013439452	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	None
I C CHF H share	FR0013439494	CHF 1,000.00	No	Capitalisation	Capitalisation	CHF	Reserved for professional clients within the meaning of MiFID	CHF 100,000.00
B share	FR0013463593	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All subscribers, particularly investors residing in Italy	None
R C EUR share	FR0013439403	EUR 100.00	No	Capitalisation	Capitalisation	EUR	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	None
T C EUR share	FR0013439510	EUR 100.00	No	Capitalisation	Capitalisation	EUR	All investors without payment of retrocession fees to distributors	None

The minimum initial subscription value does not apply to the management company or entities in the La Française Group.

Equities in foreign currencies are systematically hedged against exchange risk for the reference currency of the fund.

"H" shares hedged against the reference currency of the sub-fund may be over- or under-hedged during certain periods. This may lead to a continued residual exchange risk for these shares in relation to the sub-fund's reference currency. This hedging will generally be provided by means of over-the-counter forward contracts, FX forward or FX swaps, but may also include options on currencies or futures contracts.

## La Française Carbon Impact Floating Rates

Share type	ISIN code	Original net asset value	Sub-funds	Allocation of gains	Allocation of income	Denomination currency	Target subscribers	Minimum value of initial subscription
I share	FR0013439163	EUR 1,000.00	No	Capitalisation	Capitalisation	EUR	All subscribers, particularly institutional investors and large private investors	EUR 100,000.00

T C share	FR0013481785	EUR 100.00	No	Capitalisation	Capitalisation	EUR	All investors without payment of retrocession fees to distributors	None
S D share	FR0014007BC3	EUR 1,000.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All subscribers, particularly institutional investors	EUR 10,000,000.00
S O share	FR0012336758	EUR 1,000.00	No	Capitalisation	Capitalisation	EUR	All subscribers, particularly institutional investors	EUR 10,000,000.00
T C CHF H share	FR001400D732	CHF 100.00	No	Capitalisation	Capitalisation	CHF	All investors without payment of retrocession fees to distributors	None
C O share	FR0007053640	EUR 1,000.00	No	Capitalisation	Capitalisation	EUR	All subscribers, particularly institutional investors and large private investors	EUR 100,000.00
S shares	FR0013439155	EUR 1,000.00	No	Capitalisation	Capitalisation	EUR	All subscribers, particularly institutional investors	EUR 10,000,000.00
R O share	FR0012890333	EUR 100.00	No	Capitalisation	Capitalisation	EUR	All subscribers	None
R share	FR0013439148	EUR 100.00	No	Capitalisation	Capitalisation	EUR	All subscribers	None
R C USD H share	FR001400D716	USD 100.00	No	Capitalisation	Capitalisation	USD	All subscribers	None
T C USD H share	FR001400D724	USD 100.00	No	Capitalisation	Capitalisation	USD	All investors without payment of retrocession fees to distributors	None
R C CHF H share	FR001400D708	CHF 100.00	No	Capitalisation	Capitalisation	CHF	All subscribers	None

The minimum initial subscription value does not apply to the management company or entities in the La Française Group.

## La Française Rendement Global 2025

Share type	ISIN code	Original net asset value	Sub-funds	Allocation of gains	Allocation of income	Denomination currency	Target subscribers	Minimum value of initial subscription
T D EUR share	FR0013277373	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All investors without payment of retrocession fees to distributors	None
I share	FR0013258654	EUR 1,000.00	No	Capitalisation	Capitalisation	EUR	Reserved for professional clients within the meaning of MiFID and clients	EUR 500,000.00

							of Groupe BPCE	
D USD H share	FR0013272747	USD 100.00	No	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends	USD	All subscribers, including investors subscribing via distributors providing a non- independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	USD 1,000.00
I C USD H share	FR0013289501	USD 1,000.00	No	Capitalisation	Capitalisation	USD	Reserved for professional clients within the meaning of MiFID	USD 500,000.00
R share	FR0013258647	EUR 100.00	No	Capitalisation	Capitalisation	EUR	All subscribers, including investors subscribing via distributors providing a non- independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	None
T C share	FR0013277381	EUR 100.00	No	Capitalisation	Capitalisation	EUR	All investors without payment of retrocession fees to distributors	None
D-B share	FR0013279395	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All subscribers, including investors subscribing via distributors providing a non- independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services, including the Beobank network	None
R C USD H share	FR0013290996	USD 100.00	No	Capitalisation	Capitalisation	USD	All subscribers, including investors subscribing via distributors providing a non- independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	USD 1,000.00
T D	FR0013288982	USD	No	Capitalisation	Capitalisation	USD	All investors without	USD

USD H share		100.00		and/or carry forward and/or distribution, with the possibility to pay interim dividends	and/or carry forward and/or distribution, with the possibility to pay interim dividends		payment of retrocession fees to distributors	1,000.00
D share	FR0013272739	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	None
I D EUR share	FR0013298957	EUR 1,000.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	Reserved for professional clients within the meaning of MiFID and clients of Groupe BPCE	EUR 500,000.00
I C CHF H share	FR0013284569	CHF 1,000.00	No	Capitalisation	Capitalisation	CHF	Reserved for professional clients within the meaning of MiFID	CHF 500,000.00

The minimum initial subscription amount does not apply to the management company or to any other entity in the La Française Group.

Equities in foreign currencies are systematically hedged against exchange risk for the reference currency of the fund.

"H" shares hedged against the reference currency of the sub-fund may be over- or under-hedged during certain periods. This may lead to a continued residual exchange risk for these shares in relation to the sub-fund's reference currency. This hedging will generally be provided by means of over-the-counter forward contracts, FX forward or FX swaps, but may also include options on currencies or futures contracts.

## La Française Rendement Global 2028 Plus

Share type	ISIN code	Original net asset value	Sub-funds	Allocation of gains	Allocation of income	Denomination currency	Target subscribers	Minimum value of initial subscription
R D USD H share	FR0013439833	USD 100.00	No	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends	USD	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	USD 1,000.00
T D USD H share	FR0013439924	USD 100.00	No	Capitalisation and/or carry forward and/or distribution, with the possibility to	Capitalisation and/or carry forward and/or distribution, with the possibility to	USD	All investors without payment of retrocession fees to distributors	USD 1,000.00

				pay interim dividends	pay interim dividends			
R D EUR share	FR0013439825	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All subscribers, including investors subscribing via distributors providing a non- independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	None
T C EUR share	FR0013439890	EUR 100.00	No	Capitalisation	Capitalisation	EUR	All investors without payment of retrocession fees to distributors	None
D B EUR share	FR001400N2O5	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All subscribers with their residence in Belgium, including investors subscribing via distributors providing a non- independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	None
I C EUR share	FR0013439858	EUR 1,000.00	No	Capitalisation	Capitalisation	EUR	Reserved for professional clients within the meaning of MiFID	EUR 100,000.00
T D EUR share	FR0013439916	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All investors without payment of retrocession fees to distributors	None
I C USD H share	FR0013439874	USD 1,000.00	No	Capitalisation	Capitalisation	USD	Reserved for professional clients within the meaning of MiFID	USD 100,000.00
S share	FR0013439809	EUR 1,000.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	Reserved for the Caisse Fédérale du Crédit Mutuel Nord Europe and companies in the La Française Group	EUR 10,000,000.00
I D EUR share	FR0013439882	EUR 1,000.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	Reserved for professional clients within the meaning of MiFID	EUR 100,000.00
R C EUR share	FR0013439817	EUR 100.00	No	Capitalisation	Capitalisation	EUR	All subscribers, including investors subscribing via distributors providing a non- independent	None



							advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	
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The minimum initial subscription value does not apply to the management company or entities in the La Française Group.

Equities in foreign currencies are systematically hedged against exchange risk for the reference currency of the fund.

"H" shares hedged against the reference currency of the sub-fund may be over- or under-hedged during certain periods. This may lead to a continued residual exchange risk for these shares in relation to the sub-fund's reference currency. This hedging will generally be provided by means of over-the-counter forward contracts, FX forward or FX swaps, but may also include options on currencies or futures contracts.

## La Française Financial Bonds 2027

Share type	ISIN code	Original net asset value	Sub-funds	Allocation of gains	Allocation of income	Denomination currency	Target subscribers	Minimum value of initial subscription
Z EUR shares	FR00140010U3	EUR 1,000.00	No	Capitalisation	Capitalisation	EUR	Institutional Investors	EUR 40,000,000.00
RD USD H shares	FR0014001WK5	USD 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	USD	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services.	None
TD EUR shares	FR00140011D7	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All investors without payment of retrocession fees to distributors.	None
RD EUR shares	FR00140011B1	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services.	None
TC EUR shares	FR00140011F2	EUR 100.00	No	Capitalisation	Capitalisation	EUR	All investors without payment of retrocession fees to distributors.	None
S EUR shares	FR00140010S7	EUR 1,000.00	No	Capitalisation	Capitalisation	EUR	Reserved for the Caisse Fédérale du Crédit Mutuel Nord Europe and companies in La Française Group and for funds managed by Crédit Mutuel Asset Management	EUR 10,000,000.00

F shares	FR00140011G0	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	Reserved for funds managed by companies in the La Française Group	None
TC CHF H shares	FR0014001194	CHF 100.00	No	Capitalisation	Capitalisation	CHF	All investors without payment of retrocession fees to distributors.	None
RC EUR shares	FR00140011A3	EUR 100.00	No	Capitalisation	Capitalisation	EUR	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services.	None
DB EUR shares	FR001400L9C7	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All subscribers with their residence in Belgium, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	None
IC CHF H shares	FR00140010V1	CHF 1,000.00	No	Capitalisation	Capitalisation	CHF	Reserved for professional clients within the meaning of MiFID.	CHF 100,000.00
RC USD H shares	FR00140011C9	USD 100.00	No	Capitalisation	Capitalisation	USD	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services.	None
TD USD H shares	FR00140011E5	USD 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	USD	All investors without payment of retrocession fees to distributors.	None
ID USD H shares	FR00140010Q1	USD 1,000.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	USD	Reserved for professional clients within the meaning of MiFID.	USD 100,000.00
IC EUR shares	FR00140010X7	EUR 1,000.00	No	Capitalisation	Capitalisation	EUR	Reserved for professional clients within the meaning of MiFID.	EUR 100,000.00
ID EUR	FR00140010R9	EUR 1,000.00	No	Capitalisation and/or	Capitalisation and/or	EUR	Reserved for professional	EUR 100,000.00

shares				distribution and/or carry forward	distribution and/or carry forward		clients within the meaning of MiFID.	
IC USD H shares	FR001400I0T5	USD 1,000.00	No	Capitalisation	Capitalisation	USD	Reserved for professional clients within the meaning of MiFID.	USD 100,000.00
TC USD H shares	FR001400I0W9	USD 100.00	No	Capitalisation	Capitalisation	USD	All investors without payment of retrocession fees to distributors.	None

The minimum initial subscription value does not apply to the management company nor entities in La Française Group nor Crédit Mutuel Asset Management.

Equities in foreign currencies are systematically hedged against exchange risk for the reference currency of the fund.

"H" units hedged against the reference currency of the sub-fund may be over- or under-hedged during certain periods. This may lead to a continued residual exchange risk for these shares in relation to the sub-fund's reference currency. This hedging will generally be provided by means of over-the-counter forward contracts, FX forward or FX swaps, but may also include options on currencies or futures contracts.

## La Française Obligations Carbon Impact

Share type	ISIN code	Original net asset value	Sub-funds	Allocation of gains	Allocation of income	Denomination currency	Target subscribers	Minimum value of initial subscription
C share	FR0010915314	EUR 21.32	No	Capitalisation	Capitalisation	EUR	All subscribers, particularly private investors	None
I share	FR0010934257	EUR 1,000.00	No	Capitalisation	Capitalisation	EUR	All subscribers, particularly institutional investors	EUR 100,000.00
S share	FR0010955476	EUR 10,000.00	No	Capitalisation	Capitalisation	EUR	Large institutional investors	EUR 1,000,000.00
D share	FR0010905281	EUR 16.66	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All subscribers, particularly private investors	None
T share	FR0014003001	EUR 100.00	No	Capitalisation	Capitalisation	EUR	All investors without payment of retrocession fees to distributors	None

The minimum initial subscription value does not apply to the management company nor entities in the La Française Group nor Crédit Mutuel Asset Management.

## La Française Credit Innovation

Share type	ISIN code	Original net asset value	Sub-funds	Allocation of gains	Allocation of income	Denomination currency	Target subscribers	Minimum value of initial subscription
S EUR share	FR0014008UP3	EUR 1,000.00	No	Capitalisation	Capitalisation	EUR	Reserved for professional clients within the meaning of MiFID	EUR 10,000,000.00
F share	FR0014008UO6	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	Reserved for funds managed by companies in the La Française Group	None
R C	FR0014008UN8	EUR	No	Capitalisation	Capitalisation	EUR	All subscribers,	None

EUR share		100.00					including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	
R C USD H share	FR0014008UM0	USD 100.00	No	Capitalisation	Capitalisation	USD	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	None
R D EUR share	FR0014008UL2	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	None
R D USD H share	FR0014008UK4	USD 100.00	No	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends	USD	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	None
I C EUR share	FR0014008UJ6	EUR 1,000.00	No	Capitalisation	Capitalisation	EUR	Reserved for professional clients within the meaning of MiFID	EUR 100,000.00
I C USD H share	FR0014008UI8	USD 1,000.00	No	Capitalisation	Capitalisation	USD	Reserved for professional clients within the meaning of MiFID	USD 100,000.00
I C CHF H share	FR0014008UE7	CHF 1,000.00	No	Capitalisation	Capitalisation	CHF	Reserved for professional clients within the meaning of MiFID	CHF 100,000.00
I D EUR share	FR0014008UH0	EUR 1,000.00	No	Capitalisation and/or distribution and/or carry	Capitalisation and/or distribution and/or carry	EUR	Reserved for professional clients within the meaning of MiFID	EUR 100,000.00

I D USD H share	FR0014008UG2	USD 1,000.00	No	forward Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends	forward Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends	USD	Reserved for professional clients within the meaning of MiFID	USD 100,000.00
T C EUR share	FR0014008UF4	EUR 100.00	No	Capitalisation	Capitalisation	EUR	All investors without payment of retrocession fees to distributors	None
T C USD H share	FR0014008UD9	USD 100.00	No	Capitalisation	Capitalisation	USD	All investors without payment of retrocession fees to distributors	None
T C CHF H share	FR0014008UC1	CHF 100.00	No	Capitalisation	Capitalisation	CHF	All investors without payment of retrocession fees to distributors	None
T D EUR share	FR0014008UB3	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All investors without payment of retrocession fees to distributors	None
T D USD H share	FR0014008UA5	USD 100.00	No	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends	USD	All investors without payment of retrocession fees to distributors	None
CM C EUR share	FR001400IH07	EUR 1,000.00	No	Capitalisation	Capitalisation	EUR	All subscribers in the Crédit Mutuel Alliance Fédérale network	EUR 1,000.00

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Equities in foreign currencies are systematically hedged against exchange risk for the reference currency of the fund.

"H" units hedged against the reference currency of the sub-fund may be over- or under-hedged during certain periods. This may lead to a continued residual exchange risk for these shares in relation to the sub-fund's reference currency. This hedging will generally be provided by means of over-the-counter forward contracts, FX forward or FX swaps, but may also include options on currencies or futures contracts.

## La Française Carbon Impact 2026

Share type	ISIN code	Original net asset value	Sub-funds	Allocation of gains	Allocation of income	Denomination currency	Target subscribers	Minimum value of initial subscription
TD share	FR0013467032	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All investors without payment of retrocession fees to distributors	None
S share	FR0013431178	EUR 1,000.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	Reserved for the Caisse Fédérale du Crédit Mutuel Nord Europe and companies in the La Française Group	EUR 10,000,000.00
D B	FR001400N2N7	EUR	No	Capitalisation	Capitalisation	EUR	All subscribers	None

EUR share		100.00		and/or distribution and/or carry forward	and/or distribution and/or carry forward		with their residence in Belgium, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	
C share	FR0013527348	EUR 100.00	No	Capitalisation	Capitalisation	EUR	Reserved for companies in the Insurance group of Crédit Mutuel, Crédit Mutuel Nord Europe and Crédit Mutuel Epargne Salariale	None
Z share	FR00140039S1	EUR 1,000.00	No	Capitalisation	Capitalisation	EUR	Institutional Investors	EUR 40,000,000.00
IC USD H share	FR0013470861	USD 1,000.00	No	Capitalisation	Capitalisation	USD	Reserved for professional clients within the meaning of MiFID	USD 100,000.00
R USD H share	FR0013470879	USD 100.00	No	Capitalisation	Capitalisation	USD	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	None
I D share	FR0013458239	EUR 1,000.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All subscribers, particularly institutional investors	EUR 100,000.00
I share	FR0013431194	EUR 1,000.00	No	Capitalisation	Capitalisation	EUR	All subscribers, particularly institutional investors	EUR 100,000.00
R share	FR0013431186	EUR 100.00	No	Capitalisation	Capitalisation	EUR	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	None
TC	FR0013467040	EUR	No	Capitalisation	Capitalisation	EUR	All investors	None

share		100.00					without payment of retrocession fees to distributors	
D USD H share	FR0013470887	USD 100.00	No	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends	USD	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	None
D share	FR0013431152	EUR 100.00	No	Capitalisation and/or distribution and/or carry forward	Capitalisation and/or distribution and/or carry forward	EUR	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	None

The minimum initial subscription value does not apply to the management company or entities in the La Française Group.

Equities in foreign currencies are systematically hedged against exchange risk for the reference currency of the fund.

"H" shares hedged against the reference currency of the sub-fund may be over- or under-hedged during certain periods. This may lead to a continued residual exchange risk for these shares in relation to the sub-fund's reference currency. This hedging will generally be provided by means of over-the-counter forward contracts, FX forward or FX swaps, but may also include options on currencies or futures contracts.

## La Française Global Coco

Share type	ISIN code	Original net asset value	Sub-funds	Allocation of gains	Allocation of income	Denomination currency	Target subscribers	Minimum value of initial subscription
R C USD H share	FR0013251071	USD 100.00	No	Capitalisation	Capitalisation	USD	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	USD 50,000.00
R D USD H share	FR0013393857	USD 100.00	No	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends	USD	All subscribers, including investors subscribing via distributors providing a non-independent advisory service	USD 50,000.00

							within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	
I share	FR0013175221	EUR 1,000.00	No	Capitalisation	Capitalisation	EUR	All subscribers, and more particularly intended for professional clients within the meaning of MiFID	EUR 100,000.00
T C USD H share	FR0013393865	USD 100.00	No	Capitalisation	Capitalisation	USD	All investors without payment of retrocession fees to distributors	USD 50,000.00
R C EUR share	FR0013301082	EUR 100.00	No	Capitalisation	Capitalisation	EUR	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	EUR 50,000.00
TC EUR share	FR0013292224	EUR 1,000.00	No	Capitalisation	Capitalisation	EUR	All investors without payment of retrocession fees to distributors	EUR 50,000.00

The minimum initial subscription value does not apply to the management company or entities in the La Française Group.

Equities in foreign currencies are systematically hedged against exchange risk for the reference currency of the fund.

"H" shares hedged against the reference currency of the sub-fund may be over- or under-hedged during certain periods. This may lead to a continued residual exchange risk for these shares in relation to the sub-fund's reference currency. This hedging will generally be provided by means of over-the-counter forward contracts, FX forward or FX swaps, but may also include options on currencies or futures contracts.

***Location where the latest annual report and the latest interim report may be obtained:***

The latest annual reports and the composition of assets will be sent within eight working days, upon written request by the unitholder to:

LA FRANÇAISE ASSET MANAGEMENT  
Marketing department  
128, boulevard Raspail  
75006 Paris  
Tel.: +33 (0) 1 44 56 10 00  
E-mail: [contact-valeursmobilières@la-française.com](mailto:contact-valeursmobilières@la-française.com)

For further information, please contact the Marketing department of the management company via the following e-mail address: [contact-valeursmobilières@la-française.com](mailto:contact-valeursmobilières@la-française.com).



## 1.2 Stakeholders

### - **Delegated management company**

The SICAV delegates financial management to:

#### LA FRANÇAISE ASSET MANAGEMENT

Simplified joint stock company, registered in the Paris Trade and Companies Register under number 314 024 019  
Management company approved by the French Financial Markets Authority on 1 July 1997, under number GP 97-76,  
Registered office: 128, boulevard Raspail – 75006 Paris

### - **Depositary and registrar**

#### **Identity of the UCITS Depositary**

The Depositary of the UCITS is BNP Paribas S.A., located at 9 rue du Débarcadère, 93500 PANTIN (the "Depositary"). BNP Paribas S.A., registered in the Trade and Companies Register under number 662 042 449, is an institution approved by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the French Financial Markets Authority (Autorité des Marchés Financiers – AMF), whose registered office is located at 16, Boulevard des Italiens, 75009 Paris, France.

#### **Description of the responsibilities of the Depositary and potential conflicts of interest**

The Depositary carries out three types of responsibilities: checking the legality of the decisions of the management company (as defined in Article 22(3) of the UCITS V Directive), monitoring the UCITS cash flow (as defined in Article 22(4)) and holding UCITS assets (as defined in Article 22(5)).

The main objective of the Depositary is to protect the interests of unitholders/investors in the UCITS. This will always take precedence over commercial interests.

Potential conflicts of interest may be identified, especially in the case where the Management Company has a commercial relationship with BNP Paribas S.A. alongside its appointment as Depositary (which may be the case where BNP Paribas S.A., by delegation from the Management Company, calculates the net asset value of the UCITS while BNP Paribas S.A. is the Depositary or where a group connection exists between the Management Company and the Depositary).

In order to manage situations such as this, the Depositary has implemented and regularly updates a conflict of interest management policy, with the aim of:

- identifying and analysing potential conflicts of interest;
- recording, managing and monitoring conflicts of interest:
  - o based on the permanent measures put in place in order to manage conflicts of interest, such as the distribution of tasks, the separation of hierarchical and operational lines, the monitoring of internal lists of insiders and dedicated IT environments;
  - o On a case-by-case basis:
    - by implementing appropriate preventive measures such as the creation of an ad hoc monitoring list and new Chinese walls, or by verifying that transactions are properly processed and/or by keeping the relevant clients informed,
    - or by refusing to manage activities which could lead to conflicts of interest.

#### **Description of any safekeeping functions delegated by the Depositary, list of delegates and sub-delegates and identification of conflicts of interest likely to result in such a delegation.**

The Depositary of the UCITS, BNP Paribas S.A., is responsible for safeguarding the assets (as defined in Article 22(5) of the Directive 2009/65/EC amended by Directive 2014/91/UE). In order to offer services related to the custody of assets in a large number of countries, allowing the UCITS to achieve their investment objectives, BNP Paribas S.A. has appointed sub-depositaries in the countries where BNP Paribas S.A. has not established a local presence. These entities are listed on the following website:

<http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-and-trustee-serv.html>

The appointment and monitoring process for sub-depositaries adheres to the highest quality standards, including the management of potential conflicts of interest which may arise as a result of these appointments.

Up-to-date information relating to the abovementioned points will be sent to the investor upon request.

### - **Statutory auditor**

DELOITTE et Associés

6 place de la Pyramide 92908 Paris-La Défense cedex

Represented by Ms Virginie GAITTE

### - **Marketers**

LA FRANÇAISE AM FINANCE SERVICES

Customer relations department  
128, boulevard Raspail – 75006 PARIS

CMNE  
4 place Richebé 59800 LILLE

The list of marketers is not exhaustive insofar as, in particular, the UCITS is accepted for circulation in Euroclear. Accordingly, some marketers may not be mandated by or known to the management company.

**- Centralising agent by delegation, establishment responsible for the receipt of subscription and redemption orders:  
- for bearer shares to be registered or already registered with Euroclear:**

LA FRANÇAISE AM FINANCE SERVICES  
Customer relations department  
128, boulevard Raspail – 75006 PARIS

**- for registered shares yet to be listed or already listed in the IZNES Shared Electronic Registration System (DEEP):**

IZNES  
Service Operations  
20-22, rue Vernier – 75017 PARIS

**- Delegated entities**

Administrative and accounting management is delegated to:

BNP PARIBAS S.A.,

Whose registered office is 16 Boulevard des Italiens 75009 Paris

With its postal address at Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin

Accounting management consists primarily in calculating the net asset values.

Administrative management consists primarily in providing legal monitoring of the SICAV (board of directors, general meetings, etc.).

**- Advisors:** None

**- Board of Directors**

The information on the membership of the Board of Directors of the SICAV, and descriptions of the main activities carried out by the Board members outside the SICAV, where these are significant, are indicated in the SICAV annual report, updated once a year. Each member stated above is responsible for providing this information.

## 2. Terms of operation and management

### 2.1 General features

#### **Separation of sub-funds**

The SICAV offers investors a choice of several sub-funds, each with a different management objective.

Each sub-fund constitutes a distinct mass of assets.

The assets of a given sub-fund will be liable only for the debts, commitments and liabilities relating to that sub-fund.

#### **Share characteristics:**

**Nature of right attached to each share category:** each shareholder has an ownership right in respect of sub-fund assets, in proportion to the number of shares held.

**Management of liabilities:** The functions of centralising subscription and redemption orders are carried out by

LA FRANÇAISE AM FINANCE SERVICES

for shares to be registered or already registered in EUROCLEAR and by IZNES for shares to be registered or already registered in pure registered form within the Shared Electronic Registration System (DEEP); the account issuing the shares is held by

BNP Paribas S.A

These tasks are carried out by delegation from the management company.

**Voting rights:** one voting right is attached to each share for participation in decisions within the remit of the SICAV's general meeting under the conditions set by law and the articles of association.

**Form of shares:** The shares are bearer shares listed with Euroclear or registered shares within the IZNES Electronic Share Registration System (DEEP). The form of the shares is specified in the special provisions for each sub-fund.

**Decimalisation:** the decimalisation procedures are specified in the special provisions of each sub-fund.

**Closing date:** last trading day in June

**end of the first financial year:** the last Paris trading day in June 2019

**Information concerning tax arrangements:**

The SICAV is not subject to corporation tax. However, tax on distributions and capital gains are payable by the shareholders.

The tax arrangements applicable to sums distributed by the SICAV and unrealized SICAV gains or losses depend on the tax provisions covering the investor's personal situation and / or those in force in the country in which the SICAV invests.

If the shareholder is uncertain about his tax situation, he must consult his financial adviser for more information.

## 2.2 Specific provisions

# La Française Actions Euro Capital Humain

## ISIN code:

R share	FR0010654830
F share	FR0012553584
I share	FR0010306225
D share	FR0011859198

## Classification:

Shares of eurozone countries

## Management objective:

The management objective for the sub-fund is to, over the recommended investment period of at least five (5) years, outperform the benchmark (the Euro Stoxx index) in euros, net dividends reinvested and net of management fees, through the implementation of an investment policy addressing financial and extra-financial criteria. The fund places extra-financial criteria at the heart of its investment and issuer selection process, paying particular attention to human capital.

## Benchmark index:

The sub-fund's benchmark index is the Euro Stoxx.

This index consists of major stocks belonging to eurozone countries, selected according to their market capitalisation, transaction volume and industry. The index seeks to maintain a weighting by country and activity sector fully reflecting the economic structure of the euro zone. This benchmark includes about 300 stocks. The performance of the Euro Stoxx index is calculated net dividends reinvested.

Index administrator: Stoxx Ltd, registered with ESMA

Further information on the benchmark index is available on the administrator's website ([www.stoxx.com](http://www.stoxx.com))

The UCI is actively managed and aims to outperform its benchmark index. The fund is managed on a discretionary basis: the fund will be primarily exposed to issuers of the benchmark index and may be exposed to issuers not included in the benchmark index. The management strategy includes monitoring the deviation between the risk level of the portfolio and that of the index. A large/significant deviation relative to the risk level of the benchmark index is expected.

## Investment strategy:

### 1- Strategy used

The rate of investment in the equity markets of eurozone countries is at least 80% of assets. The equity portfolio's total exposure including derivative products is at least 60% and at most 110% of the net assets, with exposure to derivatives not exceeding 100% of the UCITS assets.

The selection may include equities of any market capitalisation, with no investment limit on small- and mid-caps.

The management company uses the research centre "La Française Sustainable Investment Research" of the entity "La Française Group UK Limited" specialised in responsible investment criteria (hereafter the "Research Team"). It is specified that there is a risk of conflicts of interest relating to the provision of ESG scores with the "La Française Sustainable Investment Research" research centre of the "La Française Group UK Limited" entity belonging to the La Française Group. In order to manage this situation, the management company has put in place and updates a conflict of interest management policy with the aim of identifying and analysing potential conflict of interest situations as well as recording, managing and monitoring situations in which there is a conflict of interest. Furthermore, the provision of ESG scores is fully paid for by the management company, and the holders of the funds concerned by this service are informed through the prospectuses and annual reports.

The investment process combines financial and extra-financial analysis with a dual approach of ESG integration with significant management and thematic engagement, which are described below.

### Step 1 of the investment process:

The initial investment universe is constructed from issuers belonging to the Eurostoxx TMI (Total Market Index). Securities are selected from this universe, but may also be selected from outside this universe up to a limit of 10%, provided that these securities have an ESG score above the exclusion threshold for the universe and meet the investment criteria of the fund.

The analysis of Environmental, Social and Governance criteria is carried out by the Research Team, which has developed a proprietary ESG model. This automated tool uses raw data from various data providers to calculate KPIs (Key Performance Indicators).

The ESG rating process is structured across five steps which can be described as follows:

1. Periodic update of raw data from different sources;

2. Calculation of KPIs (46 in total);
3. When aggregated and supplemented with recent information collected and deemed relevant by the ESG analyst, they produce scores in three areas (environmental sustainability, human capital and organisational capital);
4. Calculation of weightings for these three areas, which may differ by sector;
5. Calculation of an overall ESG score and a score for each pillar E, S and G, weighted according to specific sectoral aspects.

For example, the criteria used to analyse issuers are:

- Environmental: carbon intensity and waste management, etc.
- On a social level (human capital): staff training, labour relations, turnover etc.
- Governance: management structure and relationship with shareholders, remuneration policy, etc.

At the end of this process, each issuer is given an overall ESG score which is composed of a score for each E, S and G pillar, from zero (worst) to ten (best). These scores reflect investment opportunities or, conversely, non-financial risks.

This first step of the non-financial analysis identifies issuers to be ruled out solely due to ESG criteria.

The following issuers are therefore automatically excluded under the La Française Group's exclusion policy:

- issuers involved in controversial weapons; and
- companies located in countries appearing on the black list and the red list of sensitive countries requiring approval, on a case-by-case basis, from LFAM's Compliance Department. These lists, which are maintained and updated by LFAM's Compliance Department, are drawn up with regard to international sanctions and the implications for terrorism and corruption.

Secondly, 25% of issuers with the lowest overall ESG scores in the initial investment universe are excluded.

All of these excluded issuers make up the ESG exclusion list. The latter is established on a monthly basis and determines a minimum threshold of the overall ESG score below which the fund may not invest. Issuers whose overall ESG score is below the exclusion threshold cannot be included in the investment list.

The proportion of issuers analysed under these ESG criteria in the portfolio exceeds 90% of the securities in the portfolio, excluding cash.

### **Step 2 of the investment process:**

The second step assigns a rating to all the issuers belonging to the now smaller investment universe.

During this second step, the issuers are given the following scores:

- a proprietary quantitative score based on the criteria of quality, growth, valuation, volatility and momentum;
- a manager analyst score based on their financial analysis of securities, aimed at selecting quality issuers that generate recurring cash flows and have a business model that produces added value;
- a Human Capital score, aimed at favouring issuers with good practices towards their employees. This score is given by non-financial analysts;

At the end of this second stage, issuers who have been favourably assessed by the weekly committee, which includes the management team and the research teams, are candidates for investment and thus form the investment list.

### **Step 3 of the investment process:**

The third step of the investment process sees the creation of the portfolio and the risk dynamics.

The manager analysts select the issuers from the previously defined investment list (Steps 1 and 2), then calibrate the portfolio according to the team's judgements and the risk framework set up for the sub-fund.

Additional information on the management company's extra-financial analysis and the transparency code is available on the La Française AM website at [www.la-francaise.com](http://www.la-francaise.com).

In all cases, the final investment decision is left to the manager's free judgement according to their own outlook.

Thus, the Sub-Fund promotes environmental, social and governance characteristics as defined in Article 8 of the European Regulation (EU) 2019/2088, the so-called Sustainable Finance Disclosure Regulation (SFDR).

The methodology adopted by the management company to take account of extra-financial criteria may have a constraint:

- the analyses carried out by our research centre depend on the quality of the information collected and the transparency of issuers.

The sub-fund shall meet the investment requirements for sub-funds eligible for the Equity Savings Plan (PEA); to this end, it will invest at least 75% in eligible securities (equities, investment certificates and investment cooperative certificates or other eligible securities issued by companies domiciled in the European Union or, under certain conditions, in the European Economic Area).

The sub-fund may also invest up to 10% in units or shares of UCITS established under French or European law. Regarding cash management:

- the sub-fund may invest up to 10% of its assets in fixed income products (e.g. negotiable debt securities) rated "investment grade" (rating at least Standard & Poor's BBB- or Moody's Baa3 or equivalent based on the management company's analysis) that are issued by public or private sector issuers in eurozone countries and satisfy the principles of the non-financial analysis. The management company will not exclusively or mechanically rely on ratings and will conduct a credit analysis during the investment.
- the sub-fund may use cash borrowings and temporary acquisitions and sales of securities on an ancillary basis.

The objective of the European Union Taxonomy is to identify economic activities considered to be sustainable from an environmental perspective. The taxonomy identifies these activities according to their contribution to six major environmental objectives:

- Climate change mitigation;
- Climate change adaptation;
- The sustainable use and protection of water and marine resources;
- Transition to a circular economy (waste, prevention and recycling);
- Pollution prevention and control;
- The protection and restoration of biodiversity and ecosystems.

In order to be considered sustainable, an economic activity must demonstrate that it contributes substantially to the achievement of at least one of the six objectives, while not harming any of the other five (a principle known as DNSH, "Do No Significant Harm").

For an activity to be considered aligned with the European Taxonomy, it must also respect human and social rights guaranteed by international law.

The minimum percentage of alignment with the EU Taxonomy is 0%. The alignment of companies' activities is carried out qualitatively in the internal analysis process based on data published by the companies themselves as well as that made available by our ESG data providers.

The principle of "not causing significant harm" applies only to investments underlying the financial product which take into account the European Union's criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## **2 - Assets (excluding embedded derivatives)**

### **a) Equities:**

The assets of the sub-fund will be invested in listed equities or similar securities and/or in subscription or allotment rights attached to these equities that make up the benchmark index.

Investments are made in securities of all market capitalisations and without geographic or sectoral constraints.

At least 80% of the sub-fund's net assets will be invested in the equity markets of eurozone countries, and up to 10% of the sub-fund's net assets may be exposed to markets outside the eurozone, including emerging markets. This limit relates to securities considered to be outside the eurozone and not included in the benchmark index for the sub-fund.

In the context of its investments in non-euro securities, the sub-fund may be exposed to currency risk for up to 10% of its net assets.

Since the equity portfolio's total exposure including derivative financial instruments is a minimum of 60% and a maximum of 110% of the net assets, exposure to derivatives does not exceed 100% of the UCITS assets.

### **b) Debt securities and money market instruments:**

For cash management purposes, the sub-fund may invest up to 10% of its assets in investment grade interest rate products (i.e. with a rating of at least BBB- on Standard & Poor's scale or Baa3 on Moody's scale, or equivalent based on the management company's analysis):

- negotiable debt securities issued by private issuers (certificates of deposit, commercial papers, EuroCP),
- French government treasury bills (BTF or BTAN)

The management company shall not exclusively or systematically rely on ratings, but rather shall conduct a credit analysis at the time of investment.

The investment will be made:

- in public or private sector products, depending on market opportunities
- in all sectors, with no sectoral emphasis
- in securities issued by issuers in eurozone countries

### **c) Units or shares of other UCITS:**

The manager reserves the right to select units or shares in French or European UCITS whose management characteristics and investment strategies are likely to meet the performance objective of the sub-fund (a sub-fund invested in sustainable development or participation certificates, for example).

For cash management, the manager may also use units or shares in French or European ISR UCITS.

These UCITS may be managed by the management company by delegation or an affiliated management company.

Investments in UCITS units or shares will be limited to 10% of net assets.

### **3- Derivative instruments**

Nature of the markets used:

- regulated: yes
- organised: yes
- OTC: yes

The sub-fund will preferably use organised markets but reserves the right to enter into OTC contracts where these are better suited to the management objective or offer lower trading costs.

The sub-fund reserves the right to trade on all European and international markets.

Risks on which the manager seeks to act:

- equities: yes
- interest rates: yes
- foreign exchange: yes
- credit: no
- indices: yes

Nature of activities:

- hedging: yes
- exposure: yes
- arbitrage: no
- other: no

Nature of the instruments used:

- futures: yes
- options: yes
- swaps: yes
- forward exchange: no
- credit derivatives: no
- other: no

The use of derivatives offers management flexibility and greater responsiveness to markets so as to optimise investments in the equity markets.

These transactions will be carried out with a maximum limit of 100% of the UCITS assets.

The derivative instruments listed above are not subject to the same extra-financial analysis process as the securities described in the investment strategy.

**4- Securities with embedded derivatives:** yes, equities rights and subscription warrants.

**5- Deposits:** None

### **6- Cash borrowings:**

Exceptionally, the manager may borrow cash of up to 10% of net assets for the purpose of investing in anticipation of market rises or, more temporarily, in the context of major redemptions.

### **7- Temporary securities purchase and sale transactions:**

The manager reserves the right to resort to repurchase and reverse repurchase transactions and securities lending and borrowing on the assets eligible for the sub-fund's portfolio. These transactions will be limited to 10% of net assets (maximum leverage = 10%).

Securities lending and/or reverse repo counterparties are subject to an ESG analysis during La Française Asset Management's eligibility review of financial intermediaries.

### **Management of financial guarantees relating to transactions on over-the-counter derivative financial instruments:**

OTC transaction counterparties will be counterparties such as credit institutions, authorised by the management company and domiciled in OECD Member States.

These counterparties do not have discretionary decision-making powers over the management of the assets underlying the derivative financial instruments.

These transactions may be carried out with companies linked to the Group of the management company.



These transactions may give rise to the guarantee deposit:

- of cash
- of securities issued by OECD Member States
- of monetary UCITS/AIF units or shares

The fund shall not receive securities as collateral as part of the management of financial guarantees relating to transactions on over-the-counter derivative financial instruments and effective portfolio management techniques.

Financial guarantees received in cash may be:

- placed in deposit with a credit institution whose registered office is located in an OECD Member State or in another country with equivalent prudential rules,
- invested in high-quality government bonds,
- invested in short-term monetary undertakings for collective investment as defined in the guidelines for a common definition of European monetary undertakings for collective investment.

**Risk profile:**

*"Your money will be invested in financial instruments selected by the management company. These instruments will be exposed to market trends and risks".*

The risks described below are not exhaustive: investors should analyse the risks inherent to each investment and make their own decisions. Investors are exposed to the following risks through the sub-fund:

Risk of capital loss:

Investors are advised that their capital is not guaranteed and may therefore not be returned to them.

ESG investment risk: The fund uses ESG criteria and may underperform the market in general or other funds that do not use ESG criteria when selecting investments. ESG investments are selected, or excluded on the basis of financial and non-financial criteria. The fund may sell a security due to ESG reasons, rather than for purely financial considerations.

Sustainability risk:

This refers to the possible occurrence of an ESG event or condition that could potentially or actually cause a significant negative impact on the value of an investment in a fund. Sustainability risks can either represent a risk in and of themselves, or have an impact on other risks and contribute – by way of correlation – significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks can have an impact on long-term risk-adjusted returns for investors. Assessing sustainability risk is complex and can be based on ESG data that is difficult to obtain and incomplete, believed to be outdated, or otherwise materially inaccurate. Even when identified, there is no guarantee that this data will be properly assessed.

Discretionary risk:

The discretionary management style applied to the mutual fund is based on the selection of portfolio assets and/or market expectations. There is a risk that the mutual fund may not be invested in the best-performing assets or markets at all times. The Fund's performance may therefore be lower than the management objective. In addition, the net asset value of the Fund may post negative performance.

Equity risk:

The sub-fund is exposed to equity markets. If the markets go down, the value of the sub-fund will go down.

The sub-fund may invest in small- and mid-cap equities. The trading volume of these listed securities is small; hence market swings are more significant, both upwards and downwards, and occur quicker than for large caps. The net asset value of the sub-fund may therefore display the same behaviour.

Exchange rate risk:

The sub-fund may invest in transferable securities denominated in currencies other than the reference currency. If a currency falls against the euro, the net asset value may fall. On an ancillary basis, the sub-fund may therefore be exposed to currency risk.

Interest rate risk:

The sub-fund is exposed to interest rate risk within the minimum limit of 10% of assets. Interest rate risk is the risk that the value of the sub-fund's investment decreases if interest rates rise. Thus, when interest rates rise, the net asset value of the sub-fund may fall.

Risk arising from techniques such as derivatives:

risk of increased losses owing to the use of financial futures such as OTC financial agreements and/or futures contracts.

Credit risk relating to issuers of debt securities:

These risks may arise from a downgrading of the credit rating of an issuer of debt securities. If an issuer's credit rating is downgraded, the value of its assets falls. Consequently, this may cause the net asset value of the sub-fund to fall.



#### Counterparty risk:

Counterparty risk arises from entering into financial forward contracts traded OTC and from temporary securities purchase and sale transactions: This is the risk that a counterparty may default on payment. The defaulting of the payment of a counterparty may therefore lead to a decrease in the net asset value.

#### Potential risk of a conflict of interest:

This risk relates to temporary purchases and sales of securities transactions, during which the sub-fund uses an entity as counterparty and/or financial intermediary that is affiliated with the group to which the sub-fund's management company belongs.

#### **Target subscribers:**

R share All subscribers  
F share Reserved for funds managed by companies in the La Française Group  
I share All subscribers, particularly institutional investors and large private investors  
D share All subscribers

The fund is intended for investors with an interest in sustainable development and a long-term capital growth objective.

#### **US investors:**

The shares in the sub-fund have not been and will not be registered under the US Securities Act of 1933 (hereinafter the "Act of 1933") or any other law applicable in a US state. Moreover, shares may not be directly or indirectly transferred, offered or sold in the United States of America (including its territories and possessions) to any United States national (hereinafter "U.S. Person"), as defined in the American Regulation "Regulation S" of the Act of 1933 as adopted by the Securities and Exchange Commission ("SEC"), unless (i) the shares have been registered or (ii) an exemption applies (with the prior agreement of the Sub-Fund's management company).

The sub-fund has not been and will not be registered under the U.S. Investment Company Act of 1940. Any re-sale or transfer of shares in the United States of America or to a US Person may be in breach of US law and requires the prior written agreement of the management company of the sub-fund. Those wishing to acquire or purchase shares will have to certify in writing that they are not US Persons.

#### Russian and Belarusian investors

In accordance with the provisions of EU Regulation No. 833/2014 subscription to units/shares of this fund is prohibited to any Russian or Belarusian national, to any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus except nationals of a Member State and to natural persons holding a temporary or permanent residence permit in a Member State.

*The appropriate amount to invest in this sub-fund depends on your personal financial situation. To determine this, you must take into account your personal assets, current needs as well as your risk appetite or, on the contrary, your preference for a prudent investment. You are also strongly advised to diversify your investments so that they are not exposed solely to the risks of this sub-fund.*

#### **Recommended investment period:**

This fund may not suit investors who intend to withdraw their contribution within 5 years.

#### **Methods of determining and allocating distributable amounts:**

R share	Capitalisation
F share	Capitalisation and/or distribution and/or carry forward
I share	Capitalisation
D share	Distribution

**D share:** the net result shall be distributed in full to the nearest rounded number. The management company does not intend to pay interim dividends. Distribution is carried out on an annual basis.

The net realised capital gains will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (totally or partially), by decision of the management company.

**F share:** The allocation of results (capitalisation, total or partial distribution of income and/or capital gains and/or carry forward of distributable sums under the conditions provided for by the regulations) is decided annually by the management company.

The distributable amounts consist of:

1. The net result, which corresponds to the amount of interest, arrears, dividends, bonuses and lots, directors' fees and all income relating to the securities making up the fund portfolio, plus income from sums temporarily held as liquid assets, minus management fees and borrowing costs, plus retained earnings, plus or minus the balance of the income adjustment account;
2. the realised capital gains, net of costs, minus the realised capital losses, net of costs, during the financial year, plus the similar net capital gains realised during the previous financial years which were not subject to distribution or capitalisation, minus or plus the balance of accrued capital gains.

**Accounting currency:**

EUR

**Subscription and redemption terms:**

**- Bearer shares to be registered or already registered in Euroclear: all shares**

Subscription requests (as a specified amount or in one hundred thousandths of a share) and redemption requests (in one hundred thousandths of a share) are processed by La Française AM Finance Services on each net asset value calculation day by 11 a.m. Subscriptions and redemptions are executed based on the net asset value on day D (i.e. at the price unknown at the time of the subscription or redemption order) with settlement on T+2.

**- Registered shares to be listed or already listed in the IZNES Electronic Share Registration System (DEEP):**

**I shares (FR0010306225), R shares (FR0010654830)**

Subscription requests (as a specified amount or in one hundred thousandths of a share) and redemption requests (in one hundred thousandths of a share) are processed by IZNES on each net asset value calculation day by 11 a.m. Subscriptions and redemptions are executed based on the net asset value on day D (i.e. at the price unknown at the time of the subscription or redemption order) with settlement on T+2.

Switching from one share class to another is considered a transfer of securities. Investors should therefore note that this transaction is subject to the taxation rules covering capital gains or losses on financial instruments.

Each share can be divided into hundred thousandths.

The orders shall be carried out according to the table below:

Processing of subscription orders	Processing of redemption orders	Execution of the order at the latest in T	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions
T before 11 a.m.	T before 11 a.m.	Each trading day (T)	T + 1 business day	T + 2 business days	T + 2 business days

**Minimum value of initial subscription:**

R share	1 share
F share	1 share
I share	EUR 100,000.00
D share	1 share

**Minimum value of subsequent subscriptions:**

R share	None
F share	None
I share	None
D share	None

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

The net asset value is calculated on every trading day of the Paris Stock Exchange, or the next trading day, excluding legal holidays in France, based on the closing price.

**Original net asset value:**

R share	EUR 100.00
F share	EUR 100.00
I share	EUR 79.11
D share	EUR 100.00

**Location where the net asset value is published:**

the management company's premises and the website: [www.la-francaise.com](http://www.la-francaise.com)

**Costs and fees:**

**Subscription and redemption fees:**

Subscription and redemption fees increase the subscription price paid by the investor or decrease the redemption price. The fees received by the UCITS offset the charges it incurs in investing or divesting the assets entrusted to it. Commissions not retained by the fund are paid to the investment company, distributor, etc.

Costs payable by the investor, levied at the time of subscription and redemption	Base	Rate/scale
Subscription fee not paid to the UCITS	Net asset value x Number of shares	<b>R share:</b> 4.00% maximum <b>F share:</b> None <b>I share:</b> 4.00% maximum <b>D share:</b> 4.00% maximum
Sales fee paid to the UCITS	Net asset value x Number of shares	<b>R share:</b> None <b>F share:</b> None <b>I share:</b> None <b>D share:</b> None
Redemption fee not paid to the UCITS	Net asset value x Number of shares	<b>R share:</b> None <b>F share:</b> None <b>I share:</b> None <b>D share:</b> None
Redemption fee paid to the UCITS	Net asset value x Number of shares	<b>R share:</b> None <b>F share:</b> None <b>I share:</b> None <b>D share:</b> None

**Operating and management charges:**

These cover all costs charged directly to the UCITS, apart from transaction fees. Transaction costs include intermediation charges (brokerage, stamp duties, etc.) and any turnover fees charged in particular by the depositary and the management company.

In addition to operating and management charges, there may also be:

- outperformance fees. These are paid to the management company when the UCITS has exceeded its objectives. They are therefore charged to the UCITS;
- turnover fees are charged to the UCITS.

	Costs invoiced to the UCITS	Base	Rate/scale
1	Financial management fees	Net assets	<b>I share:</b> 1.199% maximum rate (including tax) <b>R share:</b> 2.199% maximum rate (including tax) <b>D share:</b> 2.199% maximum rate (including tax) <b>F share:</b> 0.449% maximum rate (including tax)
2	Administrative costs external to the management company	Net assets	<b>I &amp; D &amp; F &amp; R shares:</b> 0.051% maximum rate (including tax)
3	Maximum indirect costs	Net assets	None
4	Turnover fees	Deducted from each transaction	<b>Shares:</b> 0.40% (with a minimum of €120) <b>Convertible bonds &lt; 5 years:</b> 0.06% <b>Convertible bonds &gt; 5 years:</b> 0.24% <b>Other bonds:</b> 0.024% (with a minimum of €100) <b>Monetary instruments:</b> 0.012% (with a minimum of €100) <b>Swaps:</b> 300€ <b>Forward exchange:</b> 150€ <b>Spot exchange:</b> 50€ <b>UCI:</b> 15€ <b>Futures:</b> 6€ <b>Options:</b> 2.5€
5	Outperformance fee	Net assets	<b>I, R and D shares:</b> The variable component of the management fees will be at most 20% (incl. tax) of the positive difference between the performance of the sub-fund and that of the Euro Stoxx index (net dividends reinvested) (SXXT index). These variable management fees are capped at 2.5% (incl. tax) of the average net assets.(*) <b>F share:</b> None

\* average net assets correspond to the average assets of the fund and are calculated since the start of the reference period of the performance fee and restated for variable management fees.

A percentage of the management fee may be paid to remunerate marketers and distributors, subject to applicable regulations.

**Outperformance fee:**

The Management Company will receive, if applicable, an outperformance fee when the performance of the fund exceeds that of the benchmark index, whether it has recorded a positive or negative performance. The outperformance fee applicable to a given share category is based on the comparison between the measured assets of the fund and those of the benchmark.

**The valued assets** of the fund are understood to be the share of the assets, corresponding to a share category, measured according to the valuation rules applicable to the assets and after taking into account the actual operating and management costs corresponding to said share category.

**The benchmark asset** represents the share of the fund's assets, corresponding to a given share category, restated by the amounts of subscriptions/redemptions applicable to said share category at each valuation, and valued according to the performance of the benchmark index used.

**The benchmark index** used to calculate the outperformance fee is the index Euro Stoxx (net dividends reinvested): Bloomberg code: SXXT Index

**The performance reference period** corresponds:

From the first trading day in July to the last trading day in June of the following year.

**Payment schedule:**

The outperformance fee is levied for the benefit of the management company in the month following the end of the reference period. Under no circumstances may the reference period for the fund shares be less than one year.

**Method for calculating the outperformance fee:**

As of 1 July 2022, an outperformance fee is only collected after compensation for the fund's underperformance compared to the performance of the benchmark index over the last 5 years.

**• During the reference period:**

- If the fund's measured assets are greater than those of the benchmark asset, the variable portion of management fees will represent a maximum of 20% including tax of the difference between these two assets capped at 2.5% of average net assets.

- A provision for variable management fees will be made on the basis of this difference when calculating the net asset value. Moreover, a provision reversal will be made for each calculation of the net asset value when the daily performance of the fund is lower than that of the reference asset. Reversals of provisions are capped at the level of previous provisions.

In the event of redemptions, the share of the constituted provision corresponding to the number of shares redeemed is definitively acquired by the management company.

**• At the end of the reference period:**

- If the measured assets of the fund are greater than those of the benchmark, the variable part of the management fees provisioned during the reference period is definitively acquired by the management company.

- If the measured assets of the fund are less than those of the benchmark, the variable part of the management fees will amount to zero (excepting the portion acquired by the management company as part of a redemption during the reference period). As of 1 July 2022, the reference period will be extended for an additional year, to a maximum of 5 years. Indeed, any underperformance during the reference period must be made up before being able to again provision for outperformance fees for the given share. If another year of underperformance has occurred within this first five-year period and it has not been recovered at the end of this first period, a new period of up to five years begins from this new year of underperformance.

For example:

**In the event of a positive performance of the fund:**

Reference period	Valued asset of the fund	Reference asset of the fund	Performance of the fund:	Variable management fees	Extension of the reference period
Year 1	10%	5%	Outperformance 5%	Yes	No
Year 2	10%	10%	Outperformance 0%	No	No
Year 3	5%	10%	Underperformance: -5%* (underperformance to be compensated for year 3)	No	Start of a reference period
Year 4	8%	5%	Underperformance: -2% (underperformance remaining from year 3)	No	Yes
Year 5	1%	8%	Underperformance: -9% • -2% (underperformance remaining from year 3) • -7%** (underperformance to be compensated for year 5)	No	Start of a new reference period
Year 6	1%	1%	Underperformance: -9% • -2% (underperformance remaining from year 3) • -7% (underperformance to be compensated for year 5)	No	Yes

Year 7	2%	1%	Underperformance: -8% • - 1% (underperformance remaining from year 3) • -7% (underperformance to be compensated for year 5)	No	Yes
Year 8	5%	2%	Underperformance: -4% • 0% (reset of the underperformance remaining from year 3) • -4% (underperformance to be compensated for year 5)	No	Yes
Year 9	10%	5%	Overperformance: 1% (reset of the underperformance of year 5 carried out)	Yes	No
Year 10	8%	10%	Underperformance: -2%*** (underperformance to be compensated for year 10)	No	Start of a reference period

\* The fund's underperformance over the reference period must be compensated for within five years (up to year 7 maximum) before the variable management fees become payable.

\*\* The fund's underperformance over the reference period must be compensated for within five years (up to year 9 maximum) before the variable management fees become payable.

\*\*\* The fund's underperformance over the reference period must be compensated for within five years (up to year 14 maximum) before the variable management fees become payable.

**In the event of a negative performance of the fund:**

Reference period	Valued asset of the fund	Reference asset of the fund	Performance of the fund:	Variable management fees	Extension of the reference period
Year 1	-5%	-10%	Relative outperformance: 5%	Yes	No
Year 2	-10%	-10%	Relative outperformance: 0%	No	No
Year 3	-15%	-10%	Underperformance: -5%* (underperformance to be compensated for year 3)	No	Start of a reference period
Year 4	-12%	-15%	Underperformance: -2% (underperformance remaining from year 3)	No	Yes
Year 5	-19%	-12%	Underperformance: -9% • -2% (underperformance remaining from year 3) • -7%** (underperformance to be compensated for year 5)	No	Start of a new reference period
Year 6	-19%	-19%	Underperformance: -9% • -2% (underperformance remaining from year 3) • -7% (underperformance to be compensated for year 5)	No	Yes
Year 7	-18%	-19%	Underperformance: -8% • -1% (underperformance remaining from year 3) • -7% (underperformance to be compensated for year 5)	No	Yes
Year 8	-15%	-18%	Underperformance: -4% • 0% (reset of the underperformance remaining from year 3) • -4% (underperformance to be compensated for year 5)	No	Yes
Year 9	-10%	-15%	Relative outperformance: 1% (reset of	Yes	No

			the underperformance carried out for year 5)		
Year 10	-12%	-10%	Underperformance: -2%*** (underperformance to be compensated for year 10)	No	Start of a reference period

\* The fund's underperformance over the reference period must be compensated for within five years (up to year 7 maximum) before the variable management fees become payable.

\*\* The fund's underperformance over the reference period must be compensated for within five years (up to year 9 maximum) before the variable management fees become payable.

\*\*\* The fund's underperformance over the reference period must be compensated for within five years (up to year 14 maximum) before the variable management fees become payable.

The past performance of the fund compared to the benchmark index is available on the management company's website: [www.la-francaise.com](http://www.la-francaise.com)

#### Transactions for the temporary purchase and sale of securities:

The remuneration received on the temporary purchases and sales of securities and for any equivalent transaction under foreign law is paid in full to the fund.

The costs/fees relating to transactions for the temporary purchase and sale of securities are not invoiced to the fund. These costs/fees are borne in full by the management company.

The UCITS may not inform shareholders specifically or offer them the possibility of redeeming their shares without incurring charges in the event of an increase in administrative costs external to the management company which would be equal to or less than 10 basis points per calendar year; the notification may therefore be made by any means.

Other costs invoiced to the UCITS

- contributions due to the UCITS management pursuant to Article L621-5-3 (II)(3)(d) of the Monetary and Financial Code;
- taxes, duties, licence fees and government fees (relating to the UCITS), both extraordinary and non-recurring;
- extraordinary and non-recurring costs relating to debt recovery or a procedure for asserting a right (e.g.class action procedure).

Costs linked to research within the meaning of Article 314-21 of the AMF general regulations are invoiced to the UCI. Information concerning these fees is laid out in the UCI annual report.

#### Choice of intermediaries:

The Management Company has introduced a procedure for selecting and evaluating intermediaries and counterparties that takes into account objective criteria such as intermediation costs, execution quality and research. This procedure is available on the Management Company's website at the following address: <https://www.la-francaise.com/fr/informations-reglementaires/>  
Unitholders should refer to the annual report of the fund for any further information they may require.

#### ***Information on risks relating to potential conflicts of interest***

The management company may entrust Crédit Industriel et Commercial with the intermediation service, which will be provided by the Table Buy Side department within CIC Market Solutions. Crédit Industriel et Commercial is a Société Anonyme (public limited company) under French law with a share capital of 608,439,888 euros. On 30 September 1999, Crédit Industriel et Commercial obtained authorisation from the CECEI as a bank providing investment services. The two companies belong to the same group, which is likely to generate a potential risk of conflict of interest.

The service provided by Crédit Industriel et Commercial has therefore been governed by a service contract, to ensure that there is no impact on the fund's investors/shareholders in terms of cost and quality of service.

Crédit Industriel et Commercial's main purpose is to provide intermediation services (i.e. receiving, transmitting and executing orders on behalf of third parties) mainly for the Group's asset management companies. Within this framework, the service provider chooses brokers from the list of brokers authorised by the management company and places orders according to criteria defined by the latter.

Crédit Industriel et Commercial can act as principal or agent. Intervention in "principal" mode corresponds to intervention as counterparty to the management company's portfolios. Acting as an agent, Crédit Industriel et Commercial acts as an intermediary between portfolios and market counterparties. These may be entities belonging to the management company's group.



# La Française Rendement Global 2028

## ISIN code:

T D EUR share	FR0013439528
I C USD H share	FR0013439486
T D USD H share	FR0013439536
R C CHF H share	FR0013439445
OF share	FR001400LW60
D B EUR share	FR0013439544
R C USD H share	FR0013439429
I C EUR share	FR0013439478
I D EUR share	FR0013439502
R D USD H share	FR0013439460
R D EUR share	FR0013439452
I C CHF H share	FR0013439494
B share	FR0013463593
R C EUR share	FR0013439403
T C EUR share	FR0013439510

## Classification:

International bonds and other debt securities

## Management objective:

The aim of the sub-fund is to achieve, over the recommended investment period of nine years from the date of creation of the sub-fund until 31 December 2028, a performance net of fees that exceeds the performance of bonds maturing in 2028 issued by the French government and denominated in EUR (OAT [fungible treasury bonds] 0.75% maturing on 25 May 2028 - ISIN FR0013286192), by investing in a portfolio of issuers that have been screened in advance according to Environmental, Social and Governance criteria.

The potential profitability of the sub-fund comes from the value of the accrued coupons of the bonds in the portfolio and the variations in capital due to the fluctuation in interest rates and credit spreads.

The net annualised performance objective is based on the achievement of market assumptions set by the management company. It does not constitute a guarantee of return or performance of the sub-fund. Investors should note that the performance indicated in the management objective of the sub-fund takes account of the estimate of the risk of default or downgrading of the rating of one or more issuers in the portfolio, the cost of currency hedging and the management fees payable to the management company.

## Benchmark index:

The sub-fund is not linked to a benchmark index.

The fund is managed actively and on a discretionary basis. The fund is not managed with reference to an index.

## Investment strategy:

### 1. Investment strategy.

The investment strategy involves the discretionary management of a portfolio of bonds issued by private or public bodies. The sub-fund may invest in bonds with maturities up to 31 December 2029 and/or bonds with a longer maturity, but which have a call option before or on 31 December 2028. The fund will not invest in perpetual bonds.

The strategy is not limited to bond carrying. The management company may use arbitrage in the event of new market opportunities or an increased default risk of one of the issuers in the portfolio.

The management of the sub-fund therefore relies primarily on the management team's in-depth knowledge of the selected companies' balance sheets and sovereign debt fundamentals.

To achieve the management objective, up to 100% of the portfolio is invested in fixed-rate or floating-rate bonds, other negotiable debt securities and money market instruments (Treasury bills, Treasury notes, certificates of deposit) from all economic sectors. The portfolio may invest up to 50% in sovereign bonds, depending on market opportunities.

The initial investment universe is constructed from OECD member states and/or non-OECD countries (including emerging markets) belonging to the combination of the indices J.P. Morgan GBI Global hedged Euro Index and J.P. Morgan EMBI Global Diversified Hedged Euro Index and private issuers belonging to the BofAML Global High Yield Index (HW00). Securities are selected mainly from these universes; they may also be selected from outside these universes, from European and international markets, including emerging markets, up to a limit of 10% of the investment universes, provided that these securities have an ESG score higher than the exclusion threshold in force for the universes and meet the investment criteria of the sub-fund. The sub-fund's investment

criteria detailed below are analysed by La Française Sustainable Investment Research (hereinafter "ESG Research Team") of the entity "La Française Group UK Limited" which specialises in the responsible investment criteria. It is specified that there is a risk of conflicts of interest relating to the provision of ESG scores with the "La Française Sustainable Investment Research" research centre of the "La Française Group UK Limited" entity belonging to the La Française Group. In order to manage this situation, the management company has put in place and updates a conflict of interest management policy with the aim of identifying and analysing potential conflict of interest situations as well as recording, managing and monitoring situations in which there is a conflict of interest. In addition, the provision of ESG scores is paid for in full by the management company. Issuers are subject to the same requirements regardless of whether or not they belong to the index.

The Environmental, Social and Governance criteria are analysed by the "ESG Research Team", which has developed a proprietary ESG model and allows us to take a more selective approach to the initial investment universe. This tool uses raw data from various data providers to calculate KPIs (Key Performance Indicators). The investment process is based on an ESG integration approach with a significant commitment to management.

The ESG score of private issuers is structured as follows:

- Periodic update of raw data from different sources;
- Calculation of key performance indicators;
- Aggregated and supplemented with recent information collected and deemed relevant by the ESG Research Team, they result in the calculation of scores in three pillars (environmental sustainability, human capital and organisational capital);
- Calculation of weightings for these three areas, which may differ by sector;
- Calculation of the ESG score, on the basis of the three areas and specific sector weightings.

For example, the criteria used to analyse private issuers are:

- Environmental: carbon intensity and waste management, etc.
- Social: staff training, labour relations, etc.
- Governance: management structure and relationship with shareholders, remuneration policy, etc.

The ESG score of public issuers is structured as follows:

- Periodic update of raw data from different sources;
- Calculation of key performance indicators;
- Calculation of the ESG score, on the basis of the three pillars and equal weightings.

For example, the criteria used to analyse public issuers are:

- Environmental: the degree of exposure to natural disasters, etc.
- Social: the human development rate of the countries of the world through the human development index, etc.
- Governance: the quality of a country's governance through the World Governance indicator (WGI), etc.

Once the rating process is complete, each issuer is assigned a score from zero (worst) to 10 (best). This score reflects investment opportunities or, conversely, non-financial risks.

At least 90% of the securities in the portfolio are made up by issuers analysed under these ESG criteria (as a percentage of the sub-fund's net assets excluding bonds and other debt securities issued by public or quasi-public issuers, excluding cash assets held on an ancillary basis and excluding social impact assets).

The first step of the extra-financial analysis consists of identifying the issuers to be excluded beforehand by virtue of the exclusion policy of La Française Group, available on the website [www.la-francaise.com](http://www.la-francaise.com).

Subsequently, the 20% of private issuers and 20% of public issuers with the lowest ESG scores in the initial investment universe are excluded. All of these excluded issuers make up the ESG exclusion list.

This latter is established on a monthly basis for private issuers and annually for public issuers. It determines a minimum ESG score threshold below which the sub-fund may not invest. Issuers whose ESG score falls below the exclusion threshold cannot be part of the investable universe.

The methodology adopted by the management company for taking into account extra-financial criteria may have a limitation related to the analyses carried out by the ESG Research Team. These analyses are dependent on the quality of the information collected and the transparency of the issuers.

As such, the sub-fund promotes certain environmental and social characteristics within the meaning of Article 8 of the EU Sustainable Finance Disclosure Regulation (EU) 2019/2088 (SFDR).



Additional information on the management company's non-financial analysis, including ESG criteria, is presented in La Française Group transparency code and engagement policies available on the La Française website at [www.la-francaise.com](http://www.la-francaise.com).

The private debt/public debt allocation is not determined in advance and will be based on market opportunities.

The sub-fund invests up to 100% in Investment Grade issues (with a rating higher or equal to BBB- at Standard & Poor's or Baa3 at Moody's or the equivalent according to the analysis of the management company) and/or in High Yield issues (speculative) (i.e. with a rating lower than BBB- or Baa3 or equivalent according to the analysis of the management company). Investment in unrated securities is not permitted.

The management company shall not exclusively or automatically rely on external ratings but may, upon the issuance of such a rating, take it into consideration for its credit analysis.

Investment in convertible bonds is limited to maximum of 30% of net assets.

The manager will invest in securities denominated in EUR and/or USD and/or GBP and/or NOK and/or CHF and/or in SEK and/or in CAD and/or in DKK. Insofar as the securities are not denominated in EUR, the manager will systematically hedge the exchange risk. There may however be a residual currency exchange risk due to imperfect hedging.

Consequently, the selection of securities focuses on the financial situation, debt structure and cash flow statements of issuers to avoid default situations. Moreover, issuers with the expectation of high repayment rates and junior subordinated issues are preferred.

The sensitivity range for interest rates in which the fund is managed	from 9 to 0, decreasing over time
Geographical area of the issuers of securities to which the fund is exposed	Private issuers from OECD countries (all regions): 0 - 100%; Public issuers from OECD and non-OECD countries (including emerging countries): 0 - 50%; Non-OECD private issuers (including emerging countries) 0-50%
Security denomination currencies in which the fund is invested	EUR / USD / GBP / NOK / CHF / SEK / CAD / DKK
Level of exchange risk borne by the fund	Residual owing to imperfect hedging of currency positions.

The sub-fund may invest up to 10% of its assets in units or shares of UCITS established under French or European law in accordance with Directive 2009/65/EC.

Taking into account the investment strategy implemented, the risk profile of the sub-fund is closely linked to the selection of speculative securities which may represent up to 100% of the assets, therefore including default risk.

On an exceptional and temporary basis in the event of a significant number of redemption requests, the manager may borrow cash up to a limit of 10% of its net assets.

The sub-fund uses derivatives preferably on organised futures markets, but reserves the right to enter into over-the-counter contracts when such contracts are better suited to the management objective or have a lower trading cost. The sub-fund reserves the right to trade on all European and international futures markets.

The manager may use financial instruments such as futures, forwards, options, interest rate swaps, foreign exchange swaps, forward exchange transactions, Credit Default Swaps (CDS on single underlying asset options and CDS on indices) and Non Deliverable Forwards. They will mainly act with the aim of hedging and/or exposing the fund to interest rate and/or credit futures markets, and with the aim of hedging future exchange markets.

The sub-fund may use Total Return Swaps (TRS) up to a maximum of 25% of the net assets. The expected proportion of assets under management that shall be subject to TRS may be 5% of the assets. The TRS underlying assets may be corporate bonds and emerging sovereign bonds.

The sub-fund's exposure to derivatives shall not exceed 100% of its net assets, without seeking overexposure.

**As the maturity of the sub-fund approaches, the management company will, depending on the market conditions prevailing at the time, opt to either continue the investment strategy, to merge with another UCITS or to liquidate the sub-fund, subject to AMF approval.**

The objective of the European Union Taxonomy is to identify economic activities considered to be sustainable from an environmental perspective. The taxonomy identifies these activities according to their contribution to six major environmental objectives:

- Climate change mitigation;
- Climate change adaptation;
- The sustainable use and protection of water and marine resources;
- Transition to a circular economy (waste, prevention and recycling);
- Pollution prevention and control;
- The protection and restoration of biodiversity and ecosystems.

In order to be considered sustainable, an economic activity must demonstrate that it contributes substantially to the achievement of at least one of the six objectives, while not harming any of the other five (a principle known as DNSH, "Do No Significant Harm").

For an activity to be considered aligned with the European Taxonomy, it must also respect human and social rights guaranteed by international law.

The minimum percentage of alignment with the EU Taxonomy is 0%. The alignment of companies' activities is carried out qualitatively in the internal analysis process based on data published by the companies themselves as well as that made available by our ESG data providers.

The principle of "not causing significant harm" applies only to investments underlying the financial product which take into account the European Union's criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## **2. Assets (excluding embedded derivatives)**

In order to achieve its management objective, the sub-fund will use different types of assets.

### a) Equities: yes

The sub-fund may not purchase shares directly but it may be indirectly exposed to equity risk due to the fact that it holds convertible bonds up to a limit of 10% of net assets and may be directly invested in equities up to a limit of 5% of net assets only in the event of a restructuring of a bond, standard or convertible, by the issuer.

The equities shall present following characteristics:

- all capitalisation
- all economic sectors
- denominated in USD, GBP, NOK, CHF, SEK, CAD, DKK
- in all geographical areas.

### b) Debt securities and money market instruments: yes

#### i. Negotiable debt securities: yes

#### ii. Bonds (fixed rate, floating rate, indexed): yes

#### iii. Treasury bills: yes

#### iv. Short-term negotiable securities: yes

with the following characteristics:

- all economic sectors
- the selected securities will be invested in the public and/or private sector.

### c) UCITS:

The sub-fund may invest up to 10% of its assets in units or shares of UCITS established under French or foreign law, in accordance with Directive 2009/65/EC.

These UCITS may be managed by the management company of the sub-fund or an associated company.

## **3. Derivative instruments**

The sub-fund may trade in any futures or options as long as their underlying funds have a direct or correlated financial relationship with a portfolio asset, used for both hedging and exposure of the portfolio.

Nature of the markets used:

- regulated: yes
- organised: yes
- OTC: yes

Risks on which the manager seeks to act:

- equities: yes (up to a maximum limit of 10%)
- interest rates: yes
- foreign exchange: yes
- credit: yes
- indices: yes

Nature of activities:

- hedging: yes
- exposure: yes
- arbitrage: no

Nature of the instruments used:

- futures: yes
- options (listed, OTC): yes
- swaps (interest rates, currencies): yes
- forward exchange (NDF): yes
- credit derivatives: yes, CDS
- Total Return Swaps (TRS): yes (up to 25% of the net assets). The expected proportion of assets under management that will be subject to TRS may represent up to 5% of the net assets.
- CDS options: yes (up to 15% of the net assets)

The derivative instruments listed above are not subject to the same extra-financial analysis process as the securities described in the investment strategy.

#### 4 - Securities with embedded derivatives

Risks on which the manager seeks to act:

- equities: yes
- interest rates: yes
- foreign exchange: no
- credit: yes
- indices: yes (interest rates)

Nature of activities:

- hedging: yes
- exposure: yes
- arbitrage: no

Nature of the instruments used:

- Convertible bonds, within a limit of 30% of net assets
- Warrants
- EMTN
- Callable rate products
- Puttable rate products

**5- Deposits:** the sub-fund reserves the right to make deposits of up to 10% in order to manage its cash flow.

#### 6- Cash borrowings

The sub-fund reserves the right to temporarily borrow cash up to a limit of 10% of its net assets in the event of significant redemptions.

#### 7- Temporary securities purchase and sale transactions: yes

The sub-fund may also engage in transactions for the temporary purchase and sale of securities in order to (i) ensure the investment of the liquid assets available (e.g. reverse repurchase/repurchase transactions), (ii) optimise the performance of the portfolio (e.g. securities lending/borrowing).

Securities lending and/or reverse repo counterparties are subject to an ESG analysis during La Francaise Asset Management's eligibility review of financial intermediaries.

• **Nature of activities:** Transactions for the temporary purchase or sale of securities shall be carried out in accordance with the Monetary and Financial Code. They shall be carried out within the framework of cash flow management and/or the optimisation of UCI income. Under no circumstances shall these strategies aim to create or result in the creation of a leverage effect.

• **Nature of transactions used:** These operations will consist of securities lending and borrowing and/or in repurchase and reverse repurchase agreements with reference to the French Monetary and Financial Code. The assets that may be the subject of such transactions will be those described in section "2. Assets (excluding embedded derivatives)" of this prospectus.

• **Envisaged level of use:** Transactions for the temporary sale of securities (securities lending, repurchase transactions) may be carried out up to an amount equivalent to a maximum of 60% of the UCI's net assets, while transactions for the temporary purchase of securities (securities borrowing, reverse repurchase agreements) may be carried out up to an amount equivalent to a maximum of 10% of the UCI's net assets. The expected proportion of assets under management that will be involved in such transactions may represent 25% of the UCI's net assets.

• **Information on the use of temporary sales and acquisitions of securities:** The purpose of the use of temporary securities acquisitions and disposals is in particular to provide the UCITS with an additional return and therefore to contribute to its performance. In addition, the UCITS may enter into reverse repurchase agreements for the replacement of financial guarantees in cash and/or repurchase agreements to meet liquidity needs. Temporary purchases and sales of securities will be guaranteed in accordance with the principles described in section 8 below "contracts constituting financial guarantees".

• **Remuneration:** Information relating to the remuneration of these transactions is provided in the "Fees and commissions" section.

• **Selection of counterparties:** The management company follows a specific selection process for financial intermediaries, also used for intermediaries designated for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS). These intermediaries are selected on the basis of the liquidity that they offer as well as their speed, reliability and quality with regard to how they process transactions. At the end of this rigorous and regulated process, subject to a grade, the counterparties selected for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS) are credit institutions or other entities authorised by the Management Company and respecting the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

#### 8. Contracts constituting financial guarantees

In connection with the conclusion of financial contracts and/or securities financing transactions, the UCI may receive/remit financial guarantees in the form of full ownership transfer of securities and/or of cash.

Securities received as collateral must meet the criteria set by regulations and must be granted by credit institutions or other entities that meet the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

Financial guarantees received must be able to be fully enforced by the UCI at any time and without consulting or obtaining the approval of the counterparty. The level of financial guarantees and the discount policy are set by the eligibility policy for financial guarantees of the Management Company in accordance with the regulations in force and cover the categories below:

- financial guarantees in cash;

- financial guarantees in debt securities or in equity securities according to a precise nomenclature.

The eligibility policy for financial guarantees explicitly defines the required level of guarantee and the discounts applied for each financial guarantee according to rules that depend on their specific characteristics. It also specifies, in accordance with the regulations in force, rules for risk diversification, correlation, valuation, credit quality and regular stress tests on the liquidity of guarantees.

In the event that financial guarantees in cash are received, these may, under conditions set by regulation, only be:

- placed in deposit;
- invested in high-quality government bonds;
- used in a reverse repurchase agreement;
- invested in short-term money market undertakings for collective investment (UCIs).

Financial guarantees other than received cash may not be sold, reinvested or used as collateral;

The management company will, in accordance with the valuation rules provided for in this prospectus, carry out a daily valuation of the guarantees received on a market price basis (mark-to-market). Margin calls will be made on a daily basis.

The guarantees received by the mutual fund will be kept by the mutual fund's depository or, failing that, by any third-party depository subject to prudential supervision and which has no connection with the provider of the guarantee.

The risks associated with securities financing transactions, financial contracts and the management of inherent collateral are described in the risk profile section.

### **Risk profile:**

*"Your money will be invested in financial instruments selected by the management company. These instruments will be exposed to market trends and risks".*

The risks described below are not exhaustive: investors should analyse the risks inherent to each investment and make their own decisions. Through the fund, subscribers are exposed to the following risks:

#### Risk of capital loss:

Investors are advised that their capital is not guaranteed and may therefore not be returned to them.

#### Discretionary risk:

The discretionary management style applied to the mutual fund is based on the selection of portfolio assets and/or market expectations. There is a risk that the mutual fund may not be invested in the best-performing assets or markets at all times. The fund's performance may therefore be lower than the management objective. In addition, the net asset value of the fund may have a negative performance.

#### ESG investment risk:

The fund uses ESG criteria and may underperform the market in general or other funds that do not use ESG criteria when selecting investments. ESG investments are selected, or excluded on the basis of financial and non-financial criteria. The fund may sell a security for reasons relating to ESG, rather than for purely financial considerations.

#### Sustainability risk:

This refers to the possible occurrence of an ESG event or condition that could potentially or actually cause a significant negative impact on the value of an investment in a fund. Sustainability risks can either represent a risk in and of themselves, or have an impact on other risks and contribute – by way of correlation – significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks can have an impact on long-term risk-adjusted returns for investors. Assessing sustainability risk is complex and can be based on ESG data that is difficult to obtain and incomplete, believed to be outdated, or otherwise materially inaccurate. Even when identified, there is no guarantee that this data will be properly assessed.

#### Interest rate risk:

The fund is subject to interest rate risk on European and international markets. The interest rate risk is the risk that the value of the fund's investment decreases if interest rates rise. Thus, when interest rates rise, the net asset value of the fund may fall.

#### Credit risk relating to issuers of debt securities:

Risk may arise from a downgrading of the credit rating or default of the issuer of the debt security or failure of the issuer to honour his commitments with regard to the instruments issued. If an issuer's credit rating is downgraded, the value of its assets falls. Accordingly, this may cause the net asset value of the fund to fall.

When investing in bonds there is a direct or indirect risk arising from the possible presence of securities of lower quality, known as "high-yield" or speculative securities. These "speculative" securities have a higher risk of default. They are likely to suffer higher and/or more frequent variations in valuations and are not always sufficiently liquid to be sold at all times at the best price. The value of the mutual fund unit may therefore decrease if the value of these securities in the portfolio falls.

#### Default risk relating to issuers of debt securities:

The default risk is the risk related to solvency of the entity which issued the securities. This risk is even greater should the fund invest in speculative securities which could lead to an increased level of risk of the net asset value of the fund decreasing and a loss of capital.

#### Risk associated with investments in "high-yield" securities (known as speculative securities):

This fund should be considered speculative. It is aimed specifically at investors who are aware of the risks inherent to investing in securities with a low or non-existent rating.

These speculative securities are classed as speculative and have a higher risk of default; they are likely to suffer higher and/or more frequent variations in valuations and are not always sufficiently liquid to be sold at all times at the best price. The value of the fund unit may therefore be lower when the value of these securities in the portfolio falls.

#### Risk arising from investing in emerging markets:

The fund may be exposed up to 100% in emerging markets. Market risks are amplified by possible investments in emerging countries where market movements, upward or downward, may be stronger and faster than in major international markets.

Investing in emerging markets involves a high degree of risk due to the political and economic situation of these markets, which may affect the value of the fund's investments. Their operational and supervisory conditions may differ from the standards prevailing on the major international markets. In addition, investment on these markets involves risks linked to restrictions imposed on foreign investments, counterparties, increased market volatility, delays in settlements/deliveries and the limited liquidity of certain lines in the fund's portfolio. The net asset value of the mutual fund may fall as a consequence.

#### Equity risk associated with holding convertible bonds:

The Fund may be exposed up to 30% in convertible bonds. The value of convertible bonds depends to some extent on the evolution of the prices of their underlying equities. Changes in the underlying equities may lead to a fall in the fund's net asset value.

Exposure to equity risk shall be limited to maximum of 10% of the net assets.

Counterparty risk: Counterparty risk arises from entering into contracts in financial futures traded on OTC markets, and from temporary purchases/sales of securities and/or total return swaps (TRS). This is the risk that a counterparty may default on payment. The defaulting of the payment of a counterparty may therefore lead to a decrease in the net asset value.

#### Risk relating to subordinated debt securities:

The investment universe of the fund includes subordinated bonds. These debt securities have a specific risk profile that differs from that of conventional bonds. Note that a debt is termed subordinated when its repayment is dependent on the initial repayment of other creditors (preferential creditors, unsecured creditors). Thus, the subordinated creditor will be repaid after ordinary creditors, but before shareholders. The interest rate on this type of debt will be higher than the interest on other receivables. In the event that one or more clauses provided in the issue documentation of these subordinated debt securities is triggered and, more generally, if a credit event affects the issuer in question, there is a risk of a fall in the net asset value of the fund. The use of subordinated bonds may expose the fund to the risks of coupon cancellation or deferral (at the issuer's sole discretion), redemption date uncertainty or valuation/performance (as the attractive yield of these securities may be considered to be a complexity premium).

#### Risk relating to transactions involving the temporary purchase and sale of securities, total return swap contracts (TRS) and the management of financial guarantees:

Temporary securities purchase and sale transactions and total return swaps (TRS) are liable to create risks for the mutual fund, such as a counterparty risk as defined above. The management of collateral is likely to create risks for the mutual fund such as liquidity risk (i.e. the risk that a security received as collateral is not sufficiently liquid and cannot be sold quickly in the event of a counterparty default) and, where applicable, risks relating to the re-use of cash collateral (i.e. mainly the risk that the mutual fund may not be able to reimburse the counterparty).

#### Exchange rate risk:

The fund may invest in transferable securities denominated in currencies other than the reference currency.

The manager will systematically hedge the currency risk. There may however be a residual currency exchange risk due to imperfect hedging. The net asset value of the fund may fall as a consequence.

#### Risk arising from techniques such as derivatives:

risk of increased losses owing to the use of financial futures such as OTC financial agreements and/or futures contracts.

#### Potential risk of a conflict of interest:

This risk relates to the completion of temporary purchases of securities transactions, during which the fund uses an entity as counterparty and/or financial intermediary that is linked to the group to which the fund's management company belongs.

Liquidity risk associated with the temporary purchase and sale of securities and/or total return swaps (TRS): The Fund may be exposed to trading difficulties or a temporary lack of trading in certain securities in which the Fund is invested or those received as collateral in the event of default by a counterparty of temporary purchase and sale of securities and/or total return swaps (TRS).

#### Legal risk:

The recourse to the purchase and/or sale transactions of securities and/or total return swaps (TRS) may result in legal risks, in particular relating to contracts.

#### **Target subscribers:**

T D EUR All investors without payment of retrocession fees to distributors share

I C USD Reserved for professional clients within the meaning of MiFID H share

T D USD All investors without payment of retrocession fees to distributors H share

R C CHF All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services H share



OF share	Reserved for investors subscribing via Optimal Finance Gestion Privée
D B EUR share	All subscribers with their residence in Belgium, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services and to funds managed by companies within the La Française group or to companies within the La Française group.
R C USD H share	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services
I C EUR share	Reserved for professional clients within the meaning of MiFID and clients of Groupe BPCE
I D EUR share	Reserved for professional clients within the meaning of MiFID and clients of Groupe BPCE
R D USD H share	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services
R D EUR share	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services
I C CHF H share	Reserved for professional clients within the meaning of MiFID
B share	All subscribers, particularly investors residing in Italy
R C EUR share	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services
T C EUR share	All investors without payment of retrocession fees to distributors

Investors who subscribe to this sub-fund are looking for a diversified bond investment for a recommended investment period of up to 31 December 2028 through an investment process that first filters issuers according to ESG criteria.

**Investors are informed that their main interest is to hold their investment until 31 December 2028 in order to benefit from the best conditions regarding the actuarial yield offered by the sub-fund.**

**How to subscribe to T shares:**

Subscriptions to T shares (net shares) are reserved:

- for investors subscribing through distributors or intermediaries:
- subject to national legislation prohibiting all retrocession fees to distributors
- providing:
  - o independent advice within the meaning of European regulation MiFID II,
  - o individual portfolio management under mandate
- for funds of funds

US investors

The shares have not been and will not be registered under the US Securities Act of 1933 (hereinafter the "Act of 1933") or any other law applicable in a US state. Shares may also not be directly or indirectly transferred, offered or sold in the United States of America (including its territories and possessions) to any United States national (hereinafter "U.S. Person"), as defined in the American Regulation 'Regulation S' of the Act of 1933 as adopted by the Securities and Exchange Commission ("SEC"), unless (i) the shares have been registered or (ii) an exemption applies (with the prior agreement of the management company's governing body).

The fund has not been and will not be registered under the US Investment Company Act of 1940. Any re-sale or transfer of shares in the United States of America or to a US Person may be in breach of US law and requires the written agreement of the management company of the fund. Those wishing to acquire or purchase shares will have to certify in writing that they are not US Persons.

Russian and Belarusian investors

In accordance with the provisions of EU Regulation No. 833/2014 subscription to units/shares of this fund is prohibited to any Russian or Belarusian national, to any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus except nationals of a Member State and to natural persons holding a temporary or permanent residence permit in a Member State.

*The appropriate amount to invest in the mutual fund depends on your personal financial situation. To determine this, you must take into account your personal assets, current needs as well as your risk appetite or, on the contrary, your preference for a prudent investment. You are also strongly advised to diversify your investments so that they are not exposed solely to the risks of this fund.*

**Recommended investment period:**

until 31 December 2028. Investors are informed that their main interest is to hold their investment until 31 December 2028 in order to benefit from the best conditions regarding the actuarial yield offered by the fund.

#### Methods of determining and allocating distributable amounts:

share	T D EUR share I C USD H	Capitalisation and/or distribution and/or carry forward Capitalisation
share	T D USD H	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends
share	R C CHF H	Capitalisation
share	OF share D B EUR share R C USD H	Capitalisation and/or distribution and/or carry forward Capitalisation and/or distribution and/or carry forward Capitalisation
share	I C EUR share I D EUR share R D USD H	Capitalisation Capitalisation and/or distribution and/or carry forward Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends
share	R D EUR share I C CHF H	Capitalisation and/or distribution and/or carry forward Capitalisation
share	B share R C EUR share T C EUR share	Capitalisation and/or distribution and/or carry forward Capitalisation Capitalisation

The distributable amounts consist of:

1. The net result, which corresponds to the amount of interest, arrears, dividends, bonuses and lots, directors' fees and all income relating to the securities making up the fund portfolio, plus income from sums temporarily held as liquid assets, minus management fees and borrowing costs, plus retained earnings, plus or minus the balance of the income adjustment account;
2. the realised capital gains, net of costs, minus the realised capital losses, net of costs, during the financial year, plus the similar net capital gains realised during the previous financial years which were not subject to distribution or capitalisation, minus or plus the balance of accrued capital gains.

**R D USD H and T D USD H shares:** The net result will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (total or partial), by decision of the management company.

The net realised capital gains will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (totally or partially), by decision of the management company.

The management company will distribute quarterly dividend payments in January, April, July and October.

**D-B, R D, B, T D, I D EUR and OF shares:** The net result will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (total or partial), by decision of the management company.

The net realised capital gains will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (totally or partially), by decision of the management company.

The management company does not intend to pay interim dividends. Distribution is carried out on an annual basis.

**R C, I C, T C shares:** the distributable amounts are fully capitalised.

#### Accounting currency:

EUR

#### Subscription and redemption terms:

##### - Bearer shares to be registered or already registered in Euroclear: all shares

Subscription requests (as a specified amount or in thousandths of shares) and redemption requests (in thousandths of shares) are processed by La Française AM Finance Services on each net asset value calculation day at 11 a.m. (if the Stock Exchange is open in Paris, except for public holidays in France) and are executed on the basis of the next net asset value (i.e. unknown at the time of execution).

Payments relating thereto are made on the second trading day following the processing date.

##### - Registered shares to be listed or already listed in the IZNES Electronic Share Registration System (DEEP):

##### R C EUR shares (FR0013439403), R D EUR shares (FR0013439452)

Subscription requests (as a specified amount or in thousandths of shares) and redemption requests (in thousandths of shares) are processed by IZNES on each net asset value calculation day at 11 a.m. (if the Stock Exchange is open in Paris, except for public holidays in France) and are executed on the basis of the next net asset value (i.e. unknown at the time of execution).

Payments relating thereto are made on the second trading day following the processing date.

Switching from one share class to another is considered a transfer of securities. Investors should therefore note that this transaction is subject to the taxation rules covering capital gains or losses on financial instruments.

Each share can be divided into thousandths of a share.

The fund will be closed for subscription on 30 June 2025. The management company reserves the right to reduce this period depending on market conditions. From this date, only investments preceded by a redemption on the same day for the same number of shares, for the same net asset value and by the same shareholder may be executed.

The orders shall be carried out according to the table below:

Processing of subscription orders	Processing of redemption orders	Order fulfilment at the latest, in T	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions
T before 11 a.m.	T before 11 a.m.	Each trading day (T)	T + 1 business day	T + 2 business days	T + 2 business days

#### Minimum value of initial subscription:

T D EUR share	None
I C USD H share	USD 100,000.00
T D USD H share	USD 1,000.00
R C CHF H share	CHF 1,000.00
OF share	None
D B EUR share	None
R C USD H share	USD 1,000.00
I C EUR share	EUR 100,000.00
I D EUR share	EUR 100,000.00
R D USD H share	USD 1,000.00
R D EUR share	None
I C CHF H share	CHF 100,000.00
B share	None
R C EUR share	None
T C EUR share	None

#### Minimum value of subsequent subscriptions:

T D EUR share	None
I C USD H share	None
T D USD H share	None
R C CHF H share	None
OF share	None
D B EUR share	None
R C USD H share	None
I C EUR share	None
I D EUR share	None
R D USD H share	None
R D EUR share	None
I C CHF H share	None
B share	None
R C EUR share	None
T C EUR share	None

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

The net asset value is calculated on each trading day of the Paris Stock Exchange, excluding legal holidays in France.

**In the interests of shareholders, during the marketing period until 30 June 2025, the sub-fund will be valued at the asking price; beyond this period, the fund will be valued at the bid price.**

#### Original net asset value:

T D EUR share	EUR 100.00
I C USD H share	USD 1,000.00
T D USD H share	USD 100.00



R C CHF H share	CHF 100.00
OF share	EUR 100.00
D B EUR share	EUR 100.00
R C USD H share	USD 100.00
I C EUR share	EUR 1,000.00
I D EUR share	EUR 1,000.00
R D USD H share	USD 100.00
R D EUR share	EUR 100.00
I C CHF H share	CHF 1,000.00
B share	EUR 100.00
R C EUR share	EUR 100.00
T C EUR share	EUR 100.00

**Location where the net asset value is published:**

the management company's premises and the website: [www.la-francaise.com](http://www.la-francaise.com)

**Costs and fees:**

*Subscription and redemption fees:*

*Subscription and redemption fees increase the subscription price paid by the investor or decrease the redemption price. The fees received by the UCITS offset the charges it incurs in investing or divesting the assets entrusted to it. Commissions not retained by the fund are paid to the investment company, distributor, etc.*

Costs payable by the investor, levied at the time of subscription and redemption	Base	Rate/scale
Subscription fee not paid to the UCITS	Net asset value x Number of shares	<b>T D EUR share:</b> 3.00% maximum <b>I C USD H share :</b> 3.00% maximum <b>T D USD H share:</b> 3.00% maximum <b>R C CHF H share:</b> 3.00% maximum <b>OF share:</b> None <b>D B EUR share:</b> 3.00% maximum <b>R C USD H share:</b> 3.00% maximum <b>I C EUR share:</b> 3.00% maximum <b>I D EUR share:</b> 3.00% maximum <b>R D USD H share:</b> 3.00% maximum <b>R D EUR share:</b> 3.00% maximum <b>I C CHF H share:</b> 3.00% maximum <b>B share :</b> None <b>R C EUR share:</b> 3.00% maximum <b>T C EUR share:</b> 3.00% maximum
Sales fee paid to to the UCITS	Net asset value x Number of shares	<b>T D EUR share:</b> None <b>I C USD H share :</b> None <b>T D USD H share:</b> None <b>R C CHF H share:</b> None <b>OF share:</b> None <b>D B EUR share:</b> None <b>R C USD H share:</b> None <b>I C EUR share:</b> None <b>I D EUR share:</b> None <b>R D USD H share:</b> None <b>R D EUR share:</b> None <b>I C CHF H share:</b> None <b>B share :</b> None <b>R C EUR share:</b> None <b>T C EUR share:</b> None
Redemption fee not paid to the UCITS	Net asset value x Number of shares	<b>T D EUR share:</b> None <b>I C USD H share :</b> None <b>T D USD H share:</b> None <b>R C CHF H share:</b> None <b>OF share:</b> None <b>D B EUR share:</b> None <b>R C USD H share:</b> None <b>I C EUR share:</b> None <b>I D EUR share:</b> None <b>R D USD H share:</b> None <b>R D EUR share:</b> None <b>I C CHF H share:</b> None <b>B share :</b> None

		R C EUR share: None T C EUR share: None
Redemption fee paid to the UCITS	Net asset value x Number of shares	T D EUR share: None I C USD H share : None T D USD H share: None R C CHF H share: None OF share: None D B EUR share: None R C USD H share: None I C EUR share: None I D EUR share: None R D USD H share: None R D EUR share: None I C CHF H share: None B share : None R C EUR share: None T C EUR share: None

**Operating and management charges:**

These cover all costs charged directly to the UCITS, apart from transaction fees. Transaction costs include intermediation charges (brokerage, stamp duties, etc.) and any turnover fees charged in particular by the depositary and the management company.

In addition to operating and management charges, there may also be:

- outperformance fees. These are paid to the management company when the UCITS has exceeded its objectives. They are therefore charged to the UCITS;
- turnover fees are charged to the UCITS.

	Costs invoiced to the UCITS	Base	Rate/scale
1	Financial management fees	Net assets	R, D-B and OF shares: 1.051% maximum rate (including tax) I and T shares: 0.59% maximum rate (including tax) B share: 1.69% maximum rate (including tax)
2	Administrative costs external to the management company	Net assets	All shares: 0.06% maximum rate (including tax)
3	Maximum indirect costs	Net assets	None
4	Turnover fees	Deducted from each transaction	Shares: 0.10% (with a minimum of €120) Convertible bonds: 0.05% (with a minimum of €100) Other bonds: 0.035% (with a minimum of €100) Monetary instruments: 0.0120% (with a minimum of €100) Swaps: 0.010% (with a minimum of €150 and a maximum of €600) Forward exchange: 0.010% (with a minimum of €75 and a maximum of €300) Spot exchange: 0.010% (with a minimum of €25 and a maximum of €100) UCI: 15€ Futures: 1€ Options: 1€
5	Outperformance fee	Net assets	None

A percentage of the management fee may be paid to remunerate marketers and distributors, subject to applicable regulations.

The UCITS may not inform shareholders specifically or offer them the possibility of redeeming their shares without incurring charges in the event of an increase in administrative costs external to the management company which would be equal to or less than 10 basis points per calendar year; the notification may therefore be made by any means.

Other costs invoiced to the UCITS

- contributions due to the UCITS management pursuant to Article L621-5-3 (II)(3)(d) of the Monetary and Financial Code;
- taxes, duties, licence fees and government fees (relating to the UCITS), both extraordinary and non-recurring;
- extraordinary and non-recurring costs relating to debt recovery or a procedure for asserting a right (e.g. class action procedure).

**Information on the remuneration generated by temporary securities purchase and sale transactions:**

The sub-fund's counterparty for temporary acquisitions and sales of securities is one or more credit institutions or other entities authorised by the management company and which comply with the legal form, country and other financial criteria set out in the Monetary and Financial Code. The counterparties will act independently of the sub-fund.

No remuneration is paid to the depositary (within the framework of its capacity as depositary) or to the management company for transactions for the temporary purchase or sale of securities. All income resulting from transactions for the temporary purchase and

sale of securities, including income generated by the reinvestment of cash collateral received as part of these transactions, net of direct and indirect operating costs, is returned to the sub-fund. These transactions generate direct and indirect operating costs which will be borne by the management company; the share of these costs may not exceed 40% of the income generated by these transactions.

Furthermore, the management company does not receive any in-kind commission.

For further information, unitholders may refer to the sub-fund's annual report.

#### **Choice of intermediaries:**

The Management Company has introduced a procedure for selecting and evaluating intermediaries and counterparties that takes into account objective criteria such as intermediation costs, execution quality and research. This procedure is available on the Management Company's website at the following address: <https://www.la-francaise.com/fr/informations-reglementaires/>

Unitholders should refer to the annual report of the fund for any further information they may require.

#### ***Information on risks relating to potential conflicts of interest***

The management company may entrust Crédit Industriel et Commercial with the intermediation service, which will be provided by the Table Buy Side department within CIC Market Solutions. Crédit Industriel et Commercial is a Société Anonyme (public limited company) under French law with a share capital of 608,439,888 euros. On 30 September 1999, Crédit Industriel et Commercial obtained authorisation from the CECEI as a bank providing investment services. The two companies belong to the same group, which is likely to generate a potential risk of conflict of interest.

The service provided by Crédit Industriel et Commercial has therefore been governed by a service contract, to ensure that there is no impact on the fund's investors/shareholders in terms of cost and quality of service.

Crédit Industriel et Commercial's main purpose is to provide intermediation services (i.e. receiving, transmitting and executing orders on behalf of third parties) mainly for the Group's asset management companies. Within this framework, the service provider chooses brokers from the list of brokers authorised by the management company and places orders according to criteria defined by the latter.

Crédit Industriel et Commercial can act as principal or agent. Intervention in "principal" mode corresponds to intervention as counterparty to the management company's portfolios. Acting as an agent, Crédit Industriel et Commercial acts as an intermediary between portfolios and market counterparties. These may be entities belonging to the management company's group.

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# La Française Carbon Impact Floating Rates

## ISIN code:

I share	FR0013439163
T C share	FR0013481785
S D share	FR0014007BC3
S O share	FR0012336758
T C CHF H share	FR001400D732
C O share	FR0007053640
S shares	FR0013439155
R O share	FR0012890333
R share	FR0013439148
R C USD H share	FR001400D716
T C USD H share	FR001400D724
R C CHF H share	FR001400D708

## Classification:

International bonds and other debt securities

## Management objective:

The sub-fund aims to achieve, over the recommended investment period of 2 years, a performance net of fees superior to the performance of:

- o Capitalised 3-month Euribor + 115 basis points for R O and R shares
- o Capitalised 3-month Euribor + 150 basis points for C O and I shares
- o Capitalised 3-month Euribor + 163 basis points for S O and S shares
- o SOFR + 115 basis points for R C USD H shares
- o SOFR + 150 basis points for T C USD H shares
- o SARON + 115 basis points for R C CHF H shares
- o SARON + 150 basis points for T C CHF H shares

by investing in a portfolio of issuers filtered in advance according to ESG criteria and analysed for their compatibility with the energy transition according to a methodology defined by the management company. In addition, the sub-fund undertakes to have a weighted average of the portfolio's greenhouse gas emissions per euro invested (scopes 1 and 2) at least 50% lower than that of the composite benchmark: 50% Bloomberg Barclays Global Aggregate Corporate Index + 50% ICE BofAML BB-B Global High Yield Index. This objective of reducing greenhouse gas emissions will be permanent and respected at all times.

## Benchmark index:

The sub-fund is neither an index fund nor an index benchmark but, for post-hoc comparison purposes, the unitholder can refer to the 3-month Euribor index.

The Euro Inter Bank Offered Rate or EURIBOR is representative of the "money rent" on the interbank market in the Euro zone for a specific term which can range from 1 week to 12 months. EURIBOR is published by the European Central Bank, the ECB, which calculates its arithmetic average after a quotation statement made at the end of the day with a panel of 64 institutions representative of the Euro zone. This rate is capitalised daily. Bloomberg code: EUR003M Index

EURIBOR index administrator: European Money Markets Institute, registered with ESMA

Further information on the benchmark index is available on the administrator's website: [www.emmi-benchmarks.eu](http://www.emmi-benchmarks.eu)

The fund is managed actively and on a discretionary basis. The fund is not managed with reference to an index.

## Investment strategy:

### 1. Strategy used

The sub-fund seeks to capture the credit risk premium while minimising sensitivity to interest rate risk, by investing in floating or fixed rate adjustable debt instruments (fixed rate debt instruments swapped to floating rate). The Manager uses qualitative and quantitative criteria for the geographical allocation.

The initial investment universe of the sub-fund is constructed from public issuers that are members of the OECD and private issuers belonging to the combination of the Bloomberg Global Aggregate Corporate Index and the ICE BofAML BB-B Global High Yield Index. Securities are selected mainly from this universe; they may also be selected from outside the universe, from European and international markets (including emerging markets), up to a limit of 10% of the investment universe, provided that these securities have an ESG score higher than the exclusion threshold in force for the investment universe and meet the investment criteria of the sub-fund.

Issuers are subject to the same requirements regardless of whether or not they belong to the index.

For this purpose, the management company uses the "La Française Sustainable Investment Research" centre (hereinafter the "ESG Research Team") of the "La Française Group UK Limited" entity, specialising in responsible investment criteria. It is specified that there is a risk of conflicts of interest relating to the provision of ESG scores with the "La Française Sustainable Investment Research" research centre of the "La Française Group UK Limited" entity belonging to the La Française Group. In order to manage this situation, the management company has put in place and updates a conflict of interest management policy with the aim of identifying and analysing potential conflict of interest situations as well as recording, managing and monitoring situations in which there is a conflict of interest. In addition, the provision of ESG scores is paid for in full by the management company. The investment process is based on a twin approach of ESG integration with a significant commitment to management and the topic at hand, and includes the following steps:

### **Stage 1: Quantitative filtering – Selectivity approach**

The ESG score of private issuers is structured as follows: - Periodic updating of raw data from various sources

- Calculation of key performance indicators
- Aggregated and supplemented with recent information collected and deemed relevant by the ESG Research Team, they result in the calculation of scores in three areas (environmental sustainability, human capital and organisational capital)
- Calculation of weightings for these three areas, which may differ by sector
- Calculation of the ESG score, on the basis of the three areas and specific sector weightings.

For example, the criteria used to analyse private issuers are:

- Environmental: carbon intensity and waste management, etc.
- Social: staff training, labour relations, etc.
- Governance: management structure and relationship with shareholders, remuneration policy, etc.

The ESG score of public issuers is structured as follows:

- Periodic updating of raw data from various sources;
- Calculation of key performance indicators;
- Calculation of the ESG score, on the basis of the three pillars and equal weightings.

For example, the criteria used to analyse public issuers are:

- Environmental: the degree of exposure to natural disasters, etc.
- Social: the human development rate of the countries of the world through the human development index, etc.
- Governance: the quality of a country's governance through the World Governance indicator (WGI), etc.

Once the rating process is complete, each private or public issuer is assigned a score from zero (worst) to 10 (best). This score reflects investment opportunities or, conversely, non-financial risks.

The share of issuers analysed under the ESG criteria in the portfolio is greater than 90% of the securities in the portfolio (as a percentage of the Fund's net assets excluding bonds and other debt securities issued by public or quasi-public issuers, excluding cash held on an ancillary basis and solidarity assets).

This first step of the analysis identifies issuers to be ruled out solely due to ESG criteria.

Issuers to be excluded based on the exclusion policy of the La Française Group, available on the website [www.la-francaise.com](http://www.la-francaise.com), are automatically excluded.

Next, the 20% of private issuers and 20% of public issuers with the lowest ESG scores in the initial investment universe are excluded.

All of these excluded issuers make up the ESG exclusion list. This latter is established on a monthly basis for private issuers and annually for public issuers. It determines a minimum ESG score threshold below which the sub-fund may not invest. Issuers whose ESG score falls below the exclusion threshold cannot be part of the investable universe.

The methodology adopted by the management company for taking into account extra-financial criteria may have the following limitation related to the analyses carried out by the ESG Research Team. These analyses are dependent on the quality of the information collected and the transparency of the issuers.

Additional information on the management company's non-financial analysis, including ESG criteria, is presented in the La Française Group transparency code and engagement policies, available on the La Française website at [www.la-francaise.com](http://www.la-francaise.com).

### **Stage 2: Carbon and financial analyses**

In the second stage of the investment process, an analysis of the credit quality of the issuers passed through the filter in stage 1 is carried out.

After having reduced the universe on the basis of a credit analysis, a "carbon" analysis is carried out based on analysis criteria relating to climate change.

These criteria exist at various levels, such as the historical performance of carbon emissions (based on Scope 1 – direct emissions, and Scope 2 – indirect emissions; for certain sectors, the share of emissions relating to Scope 3, which is not considered here, can account for a large share of total emissions), governance and climate risk management, and the strategy implemented by the company to participate in the transition. To measure the performance of companies against these criteria, we use data sourced by the ESG Research Team from specialist data providers (e.g. company carbon data collected by CDP). A "carbon impact" score is awarded as a result of this analysis.

For issuers in the low-carbon financial sector (carbon intensity defined as carbon emissions divided by enterprise value), a qualitative analysis is performed in addition to the assigned carbon impact score.

For highly carbon-intensive sectors such as electricity generation and distribution, the petroleum sector, the automotive industry and materials, a qualitative analysis of the company's future carbon performance is carried out in addition to the assigned "carbon impact" score. This analysis corresponds to a "trajectory" calculation of the issuer's carbon emissions that we match with sectoral decarbonisation trajectories (as defined by the International Energy Agency). During this qualitative analysis, ESG analysts and the management team will estimate the ability of a company to meet its decarbonisation objectives in the face of current investments, past performance and the transformation of their portfolio of products sold. For example, for the Utilities sector, this takes the form of a carbon intensity based on the tonnes of CO<sub>2</sub>eq generated per MWh of electricity produced, reflecting the development of the production capacity in renewable energy compared to current capacity.

Companies in the various sectors are then qualified, according to the management company's methodology, subject to the limitations specified above by: i) low carbon, ii) in transition according to the sectoral decarbonisation trajectory, iii) in transition but efforts required (in which the management company plays no active role) and iv) lagging in terms of the assigned "carbon impact" score. No investment will be made in companies qualified as late arrivals.

The qualification of the companies results from a quantitative and qualitative analysis process – for some of them – and from an annual review of the files between the management and the ESG research team. The files are also reviewed when the company's strategy is updated or a major change occurs, in order to re-analyse the investment case. Thus, if, during a review, a company is qualified as lagging, the management company will sell the securities within a reasonable time, regardless of the price level of the security at the time of the transfer. This disposal may have an impact on the financial performance of the sub-fund.

The sub-fund may also invest in sustainable finance instruments which include the following categories:

- Green bonds;
- Sustainability bonds;
- Social bonds;
- Debt securities linked to performance on one or more sustainability objectives (sustainability-linked bonds)

Investing in green bonds makes it possible to measure the impact of the environmental projects financed. The proportion of green bonds in the sub-fund may be variable and is not limited. It will depend on market trends and the size of the target market.

The analysis of green bonds is carried out along three axes and in addition to the steps described above, namely:

1. Adherence to the four pillars of the "Green Bond Principles"

- Use of funds: the funds are to be used to finance or refinance green projects in line with the taxonomy defined by the GBPs and with the new European taxonomy;

- The project selection and evaluation process: precise selection and description of projects financed by the green bond, governance put in place around the selection, definition of environmental objectives and impact measurements linked to these projects.

- Fund management: detail of funds allocated by project, ability to monitor funds used with a rigorous process

- Transparency and reporting: the issuer must communicate at least annually and transparently on 2 points: the allocation of funds (funds allocated and activities financed) and the impact of the projects, i.e. the direct contribution to the environment such as the reduction of carbon emissions (impact report, objectives)

2. The issuer's energy transition strategy and status

- A cross-analysis is carried out with the fundamental analysis of the issuer described previously.

3. Analysis and measurement of the impact of funded projects

- special attention is paid to the choice of funded projects and their consistency with the issuer's more global energy transition strategy.

Green bond issuers will be subject to the same financial and extra-financial analyzes and must pass the exclusion phase (step 1) and the financial and carbon analysis phase (step 2).

### Stage 3: Measuring the carbon footprint

The objective of reducing the portfolio's carbon footprint by at least 50% compared to its carbon composite indicator is monitored as follows.

- Carbon emissions in tonnes of CO<sub>2</sub>eq per invested euro are based on Scope 1 – direct emissions and Scope 2 – indirect emissions (note that for some sectors, the share of Scope 3 emissions is not taken into account here, but can account for a large share of total emissions), relative to the size of the enterprise (company value).



This data is retrieved from the CDP database and in the event that a company does not provide it to CDP, a proprietary model for estimating emissions by industry and firm size is used. These footprints are then weighted by the weights in the portfolio.

The objective of the sub-fund is sustainable investment within the meaning of Article 9 of the EU Sustainable Finance Disclosure Regulation (EU) 2019/2088 (SFDR).

The sub-fund invests in fixed or floating rate negotiable debt securities, certificates of deposit and money market instruments issued or guaranteed by an issuer in a member country of the eurozone or the OECD. The sub-fund may invest:

- up to 100% of its net assets in private debt
- up to 50% of its assets in securities issued by States or similar (semi-public, guaranteed, supranational) at fixed rate, floating rate or adjustable rate.

The sub-fund may invest in Investment Grade securities (with a rating higher than or equal to BBB- at Standard & Poor's or Baa3 at Moody's or the equivalent according to the analysis of the management company) and High Yield securities (between BB+ and B- at Standard & Poor's or between Ba1 and B3 according to Moody's or an equivalent rating of the management company). The management company shall not exclusively or automatically rely on external ratings but may, upon the issuance of such a rating, take it into consideration for its credit analysis.

The sub-fund may invest in, or have exposure to, the following investments up to the percentage of net assets indicated:

- Securities with an "Investment Grade" rating: 100 %
- Securities with a "High Yield" rating: 50 %
- Unrated securities: 20%
- Perpetual bonds (including contingent convertible bonds - "CoCo"): 10%
- Other UCITS/UCIs: 10 %

The sensitivity range for interest rates in which the fund is managed	between 0 and 0.5
Geographical area of the issuers of securities to which the fund is exposed	Euro zone and OECD countries: 0-100%
Security denomination currencies in which the fund is invested	all currencies
Level of exchange risk borne by the fund	residual owing to imperfect hedging of currency positions.

CoCos are more speculative in nature and have a higher risk of default than a conventional bond, but these contingent convertible bonds will be sought after in the management of the sub-fund due to their theoretical higher return compared to a conventional bond. The purpose of this remuneration is to compensate for the fact that these securities can be converted into equity (shares) or suffer a capital loss in the event that the contingency clauses are triggered by the financial institution concerned (exceedance of a capital threshold predetermined in the prospectus of the subordinated bond).

In the event of a downgrade in the rating of an issuer of a security already invested in the portfolio leading to non-compliance with the authorised limits, the Manager will, as soon as possible, sell the asset in accordance with the interests of the shareholders.

The manager may invest in securities denominated in euros and/or other currencies. Where securities are not denominated in euros, the manager will systematically hedge the exchange risk. A residual risk may nevertheless remain, as hedging cannot be perfect.

The sub-fund can invest up to a limit of 10% of its assets in the units or shares of UCITS governed by French or foreign law and/or in UCIs meeting the four criteria of Article R214-13 of the Monetary and Financial Code. They will be used to manage the cash flow. The sub-fund may invest in futures traded on French and foreign regulated markets or OTC: futures, swaps, forward exchange, credit default swaps (single name or index CDS) and credit derivatives.

Each instrument addresses hedging or exposure strategies (except for CDS and credit derivatives used solely for hedging purposes) aiming to (i) hedge the entire portfolio or certain asset classes held within it against market risk (ii) synthetically rebuild specific assets, or (iii) increase the fund's exposure to certain risks in the market.

The sub-fund may also use Total Return Swaps (TRS) up to a maximum of 25% of the net assets for hedging purposes only. The expected proportion of assets under management that shall be subject to TRS may be 10%. The TRS underlying assets may be corporate bonds and sovereign bonds.

The objective of the European Union Taxonomy is to identify economic activities considered to be sustainable from an environmental perspective. The taxonomy identifies these activities according to their contribution to six major environmental objectives:

- Climate change mitigation;
- Climate change adaptation;
- The sustainable use and protection of water and marine resources;
- Transition to a circular economy (waste, prevention and recycling);
- Pollution prevention and control;
- The protection and restoration of biodiversity and ecosystems.



In order to be considered sustainable, an economic activity must demonstrate that it contributes substantially to the achievement of at least one of the six objectives, while not harming any of the other five (a principle known as DNSH, "Do No Significant Harm"). For an activity to be considered aligned with the European Taxonomy, it must also respect human and social rights guaranteed by international law.

The minimum percentage of alignment with the EU Taxonomy is 0%. The alignment of companies' activities is carried out qualitatively in the internal analysis process based on data published by the companies themselves as well as that made available by our ESG data providers.

## 2. Assets:

In order to achieve its management objective, the fund will use different types of assets:

### a. Equities:

The fund does not intend to hold shares. However, as the fund may invest in contingent convertible bonds, there is a possibility that these instruments will be converted into shares.

If the bonds held in the portfolio are converted into shares, the fund may temporarily hold shares up to a limit of 10% of its net assets and sell them as soon as possible in the best interests of the shareholders.

The shares can be of any market capitalisation and denominated in any currency, which will then be automatically hedged against currency risk.

### b. Debt securities and money market instruments, up to 100% of the net assets:

#### i. Negotiable debt securities: yes

#### ii. Bonds (fixed rate and floating rate): yes

#### iii. Treasury bills: yes

#### iv. Commercial papers: yes

#### v. Certificates of deposit: yes

with the following characteristics:

- rating: investment grade (up to 100% of the assets), high yield (up to 50% of the assets) or unrated (up to 20% of the assets)

- private sector securities (up to 100%)

- public sector securities (up to 50%)

- denominated in foreign currencies: all currencies

### c. UCI: yes

The fund may invest up to a limit of 10% in the units or shares of UCITS governed by French or foreign law and/or in the units or UCI shares meeting the four criteria of Article R214-13 of the Monetary and Financial Code.

The fund may invest in UCIs of the management company or of a related company.

## 3. Derivative instruments

The Fund may invest in futures traded on French and foreign regulated markets or OTC: futures, swaps, asset swap, cross-currency swap, forward exchange, total return swap and credit derivative. Each instrument addresses specific hedging or exposure strategies to (i) hedge the entire portfolio or certain asset classes held within it against market risk (ii) synthetically rebuild specific assets, or (iii) increase the fund's exposure to certain risks in the market.

Nature of the markets used:

- regulated: yes

- organised: yes

- OTC: yes

Risks on which the manager seeks to act:

- equities: yes

- interest rates: yes

- foreign exchange: yes

- credit: yes

- indices: yes

Nature of activities:

- hedging: yes

- exposure: yes

- arbitrage: no

- other: no

Nature of the instruments used:

- futures: yes
- options: yes
- swaps: yes
  - o Total return swaps (TRS): yes, up to 25% of the net assets of the sub-fund (for hedging purposes only). The expected proportion of assets under management that will be subject to TRS may be up to 10% of net assets.
- forward exchange (excluding NDF): yes
- credit derivatives (Credit Default Swap - CDS): yes

The consolidated exposure to the interest rate and credit market, including the exposure induced by the use of derivatives, will maintain the sensitivity of the portfolio in a range between 0 and 0.5.

The derivative instruments listed above are not subject to the same extra-financial analysis process as the securities described in the investment strategy.

#### **4 - Securities with embedded derivatives**

In order to achieve the management objective, the manager may take positions to hedge and/or expose the portfolio against risks:

- equities: yes
- interest rates: yes
- foreign exchange: yes
- credit: yes
- index: yes

Nature of activities:

- hedging: yes
- exposure: yes
- arbitrage: no

Nature of the instruments used:

- Contingent convertible bonds ("cocos")
- EMTN
- Puttables
- Callables
- TCN
- convertible bonds

#### **5- Deposits**

The fund reserves the right to make deposits of up to 20% of net assets in order to manage its cash flow.

#### **6- Cash borrowings**

The fund reserves the right to temporarily borrow cash up to a limit of 10% of its net assets

#### **7- Transactions for the temporary purchase and sale of securities**

The sub-fund may also engage in transactions for the temporary purchase and sale of securities in order to (i) ensure the investment of the liquid assets available (e.g. reverse repurchase/repurchase transactions), (ii) optimise the performance of the portfolio (e.g. securities lending/borrowing).

Securities lending and/or reverse repo counterparties are subject to an ESG analysis during La Française Asset Management's eligibility review of financial intermediaries.

• **Type of activities:** Transactions for the temporary purchase or sale of securities shall be carried out in accordance with the Monetary and Financial Code. They shall be carried out within the framework of cash flow management and/or the optimisation of UCI income. Under no circumstances shall these strategies aim to create or result in the creation of a leverage effect.

• **Nature of transactions used:** These operations will consist of securities lending and borrowing and/or in repurchase and reverse repurchase agreements with reference to the French Monetary and Financial Code. The assets that may be the subject of such transactions will be those described in section "2. Assets (excluding embedded derivatives)" of this prospectus.

• **Envisaged level of use:** Transactions for the temporary sale of securities (securities lending, repurchase transactions) may be carried out up to an amount equivalent to a maximum of 60% of the UCI's net assets, while transactions for the temporary purchase of securities (securities borrowing, reverse repurchase agreements) may be carried out up to an amount equivalent to a maximum

of 10% of the UCI's net assets. The expected proportion of assets under management that will be involved in such transactions may represent 25% of the UCI's net assets.

• **Information on the use of temporary sales and acquisitions of securities:** The purpose of the use of temporary securities acquisitions and disposals is in particular to provide the UCITS with an additional return and therefore to contribute to its performance. In addition, the UCITS may enter into reverse repurchase agreements for the replacement of financial guarantees in cash and/or repurchase agreements to meet liquidity needs. Temporary purchases and sales of securities will be guaranteed in accordance with the principles described in section 8 below "contracts constituting financial guarantees".

• **Remuneration:** Information relating to the remuneration of these transactions is provided in the "Fees and commissions" section.

• **Selection of counterparties:** The management company follows a specific selection process for financial intermediaries, also used for intermediaries designated for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS). These intermediaries are selected on the basis of the liquidity that they offer as well as their speed, reliability and quality with regard to how they process transactions. At the end of this rigorous and regulated process, subject to a rating, the counterparties selected for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS) are credit institutions or other entities authorised by the management company and respecting the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

## 8. Contracts constituting financial guarantees

In connection with the conclusion of financial contracts and/or securities financing transactions, the UCI may receive/remit financial guarantees in the form of full ownership transfer of securities and/or of cash.

Securities received as collateral must meet the criteria set by regulations and must be granted by credit institutions or other entities that meet the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

Financial guarantees received must be able to be fully enforced by the UCI at any time and without consulting or obtaining the approval of the counterparty. The level of financial guarantees and the discount policy are set by the eligibility policy for financial guarantees of the Management Company in accordance with the regulations in force and cover the categories below:

- financial guarantees in cash;

- financial guarantees in debt securities or in equity securities according to a precise nomenclature.

The eligibility policy for financial guarantees explicitly defines the required level of guarantee and the discounts applied for each financial guarantee according to rules that depend on their specific characteristics. It also specifies, in accordance with the regulations in force, rules for risk diversification, correlation, valuation, credit quality and regular stress tests on the liquidity of guarantees.

In the event that financial guarantees in cash are received, these may, under conditions set by regulation, only be:

- placed in deposit;

- invested in high-quality government bonds;

- used in a reverse repurchase agreement;

- invested in short-term money market undertakings for collective investment (UCIs).

Financial guarantees other than received cash may not be sold, reinvested or used as collateral; The management company will, in accordance with the valuation rules provided for in this prospectus, carry out a daily valuation of the guarantees received on a market price basis (mark-to-market).

Margin calls will be made on a daily basis. The guarantees received by the mutual fund will be kept by the mutual fund's depositary or, failing that, by any third-party depositary subject to prudential supervision and which has no connection with the provider of the guarantee. The risks associated with securities financing transactions, financial contracts and the management of inherent collateral are described in the risk profile section.

### Risk profile:

*"Your money will be invested in financial instruments selected by the management company. These instruments will be exposed to market trends and risks".*

The risks described below are not exhaustive: investors should analyse the risks inherent to each investment and make their own decisions. Through the fund, subscribers are exposed to the following risks:

#### Risk of capital loss:

Investors are advised that their capital is not guaranteed and may therefore not be returned to them.

#### ESG investment risk:

The sub-fund uses ESG criteria and may underperform the market in general or other funds that do not use ESG criteria when selecting investments. ESG investments are selected, or excluded on the basis of financial and non-financial criteria. The fund may sell a security due to ESG reasons, rather than for purely financial considerations.

#### Sustainability risk:

This refers to the possible occurrence of an ESG event or condition that could potentially or actually cause a significant negative impact on the value of an investment in a fund. Sustainability risks can either represent a risk in and of themselves, or have an impact on other risks and contribute – by way of correlation – significantly to risks such as market risks, operational risks, liquidity

risks or counterparty risks. Sustainability risks can have an impact on long-term risk-adjusted returns for investors. Assessing sustainability risk is complex and can be based on ESG data that is difficult to obtain and incomplete, believed to be outdated, or otherwise materially inaccurate. Even when identified, there is no guarantee that this data will be properly assessed.

#### Interest rate risk:

This is the risk that interest rate instruments in the portfolio will fall due to fluctuations in interest rates. When interest rates rise (positive sensitivity) or when they fall (when sensitivity is negative), the net asset value of the fund may fall.

This risk is measured by the sensitivity which reflects the impact that a 1% change in interest rates may have on the net asset value of the Fund.

#### Default risk relating to issuers of debt securities:

The default risk is the risk related to solvency of the entity which issued the securities. This risk is even greater should the fund invest in speculative or unrated securities which could lead to an increased level of risk of the net asset value of the fund decreasing and a loss of capital.

#### Risk associated with investments in "speculative" securities:

This fund may be exposed to "speculative" securities. These securities have a higher risk of default; they are likely to suffer higher and/or more frequent variations in valuations and are not always sufficiently liquid to be sold at all times at the best price. The value of the fund unit may therefore be lower when the value of these securities in the portfolio falls.

Counterparty risk: Counterparty risk arises from entering into financial forward contracts traded OTC and from temporary securities purchase and sale transactions: This is the risk that a counterparty may default on payment. The defaulting of the payment of a counterparty may therefore lead to a decrease in the fund's net asset value.

#### Liquidity risk:

The UCIs selected by this fund may be invested on illiquid markets or on markets which could be affected by a drop in liquidity. This may result in a fall in the net asset value.

#### Risk relating to subordinated debt securities:

The investment universe of the fund includes subordinated bonds. These debt securities have a specific risk profile that differs from that of conventional bonds. Note that a debt is termed subordinated when its repayment is dependent on the initial repayment of other creditors (preferential creditors, unsecured creditors). Thus, the subordinated creditor will be repaid after ordinary creditors, but before shareholders. The interest rate on this type of debt will be higher than the interest on other receivables. In the event that one or more clauses provided in the issue documentation of these subordinated debt securities is triggered and, more generally, if a credit event affects the issuer in question, there is a risk of a fall in the net asset value of the fund. The use of subordinated bonds may expose the fund to the risks of coupon cancellation or deferral (at the issuer's sole discretion), redemption date uncertainty or valuation/performance (as the attractive yield of these securities may be considered to be a complexity premium).

#### Risk related to contingent convertibles:

CoCos are hybrid securities, whose main objective is to enable recapitalisation of the issuing bank or financial institution, during a financial crisis. Indeed, these securities have loss-absorption mechanisms, as described in their issue prospectuses, that are activated generally when the issuer's equity ratio falls below a certain trigger threshold.

The trigger is first of all mechanical: it is generally based on the CET1 ("Common Equity Tier 1") accounting ratio, relative to risk-weighted assets. To offset the discrepancy between book values and the financial reality, there is a discretionary clause allowing the supervisor to invoke the loss absorption mechanism if he/she considers that the issuing institution is insolvent.

CoCos are therefore subject to specific risks, in particular subordination to specific trigger criteria (e.g. a decline in the equity ratio), conversion into shares, loss of capital or non-payment of interest.

The use of subordinated bonds, particularly so-called Additional Tier 1 bonds, exposes the fund to the following risks:

- triggering of contingent clauses: if an equity threshold is crossed, these bonds are either exchanged for shares or undergo a capital reduction, potentially to 0.
- cancellation of the coupon: Coupon payments on these types of instruments are entirely discretionary and may be cancelled by the issuer at any time, for any reason, and without time constraints.
- the capital structure: unlike traditional, secured debt, investors in this type of instrument may incur a capital loss without prior bankruptcy of the company. Moreover, the subordinated creditor will be repaid after ordinary creditors, but before shareholders.
- call for extension: These instruments are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.
- valuation/return: The attractive yield of these securities can be considered a complexity premium.

#### Risk associated with holding convertible bonds:

The value of convertible bonds depends on a number of factors: level of interest rate, credit, change of price of the underlying shares, change of price of the derivative integrated into the convertible bond. If the underlying equities of convertible bonds and similar – equities held directly or the indices to which the fund is exposed – fall, the net asset value of the fund may fall.

Risk arising from techniques such as derivatives:

risk of increased losses owing to the use of financial futures such as OTC financial agreements and/or futures contracts.

Liquidity risk related to performance swaps (TRS):

The Fund may be exposed to trading difficulties or a temporary lack of trading in certain securities in which the Fund is invested or those received as collateral if the counterparty defaults on total return swaps (TRS).

Exchange rate risk:

The fund may invest in transferable securities denominated in currencies other than the reference currency.

The manager will systematically hedge the currency risk. There may however be a residual currency exchange risk due to imperfect hedging. The net asset value of the fund may fall as a consequence.

Discretionary risk:

The discretionary management style applied to the mutual fund is based on the selection of portfolio assets and/or market expectations. There is a risk that the mutual fund may not be invested in the best-performing assets or markets at all times. The fund's performance may therefore be lower than the management objective. In addition, the net asset value of the fund may have a negative performance.

Potential risk of a conflict of interest:

This risk relates to the completion of temporary purchases and sales of securities transactions, during which the fund uses an entity as counterparty and/or financial intermediary that is linked to the group to which the fund's management company belongs.

**Target subscribers:**

I share	All subscribers, particularly institutional investors and large private investors
T C share	All investors without payment of retrocession fees to distributors
S D share	All subscribers, particularly institutional investors
S O share	All subscribers, particularly institutional investors
T C CHF H share	All investors without payment of retrocession fees to distributors
C O share	All subscribers, particularly institutional investors and large private investors
S shares	All subscribers, particularly institutional investors
R O share	All subscribers
R share	All subscribers
R C USD H share	All subscribers
T C USD H share	All investors without payment of retrocession fees to distributors
R C CHF H share	All subscribers

The fund is primarily intended for investors seeking an instrument to diversify their bond investments, particularly in a period of low returns on fixed-rate bonds.

**How to subscribe to T shares:**

Subscriptions to T shares (net shares) are reserved:

- for investors subscribing through distributors or intermediaries:
- subject to national legislation prohibiting all retrocession fees to distributors
- providing:
  - o independent advice within the meaning of European regulation MiFID II,
  - o individual portfolio management under mandate
- for funds of funds

Information on the remuneration generated by temporary securities purchase and sale transactions:

The sub-fund's counterparty with respect to transactions for the temporary purchase and sale of securities is one or more credit institutions whose head office or branch is located in a country of the European Union. The counterparties will act independently of the fund. No remuneration is paid to the depositary (within the framework of his capacity as depositary) or to the management company for transactions for the temporary purchase or sale of securities. All income resulting from transactions for the temporary purchase and sale of securities, including income generated by the reinvestment of cash collateral received as part of these transactions, net of direct and indirect operating costs, is returned to the sub-fund. These transactions generate direct and indirect operating costs which will be borne by the management company; the share of these costs may not exceed 40% of the income generated by these transactions.

#### US investors

The shares have not been and will not be registered under the US Securities Act of 1933 (hereinafter the "Act of 1933") or any other law applicable in a US state. Shares may also not be directly or indirectly transferred, offered or sold in the United States of America (including its territories and possessions) to any United States national (hereinafter "U.S. Person"), as defined in the American Regulation 'Regulation S' of the Act of 1933 as adopted by the Securities and Exchange Commission ("SEC"), unless (i) the shares have been registered or (ii) an exemption applies (with the prior agreement of the management company's governing body).

The fund has not been and will not be registered under the US Investment Company Act of 1940. Any re-sale or transfer of shares in the United States of America or to a US Person may be in breach of US law and requires the written agreement of the management company of the fund. Those wishing to acquire or purchase shares will have to certify in writing that they are not US Persons.

#### Russian and Belarusian investors

In accordance with the provisions of EU Regulation No. 833/2014 subscription to units/shares of this fund is prohibited to any Russian or Belarusian national, to any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus except nationals of a Member State and to natural persons holding a temporary or permanent residence permit in a Member State.

*The appropriate amount to invest in the mutual fund depends on your personal financial situation. To determine this, you must take into account your personal assets, current needs as well as your risk appetite or, on the contrary, your preference for a prudent investment. You are also strongly advised to diversify your investments so that they are not exposed solely to the risks of this fund.*

#### **Recommended investment period:**

This fund may not suit investors who intend to withdraw their contribution within 2 years.

#### **Methods of determining and allocating distributable amounts:**

I share	Capitalisation
T C share	Capitalisation
S D share	Capitalisation and/or distribution and/or carry forward
S O share	Capitalisation
T C CHF H share	Capitalisation
C O share	Capitalisation
S shares	Capitalisation
R O share	Capitalisation
R share	Capitalisation
R C USD H share	Capitalisation
T C USD H share	Capitalisation
R C CHF H share	Capitalisation

The distributable amounts consist of:

1. The net result, which corresponds to the amount of interest, arrears, dividends, bonuses and lots, directors' fees and all income relating to the securities making up the fund portfolio, plus income from sums temporarily held as liquid assets, minus management fees and borrowing costs, plus retained earnings, plus or minus the balance of the income adjustment account;
2. the realised capital gains, net of costs, minus the realised capital losses, net of costs, during the financial year, plus the similar net capital gains realised during the previous financial years which were not subject to distribution or capitalisation, minus or plus the balance of accrued capital gains.

**S D shares:** The net result will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (total or partial), by decision of the management company. The net realised capital gains will be subject to capitalisation



(total or partial) and/or distribution (total or partial) and/or be carried forward (totally or partially), by decision of the management company.

The management company does not intend to pay interim dividends. Distribution is carried out on an annual basis.

**Accounting currency:**

EUR

**Subscription and redemption terms:**

**- Bearer shares to be registered or already registered in Euroclear: all shares**

Subscription requests (as a specified amount or in thousandths of shares) and redemption requests (in thousandths of shares) are processed by La Française AM Finance Services on each trading day by 11 a.m. and are executed on the basis of the next net asset value.

Payments relating thereto are made on the second trading day following the processing date.

**- Registered shares to be listed or already listed in the IZNES Electronic Share Registration System (DEEP): RO shares (FR0012890333)**

Subscription requests (as a specified amount or in thousandths of shares) and redemption requests (in thousandths of shares) are processed by IZNES on each trading day by 11 a.m. and are executed on the basis of the next net asset value.

Payments relating thereto are made on the second trading day following the processing date.

Switching from one share class to another is considered a transfer of securities. Investors should therefore note that this transaction is subject to the taxation rules covering capital gains or losses on financial instruments.

The orders shall be carried out according to the table below:

Processing of subscription orders	Processing of redemption orders	Execution of the order at the latest, in T	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions
T before 11 a.m.	T before 11 a.m.	Each trading day (T)	T + 1 business days	T + 2 business days	T + 2 business days

**Minimum value of initial subscription:**

I share	EUR 100,000.00
T C share	None
S D share	EUR 10,000,000.00
S O share	EUR 10,000,000.00
T C CHF H share	None
C O share	EUR 100,000.00
S shares	EUR 10,000,000.00
R O share	None
R share	None
R C USD H share	None
T C USD H share	None
R C CHF H share	None

**Minimum value of subsequent subscriptions:**

I share	None
T C share	None
S D share	None
S O share	None
T C CHF H share	None
C O share	None
S shares	None
R O share	None
R share	None
R C USD H share	None
T C USD H share	None
R C CHF H share	None

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

The net asset value is calculated on each trading day of the Paris Stock Exchange, or the next trading day, excluding legal holidays in France.

**Original net asset value:**



I share	EUR 1,000.00
T C share	EUR 100.00
S D share	EUR 1,000.00
S O share	EUR 1,000.00
T C CHF H share	CHF 100.00
C O share	EUR 1,000.00
S shares	EUR 1,000.00
R O share	EUR 100.00
R share	EUR 100.00
R C USD H share	USD 100.00
T C USD H share	USD 100.00
R C CHF H share	CHF 100.00

**Location where the net asset value is published:**

the management company's premises and the website: [www.la-francaise.com](http://www.la-francaise.com)

**Costs and fees:**

*Subscription and redemption fees:*

*Subscription and redemption fees increase the subscription price paid by the investor or decrease the redemption price. The fees received by the UCITS offset the charges it incurs in investing or divesting the assets entrusted to it. Commissions not retained by the fund are paid to the investment company, distributor, etc.*

Costs payable by the investor, levied at the time of subscription and redemption	Base	Rate/scale
Subscription fee not paid to the UCITS	Net asset value x Number of shares	<b>I share:</b> 3.00% maximum <b>T C share:</b> 3.00% maximum <b>S D share:</b> 3.00% maximum <b>S O share:</b> 3.00% maximum <b>T C CHF H share:</b> None <b>C O share:</b> 3.00% maximum <b>S shares:</b> 3.00% maximum <b>R O share:</b> 3.00% maximum <b>R share:</b> 3.00% maximum <b>R C USD H share:</b> None <b>T C USD H share:</b> None <b>R C CHF H share:</b> None
Sales fee paid to the UCITS	Net asset value x Number of shares	<b>I share:</b> None <b>T C share:</b> None <b>S D share:</b> None <b>S O share:</b> None <b>T C CHF H share:</b> None <b>C O share:</b> None <b>S shares:</b> None <b>R O share:</b> None <b>R share:</b> None <b>R C USD H share:</b> None <b>T C USD H share:</b> None <b>R C CHF H share:</b> None
Redemption fee not paid to the UCITS	Net asset value x Number of shares	<b>I share:</b> None <b>T C share:</b> None <b>S D share:</b> None <b>S O share:</b> None <b>T C CHF H share:</b> None <b>C O share:</b> None <b>S shares:</b> None <b>R O share:</b> None <b>R share:</b> None <b>R C USD H share:</b> None <b>T C USD H share:</b> None <b>R C CHF H share:</b> None
Redemption fee paid to the UCITS	Net asset value x Number of shares	<b>I share:</b> None <b>T C share:</b> None <b>S D share:</b> None <b>S O share:</b> None <b>T C CHF H share:</b> None <b>C O share:</b> None <b>S shares:</b> None

		<b>R O share:</b> None <b>R share:</b> None <b>R C USD H share:</b> None <b>T C USD H share:</b> None <b>R C CHF H share:</b> None
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**Operating and management charges:**

These cover all costs charged directly to the UCITS, apart from transaction fees. Transaction costs include intermediation charges (brokerage, stamp duties, etc.) and any turnover fees charged in particular by the depositary and the management company.

In addition to operating and management charges, there may also be:

- outperformance fees. These are paid to the management company when the UCITS has exceeded its objectives. They are therefore charged to the UCITS;
- turnover fees are charged to the UCITS.

	Costs invoiced to the UCITS	Base	Rate/scale
1	Financial management fees	Net assets	<b>C O ; I &amp; TC shares:</b> 0.35% maximum rate (including tax) <b>S O , S &amp; S D shares:</b> 0.22% maximum rate (including tax) <b>R O &amp; R shares:</b> 0.70% maximum rate (including tax)
2	Administrative costs external to the management company	Net assets	<b>All shares:</b> 0.052% maximum rate (including tax)
3	Maximum indirect costs	Net assets	None
4	Turnover fees	Deducted from each transaction	None
5	Outperformance fee	Net assets	None

A percentage of the management fee may be paid to remunerate marketers and distributors, subject to applicable regulations. The UCITS may not inform shareholders specifically or offer them the possibility of redeeming their shares without incurring charges in the event of an increase in administrative costs external to the management company which would be equal to or less than 10 basis points per calendar year; the notification may therefore be made by any means.

**Other costs invoiced to the UCITS**

- contributions due to the UCITS management pursuant to Article L621-5-3 (II)(3)(d) of the Monetary and Financial Code;
- taxes, duties, licence fees and government fees (relating to the UCITS), both extraordinary and non-recurring;
- extraordinary and non-recurring costs relating to debt recovery or a procedure for asserting a right (e.g.class action procedure).

**Information on the remuneration generated by temporary securities purchase and sale transactions:**

The sub-fund's counterparty for temporary acquisitions and sales of securities is one or more credit institutions or other entities authorised by the management company and which comply with the legal form, country and other financial criteria set out in the Monetary and Financial Code. The counterparties will act independently of the sub-fund.

No remuneration is paid to the depositary (within the framework of its capacity as depositary) or to the management company for transactions for the temporary purchase or sale of securities. All income resulting from transactions for the temporary purchase and sale of securities, including income generated by the reinvestment of cash collateral received as part of these transactions, net of direct and indirect operating costs, is returned to the sub-fund. These transactions generate direct and indirect operating costs which will be borne by the management company; the share of these costs may not exceed 40% of the income generated by these transactions.

Furthermore, the management company does not receive any in-kind commission.

For further information, unitholders may refer to the sub-fund's annual report.

**Choice of intermediaries:**

The Management Company has introduced a procedure for selecting and evaluating intermediaries and counterparties that takes into account objective criteria such as intermediation costs, execution quality and research. This procedure is available on the Management Company's website at the following address: <https://www.la-francaise.com/fr/informations-reglementaires/> Unitholders should refer to the annual report of the fund for any further information they may require.

**Information on risks relating to potential conflicts of interest**

The management company may entrust Crédit Industriel et Commercial with the intermediation service, which will be provided by the Table Buy Side department within CIC Market Solutions. Crédit Industriel et Commercial is a Société Anonyme (public limited company) under French law with a share capital of 608,439,888 euros. On 30 September 1999, Crédit Industriel et Commercial obtained authorisation from the CECEI as a bank providing investment services. The two companies belong to the same group, which is likely to generate a potential risk of conflict of interest.

The service provided by Crédit Industriel et Commercial has therefore been governed by a service contract, to ensure that there is no impact on the fund's investors/shareholders in terms of cost and quality of service.

Crédit Industriel et Commercial's main purpose is to provide intermediation services (i.e. receiving, transmitting and executing orders on behalf of third parties) mainly for the Group's asset management companies. Within this framework, the service provider chooses brokers from the list of brokers authorised by the management company and places orders according to criteria defined by the latter.

Crédit Industriel et Commercial can act as principal or agent. Intervention in "principal" mode corresponds to intervention as counterparty to the management company's portfolios. Acting as an agent, Crédit Industriel et Commercial acts as an intermediary between portfolios and market counterparties. These may be entities belonging to the management company's group.

# La Française Rendement Global 2025

## ISIN code:

T D EUR share	FR0013277373
I share	FR0013258654
D USD H share	FR0013272747
I C USD H share	FR0013289501
R share	FR0013258647
T C share	FR0013277381
D-B share	FR0013279395
R C USD H share	FR0013290996
T D USD H share	FR0013288982
D share	FR0013272739
I D EUR share	FR0013298957
I C CHF H share	FR0013284569

## Classification:

International bonds and other debt securities

## Management objective:

The fund's objective is to achieve, over the recommended investment period of 7 years from the date of inception of the fund until 31 December 2025, a net return which is greater than the performance of the 2025 maturity-based bonds issued by French Government and denominated in EUR.

The potential profitability of the fund comes from the value of the accrued coupons of the bonds in the portfolio and the variations in capital due to the fluctuation in interest rates and credit spreads.

The net annualised performance objective is based on the achievement of market assumptions set by the management company. It is not a guarantee of Fund return or performance. Investors should note that the performance indicated in the management objective of the fund takes account of the estimate of the risk of default or downgrading of the rating of one or more issuers in the portfolio, the cost of currency hedging and the management fees payable to the management company.

## Benchmark index:

The fund is not linked to a benchmark index.

The fund is managed actively and on a discretionary basis. The fund is not managed with reference to an index.

## Investment strategy:

### 1. Investment strategy.

The investment strategy involves the discretionary management of a portfolio of bonds issued by private or public bodies. The fund will invest in bonds that mature in December 2025 at the latest and/or bonds with a longer maturity, but which have a call option before December 2025. The fund does not invest in perpetual bonds.

The strategy is not limited to bond carrying. The management company may use arbitrage in the event of new market opportunities or an increased default risk of one of the issuers in the portfolio.

The management of the fund is mainly based on the management team's in-depth knowledge of the selected companies' balance sheets and the fundamentals of sovereign debt.

To achieve the management objective, up to 100% of the portfolio is invested in fixed-rate or floating-rate bonds, other negotiable debt securities and money market instruments (Treasury bills, Treasury notes, certificates of deposit) from all economic sectors.

The private debt/public debt allocation is not determined in advance and will be based on market opportunities.

The fund invests up to 100% in Investment Grade issues (with a rating higher or equal to BBB- at Standard & Poor's or Baa3 at Moody's or the equivalent according to the analysis of the management company) or in High Yield issues (speculative) with a rating lower than BBB- or Baa3 or equivalent according to the analysis of the management company. Investment in unrated securities is not permitted.

The management company shall not exclusively or automatically rely on external ratings but may, upon the issuance of such a rating, take it into consideration for its credit analysis.

Investment in convertible bonds is limited to maximum of 30% of net assets.

During the period ranging from the first date of subscription and until the minimum amount of assets under management reaches the level of 7 (seven) million euros, the fund will be invested in money market securities.

The manager will invest in securities denominated in EUR and/or USD and/or GBP and/or NOK and/or CHF. Insofar as the securities are not denominated in EUR, the manager will systematically hedge the exchange risk. There may however be a residual currency exchange risk due to imperfect hedging.

Consequently, the selection of securities focuses on the financial situation, debt structure and cash flow statements of issuers to avoid default situations. Moreover, issuers with the expectation of high repayment rates and junior subordinated issues are preferred.

The sensitivity range for interest rates in which the fund is managed	from 7 to 0, decreasing over time
Geographical area of the issuers of securities to which the fund is exposed	Public and private issuers from OECD countries (all zones): 0 - 100%; Public issuers, excluding OECD countries (emerging markets): 0 - 100%; Private issuers, excluding OECD countries (emerging markets) 0-50%
Security denomination currencies in which the fund is invested	EUR/USD/GBP/NOK/CHF
Level of exchange risk borne by the fund	Residual owing to imperfect hedging of currency positions.

Up to 10% of the fund may be invested in units or equities of UCITS established under French or European law in accordance with Directive 2009/65/EC.

Taking into account the investment strategy implemented, the Fund's risk profile is strongly tied to the selection of speculative securities which may represent up to 100% of the assets and therefore including default risk.

On an exceptional and temporary basis in the event of a significant number of redemption requests, the manager may borrow cash up to a limit of 10% of its net assets.

The fund will preferably use derivative instruments on organised futures markets but reserves the right to enter into OTC contracts where these contracts are better suited to the management objective or offer lower trading costs. The fund reserves the right to trade on all European and international futures markets.

The manager may use financial instruments such as futures, forwards, options, interest rate swaps, foreign exchange swaps, forward exchange transactions, Credit Default Swaps (CDS on single underlying asset options and CDS on indices) and Non Deliverable Forwards. They will mainly act with the aim of hedging and/or exposing the fund to interest rate and/or credit futures markets, and with the aim of hedging future exchange markets.

The fund may use Total Return Swaps (TRS) up to a limit of 25% maximum of the net assets. The expected proportion of assets under management that shall be subject to TRS may be 5% of the assets. The TRS underlying assets may be corporate bonds and emerging sovereign bonds.

The investment limit for the Fund on derivative instruments shall not exceed 100% of its net assets, without seeking overexposure.

**As the fund approaches maturity and depending on the prevailing market conditions, the management company shall opt either to continue the investment strategy, merge with another UCITS or liquidate the fund, subject to the AMF's approval.**

## **2. Assets (excluding embedded derivatives)**

In order to achieve its management objective, the fund will use different types of assets.

### a) Equities: yes

The fund may not purchase shares directly but it may be indirectly exposed to equity risk due to the fact that it holds convertible bonds up to a limit of 10% of net assets and may be directly invested in equities up to a limit of 5% of net assets only in the event of a restructuring of a bond, standard or convertible, by the issuer.

The equities shall present following characteristics:

- all capitalisation
- all economic sectors
- denominated in EUR, USD, GBP, NOK or CHF
- in all geographical areas.

### b) Debt securities and money market instruments: yes

#### i. Negotiable debt securities: yes

#### ii. Bonds (fixed rate, floating rate, indexed): yes

#### iii. Treasury bills: yes

#### iv. Short-term negotiable securities: yes

with the following characteristics:

- all economic sectors
- the selected securities will be invested in the public and/or private sector.

### c) UCITS:

Up to 10% of the fund may be invested in units or equities of UCITS under French or foreign law in accordance with Directive 2009/65/EC.

These UCITS may be managed by the management company or an associated company.

## **3. Derivative instruments**

The fund may trade in any futures or options as long as their underlying funds have a direct or correlated financial relationship with a portfolio asset, used for both hedging and exposure of the portfolio.

Nature of the markets used:

- regulated: yes
- organised: yes
- OTC: yes

Risks on which the manager seeks to act:

- equities: yes (up to a maximum limit of 10%)
- interest rates: yes
- foreign exchange: yes
- credit: yes
- indices: yes

Nature of activities:

- hedging: yes
- exposure: yes
- arbitrage: no

Nature of the instruments used:

- futures: yes
- options (listed, OCT): yes
- swaps (interest rates, currencies): yes
- forward exchange (NDF): yes
- credit derivatives: yes, CDS
- Total Return Swap (TRS): yes
- CDS options: yes (up to 15% of the net assets)

#### **4 - Securities with embedded derivatives**

Risks on which the manager seeks to act:

- equities: yes
- interest rates: yes
- foreign exchange: no
- credit: yes
- indices: yes (interest rates)

Nature of activities:

- hedging: yes
- exposure: yes
- arbitrage: no

Nature of the instruments used:

- Convertible bonds, within a limit of 30% of net assets
- Warrants
- EMTN
- Callable rate products
- Puttable rate products

**5- Deposits:** the Fund reserves the right to make deposits of up to 10% in order to manage its cash flow.

#### **6- Cash borrowings**

The fund reserves the right to temporarily borrow cash up to a limit of 10% of its net assets in the event of significant redemptions.

#### **7- Temporary securities purchase and sale transactions:** yes

The sub-fund may also engage in transactions for the temporary purchase and sale of securities in order to (i) ensure the investment of the liquid assets available (e.g. reverse repurchase/repurchase transactions), (ii) optimise the performance of the portfolio (e.g. securities lending/borrowing).

• **Type of activities:** Transactions for the temporary purchase or sale of securities shall be carried out in accordance with the Monetary and Financial Code. They shall be carried out within the framework of cash flow management and/or the optimisation of UCI income. Under no circumstances shall these strategies aim to create or result in the creation of a leverage effect.

• **Nature of transactions used:** These operations will consist of securities lending and borrowing and/or in repurchase and reverse repurchase agreements with reference to the French Monetary and Financial Code. The assets that may be the subject of such transactions will be those described in section "2. Assets (excluding embedded derivatives)" of this prospectus.

• **Envisaged level of use:** Transactions for the temporary sale of securities (securities lending, repurchase transactions) may be carried out up to an amount equivalent to a maximum of 60% of the UCI's net assets, while transactions for the temporary purchase of securities (securities borrowing, reverse repurchase agreements) may be carried out up to an amount equivalent to a maximum of 10% of the UCI's net assets. The expected proportion of assets under management that will be involved in such transactions may represent 25% of the UCI's net assets.

• **Information on the use of temporary sales and acquisitions of securities:** The purpose of the use of temporary securities acquisitions and disposals is in particular to provide the UCITS with an additional return and therefore to contribute to its



performance. In addition, the UCITS may enter into reverse repurchase agreements for the replacement of financial guarantees in cash and/or repurchase agreements to meet liquidity needs. Temporary purchases and sales of securities will be guaranteed in accordance with the principles described in section 8 below “contracts constituting financial guarantees”.

- **Remuneration:** Information relating to the remuneration of these transactions is provided in the “Fees and commissions” section.
- **Selection of counterparties:** The management company follows a specific selection process for financial intermediaries, also used for intermediaries designated for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS). These intermediaries are selected on the basis of the liquidity that they offer as well as their speed, reliability and quality with regard to how they process transactions. At the end of this rigorous and regulated process, subject to a grade, the counterparties selected for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS) are credit institutions or other entities authorised by the management company and respecting the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

## 8. Contracts constituting financial guarantees

In connection with the conclusion of financial contracts and/or securities financing transactions, the UCI may receive/pay financial guarantees in the form of full ownership transfer of securities and/or of cash.

Securities received as collateral must meet the criteria set by regulations and must be granted by credit institutions or other entities that meet the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

Financial guarantees received must be able to be fully enforced by the UCI at any time and without consulting or obtaining the approval of the counterparty. The level of financial guarantees and the discount policy are set by the eligibility policy for financial guarantees of the Management Company in accordance with the regulations in force and cover the categories below:

- financial guarantees in cash;
- financial guarantees in debt securities or in equity securities according to a precise nomenclature.

The eligibility policy for financial guarantees explicitly defines the required level of guarantee and the discounts applied for each financial guarantee according to rules that depend on their specific characteristics. It also specifies, in accordance with the regulations in force, rules for risk diversification, correlation, valuation, credit quality and regular stress tests on the liquidity of guarantees.

In the event that financial guarantees in cash are received, these may, under conditions set by regulation, only be:

- placed in deposit;
- invested in high-quality government bonds;
- used in a reverse repurchase agreement;
- invested in short-term money market undertakings for collective investment (UCIs).

Financial guarantees other than received cash may not be sold, reinvested or used as collateral; The management company will, in accordance with the valuation rules provided for in this prospectus, carry out a daily valuation of the guarantees received on a market price basis (mark-to-market).

Margin calls will be made on a daily basis. The guarantees received by the mutual fund will be kept by the mutual fund's depository or, failing that, by any third-party depository subject to prudential supervision and which has no connection with the provider of the guarantee. The risks associated with securities financing transactions, financial contracts and the management of inherent collateral are described in the risk profile section.

### Risk profile:

*"Your money will be invested in financial instruments selected by the management company. These instruments will be exposed to market trends and risks".*

The risks described below are not exhaustive: investors should analyse the risks inherent to each investment and make their own decisions. Through the fund, subscribers are exposed to the following risks:

#### Risk of capital loss:

Investors are advised that their capital is not guaranteed and may therefore not be returned to them.

#### Discretionary risk:

The discretionary management style applied to the mutual fund is based on the selection of portfolio assets and/or market expectations. There is a risk that the mutual fund may not be invested in the best-performing assets or markets at all times. The fund's performance may therefore be lower than the management objective. In addition, the net asset value of the fund may have a negative performance.

#### Sustainability risk:

This refers to the possible occurrence of an ESG event or condition that could potentially or actually cause a significant negative impact on the value of an investment in a fund. Sustainability risks can either represent a risk in and of themselves, or have an impact on other risks and contribute – by way of correlation – significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks can have an impact on long-term risk-adjusted returns for investors. Assessing sustainability risk is complex and can be based on ESG data that is difficult to obtain and incomplete, believed to be outdated, or otherwise materially inaccurate. Even when identified, there is no guarantee that this data will be properly assessed.

#### Interest rate risk:



The fund is subject to interest rate risk on European and international markets. The interest rate risk is the risk that the value of the fund's investment decreases if interest rates rise. Thus, when interest rates rise, the net asset value of the fund may fall.

Credit risk relating to issuers of debt securities:

Risk may arise from a downgrading of the credit rating or default of the issuer of the debt security or failure of the issuer to honour his commitments with regard to the instruments issued. If an issuer's credit rating is downgraded, the value of its assets falls. Accordingly, this may cause the net asset value of the fund to fall.

When investing in bonds there is a direct or indirect risk arising from the possible presence of securities of lower quality, known as "high-yield" or speculative securities. These "speculative" securities have a higher risk of default. They are likely to suffer higher and/or more frequent variations in valuations and are not always sufficiently liquid to be sold at all times at the best price. The value of the mutual fund unit may therefore decrease if the value of these securities in the portfolio falls.

Default risk relating to issuers of debt securities:

The default risk is the risk related to solvency of the entity which issued the securities. This risk is even greater should the fund invest in speculative securities which could lead to an increased level of risk of the net asset value of the fund decreasing and a loss of capital.

Risk associated with investments in "high-yield" securities (known as speculative securities):

This fund should be considered speculative. It is aimed specifically at investors who are aware of the risks inherent to investing in securities with a low or non-existent rating.

These speculative securities are classed as speculative and have a higher risk of default; they are likely to suffer higher and/or more frequent variations in valuations and are not always sufficiently liquid to be sold at all times at the best price. The value of the fund unit may therefore be lower when the value of these securities in the portfolio falls.

Risk arising from investing in emerging markets:

The fund may be exposed up to 100% in emerging markets. Market risks are amplified by possible investments in emerging countries where market movements, upward or downward, may be stronger and faster than in major international markets.

Investing in emerging markets involves a high degree of risk due to the political and economic situation of these markets, which may affect the value of the fund's investments. Their operational and supervisory conditions may differ from the standards prevailing on the major international markets. In addition, investment on these markets involves risks linked to restrictions imposed on foreign investments, counterparties, increased market volatility, delays in settlements/deliveries and the limited liquidity of certain lines in the fund's portfolio. The net asset value of the mutual fund may fall as a consequence.

Equity risk associated with holding convertible bonds:

The Fund may be exposed up to 30% in convertible bonds. The value of convertible bonds depends to some extent on the evolution of the prices of their underlying equities. Changes in the underlying equities may lead to a fall in the fund's net asset value.

Exposure to equity risk shall be limited to maximum of 10% of the net assets.

Counterparty risk: Counterparty risk arises from entering into contracts in financial futures traded on OTC markets, and from temporary purchases/sales of securities and/or total return swaps (TRS). This is the risk that a counterparty may default on payment. The defaulting of the payment of a counterparty may therefore lead to a decrease in the net asset value.

Risk relating to subordinated debt securities:

The investment universe of the fund includes subordinated bonds. These debt securities have a specific risk profile that differs from that of conventional bonds. Note that a debt is termed subordinated when its repayment is dependent on the initial repayment of other creditors (preferential creditors, unsecured creditors). Thus, the subordinated creditor will be repaid after ordinary creditors, but before shareholders. The interest rate on this type of debt will be higher than the interest on other receivables. In the event that one or more clauses provided in the issue documentation of these subordinated debt securities is triggered and, more generally, if a credit event affects the issuer in question, there is a risk of a fall in the net asset value of the fund. The use of subordinated bonds may expose the fund to the risks of coupon cancellation or deferral (at the issuer's sole discretion), redemption date uncertainty or valuation/performance (as the attractive yield of these securities may be considered to be a complexity premium).

Exchange rate risk:

The fund may invest in transferable securities denominated in currencies other than the reference currency.

The manager will systematically hedge the currency risk. There may however be a residual currency exchange risk due to imperfect hedging. The net asset value of the fund may fall as a consequence.

Risk arising from techniques such as derivatives:

risk of increased losses owing to the use of financial futures such as OTC financial agreements and/or futures contracts.

Potential risk of a conflict of interest:

This risk relates to the completion of temporary purchases of securities transactions, during which the fund uses an entity as counterparty and/or financial intermediary that is linked to the group to which the fund's management company belongs.

Liquidity risk associated with the temporary purchase and sale of securities and/or total return swaps (TRS): The Fund may be exposed to trading difficulties or a temporary lack of trading in certain securities in which the Fund is invested or those received as collateral in the event of default by a counterparty of temporary purchase and sale of securities and/or total return swaps (TRS).

Legal risk:

The recourse to the purchase and/or sale transactions of securities and/or total return swaps (TRS) may result in legal risks, in particular relating to contracts.

## Target subscribers:

T D EUR share	All investors without payment of retrocession fees to distributors
I share	Reserved for professional clients within the meaning of MiFID and clients of Groupe BPCE
D USD H share	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services
I C USD H share	Reserved for professional clients within the meaning of MiFID
R share	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services
T C share	All investors without payment of retrocession fees to distributors
D-B share	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services, including the Beobank network
R C USD H share	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services
T D USD H share	All investors without payment of retrocession fees to distributors
D share	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services
I D EUR share	Reserved for professional clients within the meaning of MiFID and clients of Groupe BPCE
I C CHF H share	Reserved for professional clients within the meaning of MiFID

Investors in this fund are seeking a diversified bond investment over a recommended investment period running until 31 December 2025.

**Investors are informed that their main interest is to hold their investment until 31 December 2025 in order to benefit from the best conditions regarding the actuarial yield offered by the fund.**

## How to subscribe to T shares:

Subscriptions to T shares (net shares) are reserved:

- for investors subscribing through distributors or intermediaries:
  - subject to national legislation prohibiting all retrocession fees to distributors
  - providing:
    - o independent advice within the meaning of European regulation MiFID II,
    - o individual portfolio management under mandate
- for funds of funds

Any arbitrage of fund shares towards T shares will benefit from the MiFID II tax exemption until 31/12/2018 (letters dated 16 March 2017 and 31 October 2017 of the Directorate-General for Public Finance, which confirms that such exchange transactions benefit from the tax deferral provided for in Article 150-0 B of the General Tax Code; [www.la-francaise.com](http://www.la-francaise.com)), provided that subscriptions for T shares are immediately preceded by a redemption in R, D and D USD H shares by the same shareholder for a product equivalent to the number of redeemed shares and on the same net asset value date.

## US investors

The shares have not been and will not be registered under the US Securities Act of 1933 (hereinafter the "Act of 1933") or any other law applicable in a US state. Shares may also not be directly or indirectly transferred, offered or sold in the United States of

America (including its territories and possessions) to any United States national (hereinafter "U.S. Person"), as defined in the American Regulation 'Regulation S' of the Act of 1933 as adopted by the Securities and Exchange Commission ("SEC"), unless (i) the shares have been registered or (ii) an exemption applies (with the prior agreement of the management company's governing body).

The fund has not been and will not be registered under the US Investment Company Act of 1940. Any re-sale or transfer of shares in the United States of America or to a US Person may be in breach of US law and requires the written agreement of the management company of the fund. Those wishing to acquire or purchase shares will have to certify in writing that they are not US Persons.

#### Russian and Belarusian investors

In accordance with the provisions of EU Regulation No. 833/2014 subscription to units/shares of this fund is prohibited to any Russian or Belarusian national, to any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus except nationals of a Member State and to natural persons holding a temporary or permanent residence permit in a Member State.

*The appropriate amount to invest in the mutual fund depends on your personal financial situation. To determine this, you must take into account your personal assets, current needs as well as your risk appetite or, on the contrary, your preference for a prudent investment. You are also strongly advised to diversify your investments so that they are not exposed solely to the risks of this fund.*

#### **Recommended investment period:**

until 31 December 2025. Investors are informed that their main interest is to conserve their investment until 31 December 2025 in order to benefit from the best conditions regarding the actuarial yield offered by the fund.

#### **Methods of determining and allocating distributable amounts:**

	T D EUR share	Capitalisation and/or distribution and/or carry forward
	I share	Capitalisation
	D USD H share	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends
share	I C USD H	Capitalisation
	R share	Capitalisation
	T C share	Capitalisation
	D-B share	Capitalisation and/or distribution and/or carry forward
share	R C USD H	Capitalisation
share	T D USD H	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends
	D share	Capitalisation and/or distribution and/or carry forward
	I D EUR share	Capitalisation and/or distribution and/or carry forward
share	I C CHF H	Capitalisation

The distributable amounts consist of:

1. The net result, which corresponds to the amount of interest, arrears, dividends, bonuses and lots, directors' fees and all income relating to the securities making up the fund portfolio, plus income from sums temporarily held as liquid assets, minus management fees and borrowing costs, plus retained earnings, plus or minus the balance of the income adjustment account;
2. the realised capital gains, net of costs, minus the realised capital losses, net of costs, during the financial year, plus the similar net capital gains realised during the previous financial years which were not subject to distribution or capitalisation, minus or plus the balance of accrued capital gains.

**D USD H and T D USD H** shares: The net result will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (total or partial), by decision of the management company.

The net realised capital gains will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (totally or partially), by decision of the management company.

The management company will distribute quarterly dividend payments in January, April, July and October.

**D-B, D, T D and I D EUR shares:** The net result will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (total or partial), by decision of the management company.

The net realised capital gains will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (totally or partially), by decision of the management company.

The management company does not intend to pay interim dividends. Distribution is carried out on an annual basis.

**R, I, IC CHF H, R C USD H, IC USD H and TC shares:** the distributable amounts are fully capitalised.

**Accounting currency:**

EUR

**Subscription and redemption terms:**

**- Bearer shares to be registered or already registered in Euroclear: all shares**

Subscription requests (as a specified amount or in thousandths of shares) and redemption requests (in thousandths of shares) are processed by La Française AM Finance Services on each net asset value calculation day at 11 a.m. (if the Stock Exchange is open in Paris, except for public holidays in France) and are executed on the basis of the next net asset value (i.e. unknown at the time of execution).

Payments relating thereto are made on the second trading day following the processing date.

**- Registered shares to be listed or already listed in the IZNES Electronic Share Registration System (DEEP):**

**D shares (FR0013272739), R shares (FR0013258647), TD EUR shares) FR0013277373)**

Subscription requests (as a specified amount or in thousandths of shares) and redemption requests (in thousandths of shares) are processed by IZNES on each net asset value calculation day at 11 a.m. (if the Stock Exchange is open in Paris, except for public holidays in France) and are executed on the basis of the next net asset value (i.e. unknown at the time of execution).

Payments relating thereto are made on the second trading day following the processing date.

Switching from one share class to another is considered a transfer of securities. Investors should therefore note that this transaction is subject to the taxation rules covering capital gains or losses on financial instruments.

Each share can be divided into thousandths of a share.

The fund will be closed for subscription on 30 September 2020. From this date, only investments preceded by a redemption on the same day for the same number of shares, for the same net asset value and by the same unitholder may be executed.

The orders shall be carried out according to the table below:

Processing of subscription orders	Processing of redemption orders	Order fulfilment at the latest, in T	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions
T before 11 a.m.	T before 11 a.m.	Each trading day (T)	T + 1 business day	T + 2 business days	T + 2 business days

**Minimum value of initial subscription:**

T D EUR share	None
I share	EUR 500,000.00
D USD H share	USD 1,000.00
I C USD H share	USD 500,000.00
R share	None
T C share	None
D-B share	None
R C USD H share	USD 1,000.00
T D USD H share	USD 1,000.00
D share	None
I D EUR share	EUR 500,000.00
I C CHF H share	CHF 500,000.00

**Minimum value of subsequent subscriptions:**

T D EUR share	None
I share	None
D USD H share	None
I C USD H share	None
R share	None
T C share	None
D-B share	None
R C USD H share	None

T D USD H share	None
D share	None
I D EUR share	None
I C CHF H share	None

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

The net asset value is calculated on each trading day of the Paris Stock Exchange, excluding legal holidays in France.

**In the interests of unitholders, during the marketing period until 30 September 2020, the Fund will be valued at the asking price; beyond this period ending on 30 September 2020, the Fund will be valued at the bid price.**

#### Original net asset value:

T D EUR share	EUR 100.00
I share	EUR 1,000.00
D USD H share	USD 100.00
I C USD H share	USD 1,000.00
R share	EUR 100.00
T C share	EUR 100.00
D-B share	EUR 100.00
R C USD H share	USD 100.00
T D USD H share	USD 100.00
D share	EUR 100.00
I D EUR share	EUR 1,000.00
I C CHF H share	CHF 1,000.00

#### Location where the net asset value is published:

the management company's premises and the website: [www.la-francaise.com](http://www.la-francaise.com)

#### Costs and fees:

##### Subscription and redemption fees:

*Subscription and redemption fees increase the subscription price paid by the investor or decrease the redemption price. The fees received by the UCITS offset the charges it incurs in investing or divesting the assets entrusted to it. Commissions not retained by the fund are paid to the investment company, distributor, etc.*

Costs payable by the investor, levied at the time of subscription and redemption	Base	Rate/scale
Subscription fee not paid to the UCITS	Net asset value x Number of shares	<b>T D EUR share:</b> 3.00% maximum <b>I share:</b> 3.00% maximum <b>D USD H share:</b> 3.00% maximum <b>I C USD H share:</b> 3.00% maximum <b>R share:</b> 3.00% maximum <b>T C share:</b> 3.00% maximum <b>D-B share:</b> 3.00% maximum <b>R C USD H share:</b> 3.00% maximum <b>T D USD H share:</b> 3.00% maximum <b>D share:</b> 3.00% maximum <b>I D EUR share:</b> 3.00% maximum <b>I C CHF H share:</b> 3.00% maximum
Sales fee paid to the UCITS	Net asset value x Number of shares	<b>T D EUR share:</b> None <b>I share:</b> None <b>D USD H share:</b> None <b>I C USD H share:</b> None <b>R share:</b> None <b>T C share:</b> None <b>D-B share:</b> None <b>R C USD H share:</b> None <b>T D USD H share:</b> None <b>D share:</b> None <b>I D EUR share:</b> None <b>I C CHF H share:</b> None
Redemption fee not paid to the UCITS	Net asset value x Number of shares	<b>T D EUR share:</b> None <b>I share:</b> None <b>D USD H share:</b> None <b>I C USD H share:</b> None <b>R share:</b> None

		<b>T C share:</b> None <b>D-B share:</b> None <b>R C USD H share:</b> None <b>T D USD H share:</b> None <b>D share:</b> None <b>I D EUR share:</b> None <b>I C CHF H share:</b> None
Redemption fee paid to the UCITS	Net asset value x Number of shares	<b>T D EUR share:</b> None <b>I share:</b> None <b>D USD H share:</b> None <b>I C USD H share:</b> None <b>R share:</b> None <b>T C share:</b> None <b>D-B share:</b> None <b>R C USD H share:</b> None <b>T D USD H share:</b> None <b>D share:</b> None <b>I D EUR share:</b> None <b>I C CHF H share:</b> None

**Operating and management charges:**

These cover all costs charged directly to the UCITS, apart from transaction fees. Transaction costs include intermediation charges (brokerage, stamp duties, etc.) and any turnover fees charged in particular by the depositary and the management company.

In addition to operating and management charges, there may also be:

- outperformance fees. These are paid to the management company when the UCITS has exceeded its objectives. They are therefore charged to the UCITS;

- turnover fees are charged to the UCITS.

	<b>Costs invoiced to the UCITS</b>	<b>Base</b>	<b>Rate/scale</b>
1	Financial management fees	Net assets	<b>I and T shares:</b> 0.59% maximum rate (including tax) <b>R, D and D-B shares:</b> 1.19% maximum rate (including tax)
2	Administrative costs external to the management company	Net assets	All shares: 0.06% maximum rate (including tax)
3	Maximum indirect costs	Net assets	None
4	Turnover fees	Deducted from each transaction	Shares: 0.40% (with a minimum of €120) Convertible bonds < 5 years: 0.06% Convertible bonds > 5 years: 0.24% Other bonds: 0.024% (with a minimum of EUR 100) Monetary instruments: 0.012% (with a minimum of EUR 100) Swaps: 300€ Forward exchange: 150€ Spot exchange: 50€ UCITS: 15€ Futures: €6 / Options: 2.5€
5	Outperformance fee	Net assets	None

The UCITS may not inform shareholders specifically or offer them the possibility of redeeming their shares without incurring charges in the event of an increase in administrative costs external to the management company which would be equal to or less than 10 basis points per calendar year; the notification may therefore be made by any means.

A percentage of the management fee may be paid to remunerate marketers and distributors, subject to applicable regulations.

Information on the remuneration generated by temporary securities purchase and sale transactions:

The sub-fund's counterparty with respect to transactions for the temporary purchase and sale of securities is one or more credit institutions whose head office or branch is located in a country of the European Union. The counterparties will act independently of the fund. No remuneration is paid to the depositary (within the framework of his capacity as depositary) or to the management company for transactions for the temporary purchase or sale of securities. All income resulting from transactions for the temporary purchase and sale of securities, including income generated by the reinvestment of cash collateral received as part of these transactions, net of direct and indirect operating costs, is returned to the sub-fund. These transactions generate direct and indirect operating costs which will be borne by the management company; the share of these costs may not exceed 40% of the income generated by these transactions.

Other costs invoiced to the UCITS

- contributions due to the UCITS management pursuant to Article L621-5-3 (II)(3)(d) of the Monetary and Financial Code;

- taxes, duties, licence fees and government fees (relating to the UCITS), both extraordinary and non-recurring;
- extraordinary and non-recurring costs relating to debt recovery or a procedure for asserting a right (e.g. class action procedure).

#### **Choice of intermediaries:**

The Management Company has introduced a procedure for selecting and evaluating intermediaries and counterparties that takes into account objective criteria such as intermediation costs, execution quality and research. This procedure is available on the Management Company's website at the following address: <https://www.la-francaise.com/fr/informations-reglementaires/>  
Unitholders should refer to the annual report of the fund for any further information they may require.

#### ***Information on risks relating to potential conflicts of interest***

The management company may entrust Crédit Industriel et Commercial with the intermediation service, which will be provided by the Table Buy Side department within CIC Market Solutions. Crédit Industriel et Commercial is a Société Anonyme (public limited company) under French law with a share capital of 608,439,888 euros. On 30 September 1999, Crédit Industriel et Commercial obtained authorisation from the CECEI as a bank providing investment services. The two companies belong to the same group, which is likely to generate a potential risk of conflict of interest.

The service provided by Crédit Industriel et Commercial has therefore been governed by a service contract, to ensure that there is no impact on the fund's investors/shareholders in terms of cost and quality of service.

Crédit Industriel et Commercial's main purpose is to provide intermediation services (i.e. receiving, transmitting and executing orders on behalf of third parties) mainly for the Group's asset management companies. Within this framework, the service provider chooses brokers from the list of brokers authorised by the management company and places orders according to criteria defined by the latter.

Crédit Industriel et Commercial can act as principal or agent. Intervention in "principal" mode corresponds to intervention as counterparty to the management company's portfolios. Acting as an agent, Crédit Industriel et Commercial acts as an intermediary between portfolios and market counterparties. These may be entities belonging to the management company's group.



# La Française Rendement Global 2028 Plus

## ISIN code:

R D USD H share	FR0013439833
T D USD H share	FR0013439924
R D EUR share	FR0013439825
T C EUR share	FR0013439890
D B EUR share	FR001400N2O5
I C EUR share	FR0013439858
T D EUR share	FR0013439916
I C USD H share	FR0013439874
S share	FR0013439809
I D EUR share	FR0013439882
R C EUR share	FR0013439817

## Classification:

None

## Management objective:

The objective of the sub-fund is to outperform the composite benchmark index, net of fees, over the recommended investment period of 9 years from the launch date of the sub-fund to 31 December 2028:

- 85% of the performance of bonds maturing in 2028 issued by the French State and denominated in EUR (0.75% OAT [fungible treasury bonds] maturing on 25 May 2028 - ISIN code FR0013286192)

- 15% of the performance of the MSCI World index.

The potential profitability of the sub-fund comes from the value of the accrued coupons of the bonds in the portfolio and the variations in capital due to the fluctuation in interest rates and credit spreads, as well as from the valuation of instruments exposing the sub-fund to equity markets.

## Benchmark index:

The sub-fund is neither an index fund nor an index benchmark but, for post-hoc comparison purposes, the shareholder can refer to the composite benchmark index: 15% MSCI World + 85% of bonds maturing in 2028 issued by the French State and denominated in EUR.

MSCI World in local currencies	<p>The MSCI World denominated in local currencies, net dividends reinvested, is representative of the share price of companies listed on the major global markets.</p> <p>Bloomberg code: NDDLWI Index administrator: MSCI Limited. As at the date of the latest update to this prospectus, the administrator is no longer listed in the register of administrators and benchmark indices managed by the ESMA. Further information on the benchmark index is available on the administrator's website: <a href="http://www.msci.com">http://www.msci.com</a></p>
Bonds maturing in 2028 issued by the French State and denominated in EUR	Obligations Assimilables du Trésor (OAT - Fungible Treasury Bonds) 0.75% maturing on 25 May 2028 (ISIN code FR0013286192).

The fund is managed actively and on a discretionary basis. The fund is not managed with reference to an index.

## Investment strategy:

### 1. Investment strategy.

The investment strategy involves the discretionary management of a portfolio of bonds (so-called "bond component") while being exposed to the equity markets (so-called "equity component"):

• Bond component:

The sub-fund invests in bonds issued by private or public entities. The sub-fund may invest in bonds with maturities up to 31 December 2029 and/or bonds with a longer maturity, but which have a call option before or on 31 December 2028.

The strategy is not limited to bond carrying. The management company may use arbitrage in the event of new market opportunities or an increased default risk of one of the issuers in the portfolio.

The management of the sub-fund therefore relies primarily on the management team's in-depth knowledge of the selected companies' balance sheets and sovereign debt fundamentals.

To achieve the management objective, up to 100% of the portfolio is invested in fixed-rate or floating-rate bonds, other negotiable debt securities and money market instruments (Treasury bills, Treasury notes, certificates of deposit) from all economic sectors.

The initial investment universe is constructed from public issuers which are OECD member states as well as emerging markets belonging to the combination of the indices J.P. Morgan GBI Global hedged Euro Index and J.P. Morgan EMBI Global Diversified Hedged Euro Index and private issuers belonging to the BofAML Global High Yield Index (HW00). Securities are selected mainly from these universes; they may also be selected from outside these universes, from European and international markets, including emerging markets, up to a limit of 10% of the investment universes, provided that these securities have an ESG score higher than the exclusion threshold in force for the universes and meet the investment criteria of the sub-fund. Issuers are subject to the same requirements regardless of whether or not they belong to the index.

The sub-fund's investment criteria detailed below are analysed by La Française Sustainable Investment Research (hereinafter "ESG Research Team") of the entity "La Française Group UK Limited". It is specified that there is a risk of conflicts of interest relating to the provision of ESG scores with the "La Française Sustainable Investment Research" research centre of the "La Française Group UK Limited" entity belonging to the La Française Group. In order to manage this situation, the management company has put in place and updates a conflict of interest management policy with the aim of identifying and analysing potential conflict of interest situations as well as recording, managing and monitoring situations in which there is a conflict of interest. In addition, the provision of ESG scores is paid for in full by the management company.

The analysis of Environmental, Social and Governance criteria is carried out by the ESG Research Team, which has developed a proprietary ESG model. This tool uses raw data from various data providers to calculate KPIs (Key Performance Indicators).

For bonds, an assessment of the issuer's Environmental, Social and Governance criteria may be carried out; however, the consideration of these criteria is not necessarily exhaustive or systematic.

As such, the sub-fund promotes certain environmental and social characteristics within the meaning of Article 8 of the EU Sustainable Finance Disclosure Regulation (EU) 2019/2088 (SFDR).

Issuers to be excluded based on the exclusion policy of La Française Group, available on the website [www.la-francaise.com](http://www.la-francaise.com), are automatically excluded.

Additional information on the management company's non-financial analysis, including ESG criteria, is presented in La Française Group transparency code and engagement policies available on the La Française website at [www.la-francaise.com](http://www.la-francaise.com).

The private debt/public debt allocation is not determined in advance and will be based on market opportunities.

The sub-fund invests up to 100% in Investment Grade issues (with a rating higher or equal to BBB- at Standard & Poor's or Baa3 at Moody's or the equivalent according to the analysis of the management company) and/or in High Yield issues (speculative) (i.e. with a rating lower than BBB- or Baa3 or equivalent according to the analysis of the management company). Investment in non-rated securities is limited to a maximum of 30% of the net assets.

The management company shall not exclusively or automatically rely on external ratings but may, upon the issuance of such a rating, take it into consideration for its credit analysis.

Investment in convertible bonds is limited to maximum of 30% of net assets.

The manager will invest in securities denominated in EUR and/or USD and/or GBP and/or NOK and/or CHF and/or in SEK and/or in CAD and/or in DKK. Insofar as the securities are not denominated in EUR, the manager will systematically hedge the exchange risk. There may however be a residual currency exchange risk due to imperfect hedging.

Consequently, the selection of securities focuses on the financial situation, debt structure and cash flow statements of issuers to avoid default situations. Moreover, issuers with the expectation of high repayment rates and junior subordinated issues are preferred.

The sub-fund may use financial and non-financial subordinated bonds (including contingent convertible bonds – "Cocos") up to an overall limit of 20% of the net assets.

CoCos are more speculative in nature and have a higher risk of default than a conventional bond, but these convertible contingent bonds will be sought after in the management of the sub-fund due to their theoretical higher yield compared to a conventional bond. The purpose of this remuneration is to compensate for the fact that these securities can be converted into equity (shares) or suffer a capital loss in the event that the contingency clauses are triggered by the financial institution concerned (exceedance of a capital threshold predetermined in the prospectus of the subordinated bond).

The manager may invest in securities denominated in euros and/or other currencies. Where securities are not denominated in euros, the manager will systematically hedge the exchange risk. A residual risk may nevertheless remain, as hedging cannot be perfect.

The sensitivity range for interest rates in which the fund is managed	from 9 to 0, decreasing over time
Geographical area of the issuers of securities to which the fund is exposed	Public and private issuers from OECD countries (all zones): 0 - 100%; Public issuers, excluding OECD countries (emerging markets): 0 - 100%; Private issuers, excluding OECD countries (emerging markets) 0-50%
Security denomination currencies in	EUR / USD / GBP / NOK / CHF / SEK / CAD / DKK

which the fund is invested	
Level of exchange risk borne by the fund	Residual owing to imperfect hedging of currency positions.

Taking into account the investment strategy implemented, the risk profile of the sub-fund is closely linked to the selection of speculative securities which may represent up to 100% of the assets and therefore including default risk.

• Equity component:

The sub-fund is exposed to global equity markets for a maximum of 40% via derivative instruments, bearing on indices representative of global equity markets.

The coupons generated by the bond component form the segment that will be invested in the equity component. The management team shall manage the level of exposure to equity markets based on the cumulative amount of bond coupons still outstanding in the portfolio until maturity, the total level of which will decline over time, while taking into account the market environment.

The sub-fund will preferably use derivative instruments on organised futures markets but reserves the right to enter into OTC contracts where these contracts are better suited to the management objective or offer lower trading costs. The sub-fund reserves the right to trade on all European and international futures markets.

The manager may use financial instruments such as futures, forwards, options, swaps, forward exchange transactions, Credit Default Swaps (CDS on single underlying asset options and CDS on indices) and Non Deliverable Forwards. They will mainly act with the aim of hedging and/or exposing the fund to equity and/or indices and/or interest rate and/or credit futures markets, and with the aim of hedging future exchange markets.

The sub-fund may use Total Return Swaps (TRS) up to a maximum of 25% of the net assets. The expected proportion of assets under management that shall be subject to TRS may be 5% of the assets. The TRS underlying assets may be corporate bonds and emerging sovereign bonds.

The overall exposure of the portfolio is limited to 300% of the net assets of the Fund. This global exposure is inherent in the VAR monitoring of derivative instruments. It is the sum in absolute value of the notional.

The maximum financial leverage is limited to 150% of the net assets of the sub-fund. The purpose of leverage is to give the level of exposure of the fund by integrating all risk factors.

**The derivative instruments listed above are not subject to the same extra-financial analysis process as the securities described in the investment strategy.**

**As the maturity of the sub-fund approaches, the management company will, depending on the market conditions prevailing at the time, opt to either continue the investment strategy, to merge with another UCITS or to liquidate the sub-fund, subject to AMF approval.**

The objective of the European Union Taxonomy is to identify economic activities considered to be sustainable from an environmental perspective. The taxonomy identifies these activities according to their contribution to six major environmental objectives:

- Climate change mitigation;
- Climate change adaptation;
- The sustainable use and protection of water and marine resources;
- Transition to a circular economy (waste, prevention and recycling);
- Pollution prevention and control;
- The protection and restoration of biodiversity and ecosystems.

In order to be considered sustainable, an economic activity must demonstrate that it contributes substantially to the achievement of at least one of the six objectives, while not harming any of the other five (a principle known as DNSH, "Do No Significant Harm").

For an activity to be considered aligned with the European Taxonomy, it must also respect human and social rights guaranteed by international law.

The minimum percentage of alignment with the EU Taxonomy is 0%. The alignment of companies' activities is carried out qualitatively in the internal analysis process based on data published by the companies themselves as well as that made available by our ESG data providers.

The principle of "not causing significant harm" applies only to investments underlying the financial product which take into account the European Union's criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

**2. Assets (excluding embedded derivatives)**

In order to achieve its management objective, the sub-fund will use different types of assets.

a) Equities: yes

- Exposure up to 40% mainly via equity derivatives.
- Indirect exposure up to a maximum of 10% owing to the holding of convertible bonds,

- In the event of a restructuring of a standard or convertible bond by the issuer, the sub-fund may also be invested directly in equities up to a limit of 5% of its net assets.

The equities shall present following characteristics:

- all capitalisation
- all economic sectors
- denominated in USD, GBP, NOK, CHF, SEK, CAD, DKK
- in all geographical areas.

b) Debt securities and money market instruments: yes

- i. Negotiable debt securities: yes
- ii. Bonds (fixed rate, floating rate, indexed): yes
- iii. Treasury bills: yes
- iv. Short-term negotiable securities: yes

with the following characteristics:

- all economic sectors
- the selected securities will be invested in the public and/or private sector.

c) UCITS:

The sub-fund may invest up to 10% of its assets in units or shares of UCITS established under French or foreign law, in accordance with Directive 2009/65/EC.

These UCITS may be managed by the management company of the sub-fund or an associated company.

### **3. Derivative instruments**

The sub-fund may trade in any futures or options as long as their underlying funds have a direct or correlated financial relationship with a portfolio asset, used for both hedging and exposure of the portfolio.

Nature of the markets used:

- regulated: yes
- organised: yes
- OTC: yes

Risks on which the manager seeks to act:

- equities: yes
- interest rates: yes
- foreign exchange: yes
- credit: yes
- indices: yes

Nature of activities:

- hedging: yes
- exposure: yes
- arbitrage: no

Nature of the instruments used:

- futures: yes
- options (listed, OTC): yes
- swaps (equities, indices, interest rates, currencies): yes
- forward exchange (NDF): yes
- credit derivatives: yes, CDS
- Total Return Swaps (TRS): yes (up to 25% of the net assets)

The expected proportion of assets under management that shall be subject to TRS may be 5% of the assets

- CDS options: yes (up to 15% of the net assets)

**The derivative instruments listed above are not subject to the same extra-financial analysis process as the securities described in the investment strategy.**

### **4 - Securities with embedded derivatives**

Risks on which the manager seeks to act:

- equities: yes
- interest rates: yes
- foreign exchange: no
- credit: yes
- indices: yes

Nature of activities:

- hedging: yes
- exposure: yes
- arbitrage: no

Nature of the instruments used:

- Convertible bonds (up to 30% of the net assets)

- Contingent convertible bonds ("cocos") (up to 20% of net assets)
- Warrants
- EMTN
- Callable rate products
- Puttable rate products

**5- Deposits:** the sub-fund reserves the right to make deposits of up to 10% in order to manage its cash flow.

#### **6- Cash borrowings**

The sub-fund reserves the right to temporarily borrow cash up to a limit of 10% of its net assets in the event of significant redemptions.

#### **7- Temporary securities purchase and sale transactions: yes**

The sub-fund may also engage in transactions for the temporary purchase and sale of securities in order to (i) ensure the investment of the liquid assets available (e.g. reverse repurchase/repurchase transactions), (ii) optimise the performance of the portfolio (e.g. securities lending/borrowing).

Securities lending and/or reverse repo counterparties are subject to an ESG analysis during La Francaise Asset Management's eligibility review of financial intermediaries.

• **Type of activities:** Transactions for the temporary purchase or sale of securities shall be carried out in accordance with the Monetary and Financial Code. They shall be carried out within the framework of cash flow management and/or the optimisation of UCI income. Under no circumstances shall these strategies aim to create or result in the creation of a leverage effect.

• **Nature of transactions used:** These operations will consist of securities lending and borrowing and/or in repurchase and reverse repurchase agreements with reference to the French Monetary and Financial Code. The assets that may be the subject of such transactions will be those described in section "2. Assets (excluding embedded derivatives)" of this prospectus.

• **Envisaged level of use:** Transactions for the temporary sale of securities (securities lending, repurchase transactions) may be carried out up to an amount equivalent to a maximum of 60% of the UCI's net assets, while transactions for the temporary purchase of securities (securities borrowing, reverse repurchase agreements) may be carried out up to an amount equivalent to a maximum of 10% of the UCI's net assets. The expected proportion of assets under management that will be involved in such transactions may represent 25% of the UCI's net assets.

• **Information on the use of temporary sales and acquisitions of securities:** The purpose of the use of temporary securities acquisitions and disposals is in particular to provide the UCITS with an additional return and therefore to contribute to its performance. In addition, the UCITS may enter into reverse repurchase agreements for the replacement of financial guarantees in cash and/or repurchase agreements to meet liquidity needs. Temporary purchases and sales of securities will be guaranteed in accordance with the principles described in section 8 below "contracts constituting financial guarantees".

• **Remuneration:** Information relating to the remuneration of these transactions is provided in the "Fees and commissions" section.

• **Selection of counterparties:** The management company follows a specific selection process for financial intermediaries, also used for intermediaries designated for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS). These intermediaries are selected on the basis of the liquidity that they offer as well as their speed, reliability and quality with regard to how they process transactions. At the end of this rigorous and regulated process, subject to a rating, the counterparties selected for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS) are credit institutions or other entities authorised by the management company and respecting the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

### **8. Contracts constituting financial guarantees**

In connection with the conclusion of financial contracts and/or securities financing transactions, the UCI may receive/remit financial guarantees in the form of full ownership transfer of securities and/or of cash.

Securities received as collateral must meet the criteria set by regulations and must be granted by credit institutions or other entities that meet the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

Financial guarantees received must be able to be fully enforced by the UCI at any time and without consulting or obtaining the approval of the counterparty. The level of financial guarantees and the discount policy are set by the eligibility policy for financial guarantees of the Management Company in accordance with the regulations in force and cover the categories below:

- financial guarantees in cash;
- financial guarantees in debt securities or in equity securities according to a precise nomenclature.

The eligibility policy for financial guarantees explicitly defines the required level of guarantee and the discounts applied for each financial guarantee according to rules that depend on their specific characteristics. It also specifies, in accordance with the regulations in force, rules for risk diversification, correlation, valuation, credit quality and regular stress tests on the liquidity of guarantees.

In the event that financial guarantees in cash are received, these may, under conditions set by regulation, only be:

- placed in deposit;
- invested in high-quality government bonds;
- used in a reverse repurchase agreement;



- invested in short-term money market undertakings for collective investment (UCIs).

Financial guarantees other than received cash may not be sold, reinvested or used as collateral; The management company will, in accordance with the valuation rules provided for in this prospectus, carry out a daily valuation of the guarantees received on a market price basis (mark-to-market).

Margin calls will be made on a daily basis. The guarantees received by the mutual fund will be kept by the mutual fund's depository or, failing that, by any third-party depository subject to prudential supervision and which has no connection with the provider of the guarantee. The risks associated with securities financing transactions, financial contracts and the management of inherent collateral are described in the risk profile section.

#### **Risk profile:**

*"Your money will be invested in financial instruments selected by the management company. These instruments will be exposed to market trends and risks".*

The risks described below are not exhaustive: investors should analyse the risks inherent to each investment and make their own decisions. Through the fund, subscribers are exposed to the following risks:

#### ESG investment risk:

The fund uses ESG criteria and may underperform the market in general or other funds that do not use ESG criteria when selecting investments. ESG investments are selected, or excluded on the basis of financial and non-financial criteria. The fund may sell a security for reasons relating to ESG, rather than for purely financial considerations.

#### Sustainability risk:

This refers to the possible occurrence of an ESG event or condition that could potentially or actually cause a significant negative impact on the value of an investment in a fund. Sustainability risks can either represent a risk in and of themselves, or have an impact on other risks and contribute – by way of correlation – significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks can have an impact on long-term risk-adjusted returns for investors. Assessing sustainability risk is complex and can be based on ESG data that is difficult to obtain and incomplete, believed to be outdated, or otherwise materially inaccurate. Even when identified, there is no guarantee that this data will be properly assessed.

#### Risk of capital loss:

Investors are advised that their capital is not guaranteed and may therefore not be returned to them.

#### Discretionary risk:

The discretionary management style applied to the mutual fund is based on the selection of portfolio assets and/or market expectations. There is a risk that the mutual fund may not be invested in the best-performing assets or markets at all times. The fund's performance may therefore be lower than the management objective. In addition, the net asset value of the fund may have a negative performance.

#### Interest rate risk:

The fund is subject to interest rate risk on European and international markets. The interest rate risk is the risk that the value of the fund's investment decreases if interest rates rise. Thus, when interest rates rise, the net asset value of the fund may fall.

#### Credit risk relating to issuers of debt securities:

Risk may arise from a downgrading of the credit rating or default of the issuer of the debt security or failure of the issuer to honour his commitments with regard to the instruments issued. If an issuer's credit rating is downgraded, the value of its assets falls. Accordingly, this may cause the net asset value of the fund to fall.

When investing in bonds there is a direct or indirect risk arising from the possible presence of securities of lower quality, known as "high-yield" or speculative securities. These "speculative" securities have a higher risk of default. They are likely to suffer higher and/or more frequent variations in valuations and are not always sufficiently liquid to be sold at all times at the best price. The value of the mutual fund unit may therefore decrease if the value of these securities in the portfolio falls.

#### Risk related to contingent convertibles:

CoCos are hybrid securities, whose main objective is to enable recapitalisation of the issuing bank or financial institution, during a financial crisis. Indeed, these securities have loss-absorption mechanisms, as described in their issue prospectuses, that are activated generally when the issuer's equity ratio falls below a certain trigger threshold. The trigger is first of all mechanical: it is generally based on the CET1 ("Common Equity Tier 1") accounting ratio, relative to risk-weighted assets. To offset the discrepancy between book values and the financial reality, there is a discretionary clause allowing the supervisor to invoke the loss absorption mechanism if he/she considers that the issuing institution is insolvent. CoCos are therefore subject to specific risks, in particular subordination to specific trigger criteria (e.g. a decline in the equity ratio), conversion into shares, loss of capital or non-payment of interest. The use of subordinated bonds, particularly so-called Additional Tier 1 bonds, exposes the fund to the following risks:

- triggering of contingent clauses: if an equity threshold is crossed, these bonds are either exchanged for shares or undergo a capital reduction, potentially to 0.

- cancellation of the coupon: Coupon payments on these types of instruments are entirely discretionary and may be cancelled by the issuer at any time, for any reason, and without time constraints. - capital structure: unlike traditional, secured debt, investors in this type of instrument may incur a capital loss without prior bankruptcy of the company. Thus, the subordinated creditor will be repaid after ordinary creditors, but before shareholders. - call for extension: These instruments are issued as perpetual instruments,



callable at pre-determined levels only with the approval of the competent authority. -valuation/performance: The attractive yield of these securities can be considered a complexity premium.

Default risk relating to issuers of debt securities:

The default risk is the risk related to solvency of the entity which issued the securities. This risk is even greater should the fund invest in speculative securities which could lead to an increased level of risk of the net asset value of the fund decreasing and a loss of capital.

Risk associated with investments in "high-yield" securities (known as speculative securities):

This fund should be considered speculative. It is aimed specifically at investors who are aware of the risks inherent to investing in securities with a low or non-existent rating.

These speculative securities are classed as speculative and have a higher risk of default; they are likely to suffer higher and/or more frequent variations in valuations and are not always sufficiently liquid to be sold at all times at the best price. The value of the fund unit may therefore be lower when the value of these securities in the portfolio falls.

Risk arising from investing in emerging markets:

The Fund may be exposed up to 100% in emerging markets. Market risks are amplified by possible investments in emerging countries where market movements, upward or downward, may be stronger and faster than in major international markets.

Investing in emerging markets involves a high degree of risk due to the political and economic situation of these markets, which may affect the value of the fund's investments. Their operational and supervisory conditions may differ from the standards prevailing on the major international markets. In addition, investment on these markets involves risks linked to restrictions imposed on foreign investments, counterparties, increased market volatility, delays in settlements/deliveries and the limited liquidity of certain lines in the fund's portfolio. The net asset value of the mutual fund may fall as a consequence.

Equity risk:

The Fund is exposed to equity markets. If the markets go down, the value of the fund will go down. The fund may invest in small caps. The trading volume of these listed securities is small; hence market swings are more significant, both upwards and downwards, and occur quicker than for large caps. The net asset value of the fund may therefore display the same behaviour.

Exposure to equities, including the use of derivatives, shall not exceed 55% of net assets, in the context of any technical discrepancies between a holder's redemption request and the corresponding sale of the securities in the portfolio.

Counterparty risk: Counterparty risk arises from entering into contracts in financial futures traded on OTC markets, and from temporary purchases/sales of securities and/or total return swaps (TRS). This is the risk that a counterparty may default on payment. The defaulting of the payment of a counterparty may therefore lead to a decrease in the net asset value.

Risk relating to subordinated debt securities:

The investment universe of the fund includes subordinated bonds. These debt securities have a specific risk profile that differs from that of conventional bonds. Note that a debt is termed subordinated when its repayment is dependent on the initial repayment of other creditors (preferential creditors, unsecured creditors). Thus, the subordinated creditor will be repaid after ordinary creditors, but before shareholders. The interest rate on this type of debt will be higher than the interest on other receivables. In the event that one or more clauses provided in the issue documentation of these subordinated debt securities is triggered and, more generally, if a credit event affects the issuer in question, there is a risk of a fall in the net asset value of the fund. The use of subordinated bonds may expose the fund to the risks of coupon cancellation or deferral (at the issuer's sole discretion), redemption date uncertainty or valuation/performance (as the attractive yield of these securities may be considered to be a complexity premium).

Exchange rate risk:

The fund may invest in transferable securities denominated in currencies other than the reference currency.

The manager will systematically hedge the currency risk. There may however be a residual currency exchange risk due to imperfect hedging. The net asset value of the fund may fall as a consequence.

Risk arising from techniques such as derivatives:

risk of increased losses owing to the use of financial futures such as OTC financial agreements and/or futures contracts.

Potential risk of a conflict of interest:

This risk relates to the completion of temporary purchases of securities transactions, during which the fund uses an entity as counterparty and/or financial intermediary that is linked to the group to which the fund's management company belongs.

Liquidity risk associated with the temporary purchase and sale of securities and/or total return swaps (TRS): The Fund may be exposed to trading difficulties or a temporary lack of trading in certain securities in which the Fund is invested or those received as collateral in the event of default by a counterparty of temporary purchase and sale of securities and/or total return swaps (TRS).

Legal risk:

The recourse to the purchase and/or sale transactions of securities and/or total return swaps (TRS) may result in legal risks, in particular relating to contracts.

**Target subscribers:**

R D USD All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services

T D USD H All investors without payment of retrocession fees to distributors

share

R D EUR All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services

T C EUR All investors without payment of retrocession fees to distributors

D B EUR All subscribers with their residence in Belgium, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services

I C EUR Reserved for professional clients within the meaning of MiFID

T D EUR All investors without payment of retrocession fees to distributors

I C USD H Reserved for professional clients within the meaning of MiFID

S share Reserved for the Caisse Fédérale du Crédit Mutuel Nord Europe and companies in the La Française Group

I D EUR Reserved for professional clients within the meaning of MiFID

R C EUR All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services

Investors in this fund are seeking a diversified investment over a recommended investment period running until 31 December 2028.

**Investors are informed that their main interest is to hold their investment until 31 December 2028 in order to benefit from the best conditions regarding the actuarial yield offered by the fund.**

#### **How to subscribe to T shares:**

Subscriptions to T shares (net shares) are reserved:

- for investors subscribing through distributors or intermediaries:
- subject to national legislation prohibiting all retrocession fees to distributors
- providing:
  - o independent advice within the meaning of European regulation MiFID II,
  - o individual portfolio management under mandate
- for funds of funds

#### US investors

The shares have not been and will not be registered under the US Securities Act of 1933 (hereinafter the "Act of 1933") or any other law applicable in a US state. Shares may also not be directly or indirectly transferred, offered or sold in the United States of America (including its territories and possessions) to any United States national (hereinafter "U.S. Person"), as defined in the American Regulation 'Regulation S' of the Act of 1933 as adopted by the Securities and Exchange Commission ("SEC"), unless (i) the shares have been registered or (ii) an exemption applies (with the prior agreement of the management company's governing body).

The fund has not been and will not be registered under the US Investment Company Act of 1940. Any re-sale or transfer of shares in the United States of America or to a US Person may be in breach of US law and requires the written agreement of the management company of the fund. Those wishing to acquire or purchase shares will have to certify in writing that they are not US Persons.

#### Russian and Belarusian investors

In accordance with the provisions of EU Regulation No. 833/2014 subscription to units/shares of this fund is prohibited to any Russian or Belarusian national, to any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus except nationals of a Member State and to natural persons holding a temporary or permanent residence permit in a Member State.

*The appropriate amount to invest in the mutual fund depends on your personal financial situation. To determine this, you must take into account your personal assets, current needs as well as your risk appetite or, on the contrary, your preference for a prudent investment. You are also strongly advised to diversify your investments so that they are not exposed solely to the risks of this fund.*

#### **Recommended investment period:**

Investors are informed that their main interest is to conserve their investment until 31 December 2028 in order to benefit from the best conditions regarding the actuarial yield offered by the fund.

## Methods of determining and allocating distributable amounts:

share	R D USD H	dividends	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim
share	T D USD H	dividends	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim
	R D EUR share		Capitalisation and/or distribution and/or carry forward
	T C EUR share		Capitalisation
	D B EUR share		Capitalisation and/or distribution and/or carry forward
	I C EUR share		Capitalisation
	T D EUR share		Capitalisation and/or distribution and/or carry forward
share	I C USD H		Capitalisation
	S share		Capitalisation and/or distribution and/or carry forward
	I D EUR share		Capitalisation and/or distribution and/or carry forward
	R C EUR share		Capitalisation

The distributable amounts consist of:

1. The net result, which corresponds to the amount of interest, arrears, dividends, bonuses and lots, directors' fees and all income relating to the securities making up the fund portfolio, plus income from sums temporarily held as liquid assets, minus management fees and borrowing costs, plus retained earnings, plus or minus the balance of the income adjustment account;
2. the realised capital gains, net of costs, minus the realised capital losses, net of costs, during the financial year, plus the similar net capital gains realised during the previous financial years which were not subject to distribution or capitalisation, minus or plus the balance of accrued capital gains.

**R D USD H and T D USD H shares:** The net result will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (total or partial), by decision of the management company.

The net realised capital gains will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (totally or partially), by decision of the management company.

The management company will distribute quarterly dividend payments in January, April, July and October.

**S, R D EUR, T D EUR, I D EUR and D B shares:** The net result will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (total or partial), by decision of the management company.

The net realised capital gains will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (totally or partially), by decision of the management company.

The management company does not intend to pay interim dividends. Distribution is carried out on an annual basis.

**R C, I C, T C shares:** the distributable amounts are fully capitalised.

## Accounting currency:

EUR

## Subscription and redemption terms:

### - Bearer shares to be registered or already registered in Euroclear: all shares

Subscription requests (as a specified amount or in thousandths of shares) and redemption requests (in thousandths of shares) are processed by La Française AM Finance Services on each net asset value calculation day at 11 a.m. (if the Stock Exchange is open in Paris, except for public holidays in France) and are executed on the basis of the next net asset value (i.e. unknown at the time of execution).

Payments relating thereto are made on the second trading day following the processing date.

### - Registered shares to be listed or already listed in the IZNES Electronic Share Registration System (DEEP):

#### **R C EUR shares (FR0013439817), R D EUR shares (FR0013439825)**

Subscription requests (as a specified amount or in thousandths of shares) and redemption requests (in thousandths of shares) are processed by IZNES on each net asset value calculation day at 11 a.m. (if the Stock Exchange is open in Paris, except for public holidays in France) and are executed on the basis of the next net asset value (i.e. unknown at the time of execution).

Payments relating thereto are made on the second trading day following the processing date.

Switching from one share class to another is considered a transfer of securities. Investors should therefore note that this transaction is subject to the taxation rules covering capital gains or losses on financial instruments.

Each share can be divided into thousandths of a share.

The fund will be closed for subscription on 30 June 2025. The management company reserves the right to reduce this period depending on market conditions. From this date, only investments preceded by a redemption on the same day for the same number of shares, for the same net asset value and by the same shareholder may be executed.

The orders shall be carried out according to the table below:

Processing of subscription orders	Processing of redemption orders	Order fulfilment at the latest, in T	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions
T before 11 a.m.	T before 11 a.m.	Each trading day (T)	T + 1 business day	T + 2 business days	T + 2 business days

**Minimum value of initial subscription:**

R D USD H share	USD 1,000.00
T D USD H share	USD 1,000.00
R D EUR share	None
T C EUR share	None
D B EUR share	None
I C EUR share	EUR 100,000.00
T D EUR share	None
I C USD H share	USD 100,000.00
S share	EUR 10,000,000.00
I D EUR share	EUR 100,000.00
R C EUR share	None

**Minimum value of subsequent subscriptions:**

R D USD H share	None
T D USD H share	None
R D EUR share	None
T C EUR share	None
D B EUR share	None
I C EUR share	None
T D EUR share	None
I C USD H share	None
S share	None
I D EUR share	None
R C EUR share	None

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

The net asset value is calculated on each trading day of the Paris Stock Exchange, excluding legal holidays in France.

**In the interests of shareholders, during the marketing period until 30 June 2025, the fund will be valued at the asking price; beyond this period, the fund will be valued at the bid price.**

**Original net asset value:**

R D USD H share	USD 100.00
T D USD H share	USD 100.00
R D EUR share	EUR 100.00
T C EUR share	EUR 100.00
D B EUR share	EUR 100.00
I C EUR share	EUR 1,000.00
T D EUR share	EUR 100.00
I C USD H share	USD 1,000.00
S share	EUR 1,000.00
I D EUR share	EUR 1,000.00
R C EUR share	EUR 100.00

**Location where the net asset value is published:**

the management company's premises and the website: [www.la-francaise.com](http://www.la-francaise.com)

**Costs and fees:**

*Subscription and redemption fees:*

Subscription and redemption fees increase the subscription price paid by the investor or decrease the redemption price. The fees received by the UCITS offset the charges it incurs in investing or divesting the assets entrusted to it. Commissions not retained by the fund are paid to the investment company, distributor, etc.

Costs payable by the investor, levied at the time of subscription and redemption	Base	Rate/scale
Subscription fee not paid to the UCITS	Net asset value x Number of shares	<b>R D USD H share:</b> 3.00% maximum <b>T D USD H share :</b> 3.00% maximum <b>R D EUR share:</b> 3.00% maximum <b>T C EUR share:</b> 3.00% maximum <b>D B EUR share:</b> 3.00% maximum <b>I C EUR share:</b> 3.00% maximum <b>T D EUR share:</b> 3.00% maximum <b>I C USD H share:</b> 3.00% maximum <b>S share:</b> 3.00% maximum <b>I D EUR share:</b> 3.00% maximum <b>R C EUR share:</b> 3.00% maximum
Sales fee paid to the UCITS	Net asset value x Number of shares	<b>R D USD H share:</b> None <b>T D USD H share :</b> None <b>R D EUR share:</b> None <b>T C EUR share:</b> None <b>D B EUR share:</b> None <b>I C EUR share:</b> None <b>T D EUR share:</b> None <b>I C USD H share:</b> None <b>S share:</b> None <b>I D EUR share:</b> None <b>R C EUR share:</b> None
Redemption fee not paid to the UCITS	Net asset value x Number of shares	<b>R D USD H share:</b> None <b>T D USD H share :</b> None <b>R D EUR share:</b> None <b>T C EUR share:</b> None <b>D B EUR share:</b> None <b>I C EUR share:</b> None <b>T D EUR share:</b> None <b>I C USD H share:</b> None <b>S share:</b> None <b>I D EUR share:</b> None <b>R C EUR share:</b> None
Redemption fee paid to the UCITS	Net asset value x Number of shares	<b>R D USD H share:</b> None <b>T D USD H share :</b> None <b>R D EUR share:</b> None <b>T C EUR share:</b> None <b>D B EUR share:</b> None <b>I C EUR share:</b> None <b>T D EUR share:</b> None <b>I C USD H share:</b> None <b>S share:</b> None <b>I D EUR share:</b> None <b>R C EUR share:</b> None

**Operating and management charges:**

These cover all costs charged directly to the UCITS, apart from transaction fees. Transaction costs include intermediation charges (brokerage, stamp duties, etc.) and any turnover fees charged in particular by the depositary and the management company.

In addition to operating and management charges, there may also be:

- outperformance fees. These are paid to the management company when the UCITS has exceeded its objectives. They are therefore charged to the UCITS;
- turnover fees are charged to the UCITS.

	Costs invoiced to the UCITS	Base	Rate/scale
1	Financial management fees	Net assets	<b>R and D B EUR shares:</b> 1.35% maximum rate (including tax) <b>I and T shares:</b> 0.80% maximum rate (including tax) <b>S share:</b> 0.25% maximum rate (including tax)
2	Administrative costs external to the management company	Net assets	All shares: 0.06% maximum rate (including tax)
3	Maximum indirect costs	Net assets	None
4	Turnover fees	Deducted from each	Shares: 0.40% (with a minimum of €120)

		transaction	<p>Convertible bonds &lt; 5 years: 0.06%</p> <p>Convertible bonds &gt; 5 years: 0.24%</p> <p>Other bonds: 0.024% (with a minimum of EUR 100)</p> <p>Monetary instruments: 0.012% (with a minimum of EUR 100)</p> <p>Swaps: 300€</p> <p>Forward exchange: 150€</p> <p>Spot exchange: 50€</p> <p>UCITS: 15€</p> <p>Futures: €6 / Options: 2.5€</p> <p><i>As of 2 November 2021, the scale of turnover fees will be as follows:</i></p> <p>Shares: 0.10% (with a minimum of €120)</p> <p>Convertible bonds: 0.05% (with a minimum of €100)</p> <p>Other bonds: 0.035% (with a minimum of €100)</p> <p>Monetary instruments: 0.0120% (with a minimum of €100)</p> <p>Swaps: 0.010% (with a minimum of €150 and a maximum of €600)</p> <p>Forward exchange: 0.010% (with a minimum of €75 and a maximum of 300€)</p> <p>Spot exchange: 0.010% (with a minimum of €25 and a maximum of 100€)</p> <p>UCI: 15€</p> <p>Futures: 1€</p> <p>Options: 1€</p>
5	Outperformance fee	Net assets	None

A percentage of the management fee may be paid to remunerate marketers and distributors, subject to applicable regulations. The UCITS may not inform shareholders specifically or offer them the possibility of redeeming their shares without incurring charges in the event of an increase in administrative costs external to the management company which would be equal to or less than 10 basis points per calendar year; the notification may therefore be made by any means.

**Information on the remuneration generated by temporary securities purchase and sale transactions:**

The sub-fund's counterparty for temporary acquisitions and sales of securities is one or more credit institutions or other entities authorised by the management company and which comply with the legal form, country and other financial criteria set out in the Monetary and Financial Code. The counterparties will act independently of the sub-fund.

No remuneration is paid to the depositary (within the framework of its capacity as depositary) or to the management company for transactions for the temporary purchase or sale of securities. All income resulting from transactions for the temporary purchase and sale of securities, including income generated by the reinvestment of cash collateral received as part of these transactions, net of direct and indirect operating costs, is returned to the sub-fund. These transactions generate direct and indirect operating costs which will be borne by the management company; the share of these costs may not exceed 40% of the income generated by these transactions.

Furthermore, the management company does not receive any in-kind commission.

For further information, unitholders may refer to the sub-fund's annual report.

Other costs invoiced to the UCITS

- contributions due to the UCITS management pursuant to Article L621-5-3 (II)(3)(d) of the Monetary and Financial Code;
- taxes, duties, licence fees and government fees (relating to the UCITS), both extraordinary and non-recurring;
- extraordinary and non-recurring costs relating to debt recovery or a procedure for asserting a right (e.g. class action procedure).

**Choice of intermediaries:**

The Management Company has introduced a procedure for selecting and evaluating intermediaries and counterparties that takes into account objective criteria such as intermediation costs, execution quality and research. This procedure is available on the Management Company's website at the following address: <https://www.la-francaise.com/fr/informations-reglementaires/> Unitholders should refer to the annual report of the fund for any further information they may require.

**Information on risks relating to potential conflicts of interest**

The management company may entrust Crédit Industriel et Commercial with the intermediation service, which will be provided by the Table Buy Side department within CIC Market Solutions. Crédit Industriel et Commercial is a Société Anonyme (public limited company) under French law with a share capital of 608,439,888 euros. On 30 September 1999, Crédit Industriel et Commercial obtained authorisation from the CECEI as a bank providing investment services. The two companies belong to the same group, which is likely to generate a potential risk of conflict of interest.



The service provided by Crédit Industriel et Commercial has therefore been governed by a service contract, to ensure that there is no impact on the fund's investors/shareholders in terms of cost and quality of service.

Crédit Industriel et Commercial's main purpose is to provide intermediation services (i.e. receiving, transmitting and executing orders on behalf of third parties) mainly for the Group's asset management companies. Within this framework, the service provider chooses brokers from the list of brokers authorised by the management company and places orders according to criteria defined by the latter.

Crédit Industriel et Commercial can act as principal or agent. Intervention in "principal" mode corresponds to intervention as counterparty to the management company's portfolios. Acting as an agent, Crédit Industriel et Commercial acts as an intermediary between portfolios and market counterparties. These may be entities belonging to the management company's group.

# La Française Financial Bonds 2027

## ISIN code:

Z EUR shares	FR001400I0U3
RD USD H shares	FR001400IWK5
TD EUR shares	FR001400I1D7
RD EUR shares	FR001400I1B1
TC EUR shares	FR001400I1F2
S EUR shares	FR001400I0S7
F shares	FR001400I1G0
TC CHF H shares	FR001400I194
RC EUR shares	FR001400I1A3
DB EUR shares	FR001400L9C7
IC CHF H shares	FR001400I0V1
RC USD H shares	FR001400I1C9
TD USD H shares	FR001400I1E5
ID USD H shares	FR001400I0Q1
IC EUR shares	FR001400I0X7
ID EUR shares	FR001400I0R9
IC USD H shares	FR001400I0T5
TC USD H shares	FR001400I0W9

## Classification:

None

## Management objective:

The sub-fund's objective is to achieve, over the recommended investment period from the sub-fund's launch date until 31 December 2027, a net return which exceeds the performance of the 2027 maturity-based bonds issued by French Government and denominated in EUR (OAT 2.75% at maturity on 25 October 2027 – ISIN code, FR0011317783)

i.e. an actuarial rate of return of 2.9% as of 19 June 2023), by investing in a portfolio of issuers filtered in advance according to Environmental, Social and Governance criteria.

The net annualised performance objective is based on the achievement of market assumptions set by the management company. It is not a guarantee of Fund return or performance. Investors should note that the performance indicated in the management objective of the fund takes account of the estimate of the risk of default or downgrading of the rating of one or more issuers in the portfolio, the cost of currency hedging and the management fees payable to the management company.

## Benchmark index:

The sub-fund has no benchmark indicator. It is actively managed and in a discretionary manner.

## Investment strategy:

### 1. Strategy used

The investment strategy involves the discretionary management of a portfolio of bonds issued by private or public bodies.

The sub-fund may invest in securities with a maturity up to 30 June 2029, i.e. a maximum of one year from the maturity of the sub-fund. The maturity is calculated on the basis of the first early redemption date of the securities in the portfolio or at final maturity for securities that do not have an early redemption option. However, the portfolio's average maturity must not go beyond 31 December 2027.

Exposure ranges:

- up to 100% of the net assets in securities with a final maturity date of 30/06/2029 or earlier,
- up to 10% of the net assets in dated securities with a maturity date beyond 30/06/2029, but with a first early redemption date before 30/06/2029,
- up to 10% of the net assets in non-dated securities (perpetual bonds), but with a first early redemption date before 30/06/2029,

The strategy is not limited to bond carrying. The management company may use arbitrage in the event of new market opportunities or an increased default risk of one of the issuers in the portfolio. The management of the sub-fund therefore relies primarily on the management team's in-depth knowledge of the selected companies' financial statements and sovereign debt fundamentals.

## Non-financial analysis:

The initial investment universe is constructed from corporate issuers belonging to the Bloomberg EuroAgg Financials Total Return Index Value Unhedged EUR (LEEFTREU), the ICE BofA Euro Financial High Yield Index (HEB0) and the ICE BofA Global Financial Services Index (GFFS); and from public issuers belonging to the JP Morgan Hedged Eur Unit GBI Global Index (JHUCGBIG Index). Securities are selected mainly from this universe; they may also be selected from outside the universe, from European and international markets, including emerging markets, up to a limit of 10% of the investment universe, provided that

these securities have an ESG score higher than the exclusion threshold in force for the universe and meet the investment criteria of the sub-fund.

The sub-fund's investment criteria detailed below are analysed by La Française Sustainable Investment Research (hereinafter "ESG Research Team") of the entity "La Française Group UK Limited". It is specified that there is a risk of conflicts of interest relating to the provision of ESG scores with the "La Française Sustainable Investment Research" research centre of the "La Française Group UK Limited" entity belonging to the La Française Group. In order to manage this situation, the management company has put in place and updates a conflict of interest management policy with the aim of identifying and analysing potential conflict of interest situations as well as recording, managing and monitoring situations in which there is a conflict of interest. In addition, the provision of ESG scores is paid for in full by the management company.

The Environmental, Social and Governance criteria are analysed by the "ESG Research Team", which has developed a proprietary ESG model and allows us to take a more selective approach to the initial investment universe. This tool uses raw data from various data providers to calculate KPIs (Key Performance Indicators). The investment process is based on an ESG integration approach with a significant commitment to management.

The ESG score of private issuers is structured as follows:

- Periodic update of raw data from different sources;
- Calculation of key performance indicators;
- Aggregated and supplemented with recent information collected and deemed relevant by the ESG Research Team, they result in the calculation of scores in three pillars (environmental sustainability, human capital and organisational capital);
- Calculation of weightings for these three areas, which may differ by sector;
- Calculation of the ESG score, on the basis of the three areas and specific sector weightings.

For example, the criteria used to analyse private issuers are:

- Environmental: carbon intensity and waste management, etc.
- Social: staff training, labour relations, etc.
- Governance: management structure and relationship with shareholders, remuneration policy, etc.

The ESG score of public issuers is structured as follows:

- Periodic update of raw data from different sources;
- Calculation of key performance indicators;
- Calculation of the ESG score, on the basis of the three pillars and equal weightings.

For example, the criteria used to analyse public issuers are:

- Environmental: the degree of exposure to natural disasters, etc.
- Social: the human development rate of the countries of the world through the human development index, etc.
- Governance: the quality of a country's governance through the World Governance indicator (WGI), etc.

Once the rating process is complete, each issuer is assigned a score from zero (worst) to 10 (best). This score reflects investment opportunities or, conversely, non-financial risks.

The proportion of issuers analysed under these ESG criteria in the portfolio exceeds 90% of the securities in the portfolio, excluding cash.

The first step of the extra-financial analysis consists of identifying the issuers to be excluded beforehand by virtue of the exclusion policy of La Française Group, available on the website [www.la-francaise.com](http://www.la-francaise.com).

The following issuers are therefore automatically excluded under the La Française Group's exclusion policy:

- issuers involved in controversial weapons; and
- companies located in countries on the La Française group's black list Those located in countries on the red list require approval, on a case-by-case basis, from the LFAM Compliance department.

The second step consists of removing 20% of private issuers and 20% of public issuers with the lowest ESG scores from the initial investment universe covered. All of these excluded issuers make up the ESG exclusion list. This latter is established on a monthly basis for private issuers and annually for public issuers. It determines a minimum ESG score threshold below which the sub-fund may not invest. Issuers whose ESG score falls below the exclusion threshold cannot be part of the investable universe.

The methodology adopted by the management company for taking into account extra-financial criteria may have a limitation related to the analyses carried out by the ESG Research Team. These analyses are dependent on the quality of the information collected and the transparency of the issuers.

As such, the sub-fund promotes certain environmental and social characteristics within the meaning of Article 8 of the EU Sustainable Finance Disclosure Regulation (EU) 2019/2088 (SFDR).

Additional information on the management company's non-financial analysis, including ESG criteria, is presented in the La Française Group transparency code and engagement policies, available on the La Française website at [www.la-francaise.com](http://www.la-francaise.com).

The objective of the European Union Taxonomy is to identify economic activities considered to be sustainable from an environmental perspective. The taxonomy identifies these activities according to their contribution to six major environmental objectives:

- Climate change mitigation;
- Climate change adaptation;
- The sustainable use and protection of water and marine resources;
- Transition to a circular economy (waste, prevention and recycling);
- Pollution prevention and control;
- The protection and restoration of biodiversity and ecosystems.

In order to be considered sustainable, an economic activity must demonstrate that it contributes substantially to the achievement of at least one of the six objectives, while not harming any of the other five (a principle known as DNSH, "Do No Significant Harm").

For an activity to be considered aligned with the European Taxonomy, it must also respect human and social rights guaranteed by international law.

The minimum percentage of alignment with the EU Taxonomy is 0%. The alignment of companies' activities is carried out qualitatively in the internal analysis process based on data published by the companies themselves as well as that made available by our ESG data providers.

The principle of "not causing significant harm" applies only to investments underlying the financial product which take into account the European Union's criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### **Financial analysis:**

Financial analysis is applied to the issuers in the investment universe, where securities are selected and portfolios constructed on a discretionary basis, based on an analysis of the issuers' financial statements, their solvency and liquidity situation and related regulatory and sector developments. Credit institutions and their solvency are closely monitored using proprietary tools, and particular attention is paid to the subordination status of securities that may be included in the portfolio.

To achieve the management objective, up to 100% of the portfolio's net assets is invested in fixed-rate or floating-rate bonds, other negotiable debt securities and money market instruments (Treasury bills, Treasury notes, certificates of deposit) from all economic sectors. Industry Sector, INDUSTRY\_SECTOR (DS 199)). The portfolio may invest up to 20% of its net assets in sovereign bonds, depending on market opportunities.

During the period from the first subscription date until the minimum amount of assets under management reaches the level of 5 (five) million euros, the fund will be invested in money market securities.

The sub-fund invests up to a maximum of 100% of its net assets in issues with an Investment Grade rating (greater than or equal to BBB- at Standard & Poor's or Baa3 at Moody's) and/or up to a maximum of 50% of its net assets in High-Yield issues (of a speculative nature) or unrated issues (i.e. rating lower than BBB- or Baa3). The sub-fund may only invest in securities whose issuer is rated by an agency or by the management company via an internal analysis reviewed annually. The management company will not exclusively or mechanically make use of external ratings but may, when such a rating is issued, take it into account in its credit analysis.

Investment in convertible bonds is limited to maximum of 30% of net assets.

The sub-fund may invest up to 100% of its net assets in subordinated bonds with a maturity date ("dated bonds"). Undated subordinated securities ("perpetuals") may not exceed 10% of net assets. Contingent convertible bonds (CoCos) and preferred shares are authorised up to an aggregate limit of 10% of net assets.

CoCos are more speculative in nature and have a higher risk of default than a conventional bond, but these convertible contingent bonds will be sought after in the management of the sub-fund due to their theoretical higher yield compared to a conventional bond. This remuneration compensates for the fact that these securities can be converted into equity (shares) or suffer a capital loss in the event that the contingency clauses are triggered by the financial institution concerned (exceedance of a capital threshold predetermined in the prospectus of the subordinated bond or decision of the regulator in the event of non-viability of the credit institution).

Preferred shares are hybrid securities because they are equity securities which generally pay a fixed-rate or variable-rate dividend (based on a reference rate to which an additional margin is added) and which have a preferential rank in the capital structure of the issuing company, compared to the ordinary shares of this same company. In general, holders of preferred shares do not have voting rights.

The manager invests in securities denominated in EUR and up to a maximum of 30% in securities denominated in USD and/or GBP. Insofar as the securities are not denominated in EUR, the exchange risk will be systematically hedged. There may however be a residual currency exchange risk due to imperfect hedging.

The sensitivity range for interest rates in which the	From 0 to 5 (decreasing over time)
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fund is managed	
Geographical area of the issuers of securities to which the fund is exposed	Private and public issuers from OECD countries (all zones): 0 - 100% with at most 10% from emerging countries
Security denomination currencies in which the fund is invested	EURO: 70 to 100% – USD/GBP: 30% maximum
Level of exchange risk borne by the fund	Residual owing to imperfect hedging of currency positions

The sub-fund will preferably use derivative instruments on organised futures markets but reserves the right to enter into OTC contracts where these contracts are better suited to the management objective or offer lower trading costs. The sub-fund reserves the right to trade on all European and international futures markets. The manager may use financial instruments such as futures, forwards, options, interest rate swaps, foreign exchange swaps, forward exchange transactions, Credit Default Swaps (CDS on single underlying asset options and CDS on indices). They will mainly act with the aim of hedging and/or exposing the fund to interest rate and/or credit futures markets, and with the aim of hedging future exchange markets. The sub-fund may use Total Return Swaps (TRS) up to a maximum of 25% of the net assets. The expected proportion of assets under management that shall be subject to TRS may be 5% of the assets. The underlying assets may be corporate bonds, government bonds or bond indices. The sub-fund's exposure to derivatives shall not exceed 100% of its net assets, without seeking overexposure.

**As the fund approaches maturity and depending on the prevailing market conditions, the management company shall opt either to continue the investment strategy, merge with another UCITS or liquidate the fund, subject to the AMF's approval.**

## **2. Assets (excluding embedded derivatives)**

In order to achieve its management objective, the sub-fund will use different types of assets.

### a) Equities: yes, up to 10% maximum of net assets

The sub-fund does not intend to hold shares. However, since the sub-fund may invest in bonds of any rank of subordination, in convertible bonds or in contingent convertible bonds, there exists a possibility that these instruments may be converted into shares on the initiative of the regulator or in the event, for example, of a fall in a solvency ratio beyond a generally contractually defined threshold.

If the bonds held in the portfolio are converted into shares, the sub-fund may temporarily hold shares and sell them as soon as possible in the best interests of the holders.

The shares can be of any market capitalisation and denominated in any currency.

### b) Debt securities and money market instruments: yes

#### i. Negotiable debt securities: yes

#### ii. Bonds (fixed rate, floating rate, indexed): yes

#### iii. Treasury bills: yes

#### iv. Short-term negotiable securities: with the following characteristics:

- all economic sectors

- the selected securities will be invested in the public and/or private sector.

V. The sub-fund may also invest up to 100% of its net assets in sustainable finance instruments which include the following categories:

-Green bonds;

-Sustainability bonds;

-Social bonds;

- Sustainability-linked bonds. Investing in green bonds makes it possible to measure the impact of the environmental projects financed. The proportion of green bonds in the sub-fund may be variable and is not limited. It will depend on market trends and the size of the target market. The analysis of green bonds is carried out along three axes and in addition to the steps described above, namely:

#### 1. Adherence to the four pillars of the "Green Bond Principles"

- Use of funds: the funds are to be used to finance or refinance green projects in line with the taxonomy defined by the GBPs and with the new European taxonomy;

- The project selection and evaluation process: precise selection and description of projects financed by the green bond, governance put in place around the selection, definition of environmental objectives and impact measurements linked to these projects.

- Fund management: detail of funds allocated by project, ability to monitor funds used with a rigorous process

- Transparency and reporting: the issuer must communicate at least annually and transparently on 2 points: the allocation of funds (funds allocated and activities financed) and the impact of the projects, i.e. the direct contribution to the environment such as the reduction of carbon emissions (impact report, objectives)

#### 2. The issuer's energy transition strategy and status

- A cross-analysis is carried out with the fundamental analysis of the issuer described previously.

#### 3. Analysis and measurement of the impact of funded projects

- special attention is paid to the choice of funded projects and their consistency with the issuer's more global energy transition strategy.

Green bond issuers will be subject to the same financial and non-financial analyses and must pass the exclusion phase (step 1) and the selective phase (step 2).

c) UCIs: The sub-fund may invest up to 10% of its assets in units or shares of UCIs established under French or foreign law. These UCIs may be managed by the management company of the sub-fund or an associated company.

### **3. Derivative instruments**

The sub-fund may invest on a discretionary basis in futures traded on French and foreign regulated markets or OTC.

The sub-fund may trade in any futures or options as long as their underlying funds have a direct or correlated financial relationship with a portfolio asset, used for both hedging and exposure of the portfolio.

Nature of the markets used:

- regulated: yes
- organised: yes
- OTC: yes

Risks on which the manager seeks to act:

- equities: yes (up to a maximum limit of 10%)
- interest rates: yes
- foreign exchange: yes
- credit: yes
- indices: yes

Nature of activities:

- hedging: yes (systematic for currency exchange)
- exposure: yes
- arbitrage: no

Nature of the instruments used:

- futures: yes
- options (listed, OTC): yes
- swaps (interest rates, currencies): yes
- forward exchange: yes
- credit derivatives: yes, CDS (on single underlying assets and on indices)
- Total Return Swaps (TRS): yes (up to 25% of the net assets). The expected proportion of assets under management that will be subject to TRS may represent up to 5% of the net assets.
- CDS options: yes (up to 15% of the net assets)

The derivative instruments listed above are not subject to the same extra-financial analysis process as the securities described in the investment strategy.

### **4. Securities with embedded derivatives**

Risks on which the manager seeks to act:

- equities: yes
- interest rates: yes
- foreign exchange: no
- credit: yes
- indices: yes (interest rate and credit)

Nature of activities:

- hedging: yes
- exposure: yes
- arbitrage: no

Nature of the instruments used:

- Convertible bonds, within a limit of 30% of net assets
- Contingent convertible bonds ("CoCos") and preferred shares, (up to 10% of the net assets)
- Warrants



- EMTN
- Callable interest rate products - Puttable interest rate products

## 5- Deposits

The fund reserves the right to make deposits of up to 10% of net assets in order to manage its cash flow.

## 6- Cash borrowings

The fund reserves the right to temporarily borrow cash up to a limit of 10% of its net assets

## 7. Temporary securities purchase and sale transactions yes

The sub-fund may also engage in transactions for the temporary purchase and sale of securities in order to (i) ensure the investment of the liquid assets available (e.g. reverse repurchase/repurchase transactions), (ii) optimise the performance of the portfolio (e.g. securities lending/borrowing). Securities lending and/or reverse repo counterparties are subject to an ESG analysis during La Francaise Asset Management's eligibility review of financial intermediaries.

- **Nature of activities:** Transactions for the temporary purchase or sale of securities shall be carried out in accordance with the Monetary and Financial Code. They shall be carried out within the framework of cash flow management and/or the optimisation of UCI income. Under no circumstances shall these strategies aim to create or result in the creation of a leverage effect.
- **Nature of transactions used:** These operations will consist of securities lending and borrowing and/or in repurchase and reverse repurchase agreements with reference to the French Monetary and Financial Code. The assets that may be the subject of such transactions will be those described in section "2. Assets (excluding embedded derivatives)" of this prospectus.
- **Envisaged level of use:** Transactions for the temporary sale of securities (securities lending, repurchase transactions) may be carried out up to an amount equivalent to a maximum of 60% of the UCI's net assets, while transactions for the temporary purchase of securities (securities borrowing, reverse repurchase agreements) may be carried out up to an amount equivalent to a maximum of 10% of the UCI's net assets. The expected proportion of assets under management that will be involved in such transactions may represent 25% of the UCI's net assets.
- **Information on the use of temporary sales and acquisitions of securities:** The purpose of the use of temporary securities acquisitions and disposals is in particular to provide the UCITS with an additional return and therefore to contribute to its performance. In addition, the UCITS may enter into reverse repurchase agreements for the replacement of financial guarantees in cash and/or repurchase agreements to meet liquidity needs. Temporary purchases and sales of securities will be guaranteed in accordance with the principles described in section 8 below "contracts constituting financial guarantees".
- **Remuneration:** Information relating to the remuneration of these transactions is provided in the "Fees and commissions" section.
- **Selection of counterparties:** The management company follows a specific selection process for financial intermediaries, also used for intermediaries designated for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS). These intermediaries are selected on the basis of the liquidity that they offer as well as their speed, reliability and quality with regard to how they process transactions. At the end of this rigorous and regulated process, subject to a rating, the counterparties selected for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS) are credit institutions or other entities authorised by the management company and respecting the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

## 8. Contracts constituting financial guarantees

In connection with the conclusion of financial contracts and/or securities financing transactions, the UCI may receive/remit financial guarantees in the form of full ownership transfer of securities and/or of cash. Securities received as collateral must meet the criteria set by regulations and must be granted by credit institutions or other entities that meet the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code. Financial guarantees received must be able to be fully enforced by the UCI at any time and without consulting or obtaining the approval of the counterparty. The level of financial guarantees and the discount policy are set by the eligibility policy for financial guarantees of the Management Company in accordance with the regulations in force and cover the categories below:

- financial guarantees in cash;
- financial guarantees in debt securities or in equity securities according to a precise nomenclature.

The eligibility policy for financial guarantees explicitly defines the required level of guarantee and the discounts applied for each financial guarantee according to rules that depend on their specific characteristics. It also specifies, in accordance with the regulations in force, rules for risk diversification, correlation, valuation, credit quality and regular stress tests on the liquidity of guarantees.

In the event that financial guarantees in cash are received, these may, under conditions set by regulation, only be:

- placed in deposit;
- invested in high-quality government bonds;
- used in a reverse repurchase agreement;
- invested in short-term money market undertakings for collective investment (UCIs).

Financial guarantees other than received cash may not be sold, reinvested or used as collateral; The management company will, in accordance with the valuation rules provided for in this prospectus, carry out a daily valuation of the guarantees received on a market price basis (mark-to-market). Margin calls will be made on a daily basis. The guarantees received by the fund will be kept by the fund's depository or, failing that, by any third-party depository subject to prudential supervision and which has no connection with the provider of the guarantee. The risks associated with securities financing transactions, financial contracts and the management of inherent collateral are described in the risk profile section.

#### **Risk profile:**

*"Your money will be invested in financial instruments selected by the management company. These instruments will be exposed to market trends and risks".*

The risks described below are not exhaustive: investors should analyse the risks inherent to each investment and make their own decisions. Through the fund, subscribers are exposed to the following risks:

##### Risk of capital loss:

Investors are advised that their capital is not guaranteed and may therefore not be returned to them.

ESG investment risk: The fund uses ESG criteria and may underperform the market in general or other funds that do not use ESG criteria when selecting investments. ESG investments are selected, or excluded on the basis of financial and non-financial criteria. The fund may sell a security due to ESG reasons, rather than for purely financial considerations.

Sustainability risk: This refers to the possible occurrence of an ESG event or condition that could potentially or actually cause a significant negative impact on the value of an investment in a fund. Sustainability risks can either represent a risk as such, or have an impact on other risks and contribute – by way of correlation – significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks can have an impact on long-term risk-adjusted returns for investors. Assessing sustainability risk is complex and can be based on ESG data that is difficult to obtain and incomplete, believed to be outdated, or otherwise materially inaccurate. Even when identified, there is no guarantee that this data will be properly assessed.

##### Discretionary risk:

The discretionary management style applied to the mutual fund is based on the selection of portfolio assets and/or market expectations. There is a risk that the mutual fund may not be invested in the best-performing assets or markets at all times. The fund's performance may therefore be lower than the management objective. In addition, the net asset value of the fund may have a negative performance.

##### Exchange rate risk:

The fund may invest in transferable securities denominated in currencies other than the reference currency.

The manager will systematically hedge the currency risk. There may however be a residual currency exchange risk due to imperfect hedging. The net asset value of the fund may fall as a consequence.

##### Risk arising from techniques such as derivatives:

risk of increased losses owing to the use of financial futures such as OTC financial agreements and/or futures contracts.

##### Interest rate risk:

This is the risk that interest rate instruments in the portfolio will fall due to fluctuations in interest rates. When interest rates rise (positive sensitivity) or when they fall (when sensitivity is negative), the net asset value of the fund may fall.

This risk is measured by the sensitivity which reflects the impact that a 1% change in interest rates may have on the net asset value of the Fund.

Credit risk: Credit risk may arise from a downgrading of the credit rating of an issuer of debt securities or the default of an issuer. If an issuer's credit rating is downgraded, the value of its assets falls. Accordingly, this may cause the net asset value of the Fund to fall.

##### Default risk relating to issuers of debt securities:

The default risk is the risk related to solvency of the entity which issued the securities. This risk is even greater should the fund invest in speculative or unrated securities which could lead to an increased level of risk of the net asset value of the fund decreasing and a loss of capital.

##### Risk associated with investments in "high-yield" securities (known as speculative securities):

This fund should be considered speculative. It is aimed specifically at investors who are aware of the risks inherent to investing in securities with a low or non-existent rating.

These speculative securities are classed as speculative and have a higher risk of default; they are likely to suffer higher and/or more frequent variations in valuations and are not always sufficiently liquid to be sold at all times at the best price. The value of the fund unit may therefore be lower when the value of these securities in the portfolio falls.

##### Risk arising from investments in emerging markets:

The sub-fund may be exposed to emerging markets. Investing in these markets involves an increased risk, given the political and economic context of these markets, which could weigh upon the value of sub-fund's investments. Operating and supervisory conditions in emerging markets may differ from the prevailing standards on major international markets. In addition, investment on these markets involves risks linked to restrictions imposed on foreign investments, counterparties, increased volatility, delays in settlements/deliveries and the limited liquidity of certain lines in the sub-fund's portfolio. This may result in a decrease in the net asset value of the sub-fund.

**Counterparty risk:** Counterparty risk arises from entering into contracts in financial futures traded on OTC markets, and from temporary purchases/sales of securities and/or total return swaps (TRS). This is the risk that a counterparty may default on payment. The defaulting of the payment of a counterparty may therefore lead to a decrease in the net asset value.

**Potential risk of a conflict of interests:**

This risk relates to the completion of temporary purchases and sales of securities transactions, during which the fund uses an entity as counterparty and/or financial intermediary that is linked to the group to which the fund's management company belongs.

**Liquidity risk:** This refers to the risk when trading volumes are low or in the event of volatility on a particular market, this financial market cannot absorb the volumes of sales (or purchases) without significantly lowering (or raising) asset prices. This may result in a fall in the fund's net asset value.

**Risk relating to subordinated debt securities:**

The investment universe of the fund includes subordinated bonds. These debt securities have a specific risk profile that differs from that of conventional bonds. Note that a debt is termed subordinated when its repayment is dependent on the initial repayment of other creditors (preferential creditors, unsecured creditors). Thus, the subordinated creditor will be repaid after ordinary creditors, but before shareholders. The interest rate on this type of debt will be higher than the interest on other receivables. In the event that one or more clauses provided in the issue documentation of these subordinated debt securities is triggered and, more generally, if a credit event affects the issuer in question, there is a risk of a fall in the net asset value of the fund. The use of subordinated bonds may expose the fund to the risks of coupon cancellation or deferral (at the issuer's sole discretion), redemption date uncertainty or valuation/performance (as the attractive yield of these securities may be considered to be a complexity premium).

**Risk associated with holding convertible bonds:**

The value of convertible bonds depends on a number of factors: level of interest rate, credit, change of price of the underlying shares, change of price of the derivative integrated into the convertible bond. If the underlying equities of convertible bonds and similar – equities held directly or the indices to which the fund is exposed – fall, the net asset value of the fund may fall.

**Risk related to contingent convertibles:**

CoCos are hybrid securities, whose main objective is to enable recapitalisation of the issuing bank or financial institution, during a financial crisis. Indeed, these securities have loss-absorption mechanisms, as described in their issue prospectuses, that are activated generally when the issuer's equity ratio falls below a certain trigger threshold.

The trigger is first of all mechanical: it is generally based on the CET1 ("Common Equity Tier 1") accounting ratio, relative to risk-weighted assets. To offset the discrepancy between book values and the financial reality, there is a discretionary clause allowing the supervisor to invoke the loss absorption mechanism if he/she considers that the issuing institution is insolvent.

CoCos are therefore subject to specific risks, in particular subordination to specific trigger criteria (e.g. a decline in the equity ratio), conversion into shares, loss of capital or non-payment of interest.

The use of subordinated bonds, particularly so-called Additional Tier 1 bonds, exposes the fund to the following risks:

- triggering of contingent clauses: if an equity threshold is crossed, these bonds are either exchanged for shares or undergo a capital reduction, potentially to 0.

- cancellation of the coupon: Coupon payments on these types of instruments are entirely discretionary and may be cancelled by the issuer at any time, for any reason, and without time constraints.

- the capital structure: unlike traditional, secured debt, investors in this type of instrument may incur a capital loss without prior bankruptcy of the company. Moreover, the subordinated creditor will be repaid after ordinary creditors, but before shareholders.

- call for extension: These instruments are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.

- valuation/return: The attractive yield of these securities can be considered a complexity premium.

**Liquidity risk associated with the temporary purchase and sale of securities and/or total return swaps (TRS):** The Fund may be exposed to trading difficulties or a temporary lack of trading in certain securities in which the Fund is invested or those received as collateral in the event of default by a counterparty of temporary purchase and sale of securities and/or total return swaps (TRS).

**Target subscribers:**

Z EUR Institutional Investors  
shares

RD USD H All subscribers, including investors subscribing via distributors providing a non-independent advisory service within  
shares the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services.

TD EUR All investors without payment of retrocession fees to distributors.  
shares

RD EUR All subscribers, including investors subscribing via distributors providing a non-independent advisory service within  
shares the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services.

TC EUR All investors without payment of retrocession fees to distributors.  
shares

S EUR Reserved for the Caisse Fédérale du Crédit Mutuel Nord Europe and companies in La Française Group and for  
shares funds managed by Crédit Mutuel Asset Management

F shares Reserved for funds managed by companies in the La Française Group

TC CHF H All investors without payment of retrocession fees to distributors.

shares

RC EUR All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services.

DB EUR All subscribers with their residence in Belgium, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services

IC CHF H Reserved for professional clients within the meaning of MiFID.

RC USD H All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services.

TD USD H All investors without payment of retrocession fees to distributors.

ID USD H Reserved for professional clients within the meaning of MiFID.

IC EUR Reserved for professional clients within the meaning of MiFID.

ID EUR Reserved for professional clients within the meaning of MiFID.

IC USD H Reserved for professional clients within the meaning of MiFID.

TC USD H All investors without payment of retrocession fees to distributors.

Investors who subscribe to this sub-fund are looking for a diversified bond investment for a recommended investment period of up to 31 December 2027 through an investment process that first filters issuers according to ESG criteria.

**Investors are informed that their main interest is to hold their investment until 31 December 2027 in order to benefit from the best conditions regarding the actuarial yield offered by the sub-fund.**

**How to subscribe to T shares:**

Subscriptions to T shares (net shares) are reserved:

- for investors subscribing through distributors or intermediaries:
- subject to national legislation prohibiting all retrocession fees to distributors
- providing:
  - o independent advice within the meaning of European regulation MiFID II,
  - o individual portfolio management under mandate
- for funds of funds

US investors

The shares have not been and will not be registered under the US Securities Act of 1933 (hereinafter the "Act of 1933") or any other law applicable in a US state. Shares may also not be directly or indirectly transferred, offered or sold in the United States of America (including its territories and possessions) to any United States national (hereinafter "U.S. Person"), as defined in the American Regulation 'Regulation S' of the Act of 1933 as adopted by the Securities and Exchange Commission ("SEC"), unless (i) the shares have been registered or (ii) an exemption applies (with the prior agreement of the management company's governing body).

The fund has not been and will not be registered under the US Investment Company Act of 1940. Any re-sale or transfer of shares in the United States of America or to a US Person may be in breach of US law and requires the written agreement of the management company of the fund. Those wishing to acquire or purchase shares will have to certify in writing that they are not US Persons.

Russian and Belarusian investors

In accordance with the provisions of EU Regulation No. 833/2014 subscription to units/shares of this fund is prohibited to any Russian or Belarusian national, to any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus except nationals of a Member State and to natural persons holding a temporary or permanent residence permit in a Member State.

The fund may be used as a vehicle for unit-linked life insurance policies.

*The appropriate amount to invest in the mutual fund depends on your personal financial situation. To determine this, you must take into account your personal assets, current needs as well as your risk appetite or, on the contrary, your preference for a prudent investment. You are also strongly advised to diversify your investments so that they are not exposed solely to the risks of this fund.*

**Recommended investment period:**

until 31 December 2027. Investors are informed that their main interest is to hold their investment until 31 December 2027 in order to benefit from the best conditions regarding the actuarial yield offered by the fund.

## Methods of determining and allocating distributable amounts:

Z EUR shares	Capitalisation
RD USD H shares	Capitalisation and/or distribution and/or carry forward
TD EUR shares	Capitalisation and/or distribution and/or carry forward
RD EUR shares	Capitalisation and/or distribution and/or carry forward
TC EUR shares	Capitalisation
S EUR shares	Capitalisation
F shares	Capitalisation and/or distribution and/or carry forward
TC CHF H shares	Capitalisation
RC EUR shares	Capitalisation
DB EUR shares	Capitalisation and/or distribution and/or carry forward
IC CHF H shares	Capitalisation
RC USD H shares	Capitalisation
TD USD H shares	Capitalisation and/or distribution and/or carry forward
ID USD H shares	Capitalisation and/or distribution and/or carry forward
IC EUR shares	Capitalisation
ID EUR shares	Capitalisation and/or distribution and/or carry forward
IC USD H shares	Capitalisation
TC USD H shares	Capitalisation

The distributable amounts consist of:

1. The net result, which corresponds to the amount of interest, arrears, dividends, bonuses and lots, directors' fees and all income relating to the securities making up the fund portfolio, plus income from sums temporarily held as liquid assets, minus management fees and borrowing costs, plus retained earnings, plus or minus the balance of the income adjustment account;
2. the realised capital gains, net of costs, minus the realised capital losses, net of costs, during the financial year, plus the similar net capital gains realised during the previous financial years which were not subject to distribution or capitalisation, minus or plus the balance of accrued capital gains.

**R D, I D, T D and DB shares** : The net result will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (total or partial), by decision of the management company.

The net realised capital gains will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (totally or partially), by decision of the management company.

The management company does not intend to pay interim dividends. Distribution is carried out on an annual basis.

**R C, I C, TC, S and Z shares:** the distributable amounts are fully capitalised.

## Accounting currency:

EUR

## Subscription and redemption terms:

### - Bearer shares to be registered or already registered in Euroclear: all shares

Subscription requests (in value or thousandths of shares) and redemption requests (in thousandths of shares) are processed by La Française AM Finance Services on each net asset value calculation day at 11 a.m. (if the Stock Exchange is open in Paris, except for public holidays in France) and are executed on the basis of the next net asset value (i.e. unknown at the time of execution).

Payments relating thereto are made on the second trading day following the processing date.

### - Registered shares to be listed or already listed in the IZNES Electronic Share Registration System (DEEP):

**R C EUR shares (FR0014001A3), R D EUR shares (FR0014001B1), T C EUR shares (FR0014001F2), T D EUR shares (FR0014001D7)**

Subscription requests (as a specified amount or in thousandths of shares) and redemption requests (in thousandths of shares) are processed by IZNES on each net asset value calculation day at 11 a.m. (if the Stock Exchange is open in Paris, except for public holidays in France) and are executed on the basis of the next net asset value (i.e. unknown at the time of execution).

Payments relating thereto are made on the second trading day following the processing date.

Switching from one share class to another is considered a transfer of securities. Investors should therefore note that this transaction is subject to the taxation rules covering capital gains or losses on financial instruments.

Each share can be divided into thousandths of a share.

The orders shall be carried out according to the table below:

Processing of subscription orders	Processing of redemption orders	Order fulfilment at the latest, in T	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions
T before 11 a.m.	T before 11 a.m.	Each trading day (T)	T + 1 business day	T + 2 business days	T + 2 business days



**Minimum value of initial subscription:**

Z EUR shares	EUR 40,000,000.00
RD USD H shares	None
TD EUR shares	None
RD EUR shares	None
TC EUR shares	None
S EUR shares	EUR 10,000,000.00
F shares	None
TC CHF H shares	None
RC EUR shares	None
DB EUR shares	None
IC CHF H shares	CHF 100,000.00
RC USD H shares	None
TD USD H shares	None
ID USD H shares	USD 100,000.00
IC EUR shares	EUR 100,000.00
ID EUR shares	EUR 100,000.00
IC USD H shares	USD 100,000.00
TC USD H shares	None

**Minimum value of subsequent subscriptions:**

Z EUR shares	None
RD USD H shares	None
TD EUR shares	None
RD EUR shares	None
TC EUR shares	None
S EUR shares	None
F shares	None
TC CHF H shares	None
RC EUR shares	None
DB EUR shares	None
IC CHF H shares	None
RC USD H shares	None
TD USD H shares	None
ID USD H shares	None
IC EUR shares	None
ID EUR shares	None
IC USD H shares	None
TC USD H shares	None

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

The net asset value is calculated on each trading day of the Paris Stock Exchange, excluding legal holidays in France.

**Original net asset value:**

Z EUR shares	EUR 1,000.00
RD USD H shares	USD 100.00
TD EUR shares	EUR 100.00
RD EUR shares	EUR 100.00
TC EUR shares	EUR 100.00
S EUR shares	EUR 1,000.00
F shares	EUR 100.00
TC CHF H shares	CHF 100.00
RC EUR shares	EUR 100.00
DB EUR shares	EUR 100.00
IC CHF H shares	CHF 1,000.00
RC USD H shares	USD 100.00
TD USD H shares	USD 100.00



ID USD H shares	USD 1,000.00
IC EUR shares	EUR 1,000.00
ID EUR shares	EUR 1,000.00
IC USD H shares	USD 1,000.00
TC USD H shares	USD 100.00

**Location where the net asset value is published:**

the management company's premises and the website: [www.la-francaise.com](http://www.la-francaise.com)

**Costs and fees:**

*Subscription and redemption fees:*

*Subscription and redemption fees increase the subscription price paid by the investor or decrease the redemption price. The fees received by the UCITS offset the charges it incurs in investing or divesting the assets entrusted to it. Commissions not retained by the fund are paid to the investment company, distributor, etc.*

Costs payable by the investor, levied at the time of subscription and redemption	Base	Rate/scale
Subscription fee not paid to the UCITS	Net asset value x Number of shares	<b>Z EUR shares: 3.00% maximum</b> <b>RD USD H shares: 3.00% maximum</b> <b>TD EUR shares: 3.00% maximum</b> <b>RD EUR shares: 3.00% maximum</b> <b>TC EUR shares: 3.00% maximum</b> <b>S EUR shares: 3.00% maximum</b> <b>F shares : 3.00% maximum</b> <b>TC CHF H shares: 3.00% maximum</b> <b>RC EUR shares: 3.00% maximum</b> <b>DB EUR shares: 3.00% maximum</b> <b>IC CHF H shares: 3.00% maximum</b> <b>RC USD H shares: 3.00% maximum</b> <b>TD USD H shares: 3.00% maximum</b> <b>ID USD H shares: 3.00% maximum</b> <b>IC EUR shares: 3.00% maximum</b> <b>ID EUR shares: 3.00% maximum</b> <b>IC USD H shares: 3.00% maximum</b> <b>TC USD H shares: 3.00% maximum</b>
Sales fee paid to the UCITS	Net asset value x Number of shares	<b>Z EUR shares: None</b> <b>RD USD H shares: None</b> <b>TD EUR shares: None</b> <b>RD EUR shares: None</b> <b>TC EUR shares: None</b> <b>S EUR shares: None</b> <b>F shares : None</b> <b>TC CHF H shares: None</b> <b>RC EUR shares: None</b> <b>DB EUR shares: None</b> <b>IC CHF H shares: None</b> <b>RC USD H shares: None</b> <b>TD USD H shares: None</b> <b>ID USD H shares: None</b> <b>IC EUR shares: None</b> <b>ID EUR shares: None</b> <b>IC USD H shares: None</b> <b>TC USD H shares: None</b>
Redemption fee not paid to the UCITS	Net asset value x Number of shares	<b>Z EUR shares: None</b> <b>RD USD H shares: None</b> <b>TD EUR shares: None</b> <b>RD EUR shares: None</b> <b>TC EUR shares: None</b> <b>S EUR shares: None</b> <b>F shares : None</b> <b>TC CHF H shares: None</b> <b>RC EUR shares: None</b> <b>DB EUR shares: None</b> <b>IC CHF H shares: None</b> <b>RC USD H shares: None</b> <b>TD USD H shares: None</b> <b>ID USD H shares: None</b> <b>IC EUR shares: None</b> <b>ID EUR shares: None</b>

		<b>IC USD H shares: None</b> <b>TC USD H shares: None</b>
Redemption fee paid to the UCITS	Net asset value x Number of shares	<b>Z EUR shares: None</b> <b>RD USD H shares: None</b> <b>TD EUR shares: None</b> <b>RD EUR shares: None</b> <b>TC EUR shares: None</b> <b>S EUR shares: None</b> <b>F shares : None</b> <b>TC CHF H shares: None</b> <b>RC EUR shares: None</b> <b>DB EUR shares: None</b> <b>IC CHF H shares: None</b> <b>RC USD H shares: None</b> <b>TD USD H shares: None</b> <b>ID USD H shares: None</b> <b>IC EUR shares: None</b> <b>ID EUR shares: None</b> <b>IC USD H shares: None</b> <b>TC USD H shares: None</b>

*Operating and management charges:*

*These cover all costs charged directly to the UCITS, apart from transaction fees. Transaction costs include intermediation charges (brokerage, stamp duties, etc.) and any turnover fees charged in particular by the depositary and the management company.*

*In addition to operating and management charges, there may also be:*

- *outperformance fees. These are paid to the management company when the UCITS has exceeded its objectives. They are therefore charged to the UCITS;*
- *turnover fees are charged to the UCITS.*

	<b>Costs invoiced to the UCITS</b>	<b>Base</b>	<b>Rate/scale</b>
1	Financial management fees	Net assets	<b>S and Z shares:</b> 0.35% maximum rate (including tax) <b>F shares:</b> 0% <b>R and DB shares:</b> 1.19% maximum rate (including tax) <b>I and T shares:</b> 0.59% maximum rate (including tax)
2	Administrative costs external to the management company	Net assets	All shares: 0.072% maximum rate (including tax)
3	Maximum indirect costs	Net assets	None
4	Turnover fees	Deducted from each transaction	<b>Shares:</b> 0.10% (with a minimum of €120) <b>Convertible bonds:</b> 0.05% (with a minimum of €100) <b>Other bonds:</b> 0.035% (with a minimum of €100) <b>Monetary instruments:</b> 0.0120% (with a minimum of €100) <b>Swaps:</b> 0.010% (with a minimum of €150 and a maximum of €600) <b>Forward exchange:</b> 0.010% (with a minimum of €75 and a maximum of €300) <b>Spot exchange:</b> 0.010% (with a minimum of €25 and a maximum of €100) <b>UCI:</b> 15€ <b>Futures:</b> 1€ <b>Options:</b> 1€
5	Outperformance fee	Net assets	None

A percentage of the management fee may be paid to remunerate marketers and distributors, subject to applicable regulations.

The UCITS may not inform shareholders specifically or offer them the possibility of redeeming their shares without incurring charges in the event of an increase in administrative costs external to the management company which would be equal to or less than 10 basis points per calendar year; the notification may therefore be made by any means.

Other costs invoiced to the UCITS

- contributions due to the UCITS management pursuant to Article L621-5-3 (II)(3)(d) of the Monetary and Financial Code;
- taxes, duties, licence fees and government fees (relating to the UCITS), both extraordinary and non-recurring;
- extraordinary and non-recurring costs relating to debt recovery or a procedure for asserting a right (e.g. class action procedure).

Information concerning these fees is also laid out, ex post, in the UCITS's annual report.

**Information on the remuneration generated by temporary securities purchase and sale transactions:**

The sub-fund's counterparty for temporary acquisitions and sales of securities is one or more credit institutions or other entities authorised by the management company and which comply with the legal form, country and other financial criteria set out in the Monetary and Financial Code. The counterparties will act independently of the sub-fund.

No remuneration is paid to the depositary (within the framework of its capacity as depositary) or to the management company for transactions for the temporary purchase or sale of securities. All income resulting from transactions for the temporary purchase and sale of securities, including income generated by the reinvestment of cash collateral received as part of these transactions, net of direct and indirect operating costs, is returned to the sub-fund. These transactions generate direct and indirect operating costs which will be borne by the management company; the share of these costs may not exceed 40% of the income generated by these transactions.

Furthermore, the management company does not receive any in-kind commission.

For further information, shareholders may refer to the sub-fund's annual report.

#### **Choice of intermediaries:**

The Management Company has introduced a procedure for selecting and evaluating intermediaries and counterparties that takes into account objective criteria such as intermediation costs, execution quality and research. This procedure is available on the Management Company's website at the following address: <https://www.la-francaise.com/fr/informations-reglementaires/>

Unitholders should refer to the annual report of the fund for any further information they may require.

#### ***Information on risks relating to potential conflicts of interest***

The management company may entrust Crédit Industriel et Commercial with the intermediation service, which will be provided by the Table Buy Side department within CIC Market Solutions. Crédit Industriel et Commercial is a Société Anonyme (public limited company) under French law with a share capital of 608,439,888 euros. On 30 September 1999, Crédit Industriel et Commercial obtained authorisation from the CECEI as a bank providing investment services. The two companies belong to the same group, which is likely to generate a potential risk of conflict of interest.

The service provided by Crédit Industriel et Commercial has therefore been governed by a service contract, to ensure that there is no impact on the fund's investors/shareholders in terms of cost and quality of service.

Crédit Industriel et Commercial's main purpose is to provide intermediation services (i.e. receiving, transmitting and executing orders on behalf of third parties) mainly for the Group's asset management companies. Within this framework, the service provider chooses brokers from the list of brokers authorised by the management company and places orders according to criteria defined by the latter.

Crédit Industriel et Commercial can act as principal or agent. Intervention in "principal" mode corresponds to intervention as counterparty to the management company's portfolios. Acting as an agent, Crédit Industriel et Commercial acts as an intermediary between portfolios and market counterparties. These may be entities belonging to the management company's group.

# La Française Obligations Carbon Impact

## ISIN code:

C share	FR0010915314
I share	FR0010934257
S share	FR0010955476
D share	FR0010905281
T share	FR0014003001

## Classification:

Bonds and other debt securities denominated in euros

## Management objective:

The Fund aims to outperform, over the recommended investment period of more than three years, its performance indicator net of fees by investing in a portfolio of issuers pre-filtered in accordance with ESG criteria and analysed from the point of view of their compatibility with the energy transition in accordance with a methodology established by the management company. The Fund undertakes to have a weighted average of the portfolio's greenhouse gas emissions per euro invested (scopes 1 and 2) at least 50% lower than that of the comparable investment universe represented by the benchmark indicator.

The net annualised performance objective is based on the achievement of market assumptions set by the management company. It is not a guarantee of Fund return or performance. Investors should note that the performance indicated in the management objective of the Fund takes account of the estimate of the risk of default or downgrading of the rating of one or more issuers in the portfolio and the management fees payable to the management company.

## Benchmark index:

The Bloomberg Capital Euro Aggregate Corporate coupons reinvested (LECPTREU) index is composed of fixed-rate euro-denominated investment grade corporate bonds with a maturity of more than one year and a minimum issue size of EUR 300 million.

Index administrator: Bloomberg Index Services Limited. As at the date of the latest update to this prospectus, the administrator is no longer listed in the register of administrators and benchmark indices managed by the ESMA.

Further information on the benchmark index is available on the administrator's website: [www.bloomberg.com/professional/product/indices](http://www.bloomberg.com/professional/product/indices)

The UCI is actively managed and aims to outperform its benchmark index. The fund is managed on a discretionary basis: the fund will be primarily exposed to issuers of the benchmark index and may be exposed to issuers not included in the benchmark index. The management strategy includes monitoring the deviation between the risk level of the portfolio and that of the index. A large/significant deviation relative to the risk level of the benchmark index is expected.

## Investment strategy:

### 1- Strategy used

The investment strategy involves the discretionary management of a portfolio of bonds issued by private or public bodies (up to 10% of the net assets).

## Non-financial analysis:

The sub-fund's initial investment universe is constructed from a portfolio of bonds issued by public issuers that are members of the JP Morgan Hedged Eur Unit GBI Global index (JHUCGBIG Index) and by private issuers that belong to the following indices Bloomberg Euro Aggregate Total Return (LECPTREU Index), Ice Global BB EUR (HE10 Index) and Markit Iboxx EUR Contingent Convertibles (IBXXC2CO Index). Securities are selected mainly from this universe; they may also be selected from outside the universe, from European and international markets, including emerging markets, up to a limit of 10% of the investment universe, provided that these securities have an ESG score higher than the exclusion threshold in force for the universe and meet the investment criteria of the sub-fund.

The sub-fund's investment criteria detailed below are analysed by La Française Sustainable Investment Research (hereinafter "ESG Research Team") of the entity "La Française Group UK Limited" which specialises in the responsible investment criteria. It is specified that there is a risk of conflicts of interest relating to the provision of ESG scores with the "La Française Sustainable Investment Research" research centre of the "La Française Group UK Limited" entity belonging to the La Française Group. In order to manage this situation, the management company has put in place and updates a conflict of interest management policy with the aim of identifying and analysing potential conflict of interest situations as well as recording, managing and monitoring situations in which there is a conflict of interest. In addition, the provision of ESG scores is paid for in full by the management company. The Environmental, Social and Governance criteria are analysed by the "ESG Research Team", which has developed a proprietary

ESG model and allows us to take a more selective approach to the initial investment universe. This tool uses raw data from various data providers to calculate KPIs (Key Performance Indicators).

The investment process is based on a dual approach of ESG integration with a significant commitment to management and the topic at hand, and includes the following steps:

### **Stage 1: Quantitative filtering – Selectivity approach**

The ESG score of private issuers is structured as follows:

1. Periodic update of raw data from different sources
2. Calculation of performance indicators (KPIs, at least 30)
3. When aggregated and supplemented with recent information collected and deemed relevant by the ESG Research Team, they produce scores in three areas (environmental sustainability, human capital and organisational capital);
4. Calculation of weightings for these three areas, which may differ by sector
5. Calculation of the ESG score, on the basis of the three areas and specific sector weightings

For example, the criteria used to analyse the issuers are:

- Environmental : carbon intensity and waste management, etc.
- Social : staff training, labour relations, etc.
- Governance : management structure and relationship with shareholders, remuneration policy, etc.

The ESG score of public issuers is structured as follows:

- Periodic update of raw data from different sources;
- Calculation of key performance indicators;
- Calculation of the ESG score, on the basis of the three pillars and equal weightings.

For example, the criteria used to analyse public issuers are:

- Environmental: the degree of exposure to natural disasters, etc.
- Social: the human development rate of the countries of the world through the human development index, etc.
- Governance: the quality of a country's governance through the World Governance indicator (WGI), etc...

At the end of this process, each issuer is given a score from zero (worst) to 10 (best). This score reflects investment opportunities or, conversely, non-financial risks. The proportion of issuers analysed under these ESG criteria in the portfolio exceeds 90% of the securities in the portfolio, excluding cash.

This first step of the analysis consists of identifying the issuers to be excluded beforehand by virtue of the exclusion policy of La Française Group, available on the website [www.la-francaise.com](http://www.la-francaise.com).

The following issuers are therefore automatically excluded under the La Française Group's exclusion policy:

- issuers involved in controversial weapons; and
- companies located in countries on the La Française group's black list. Those located in countries on the red list require approval, on a case-by-case basis, from the LFAM Compliance department.

Next, the 20% of private issuers and 20% of public issuers with the lowest ESG scores in the initial investment universe are excluded. All of these excluded issuers make up the ESG exclusion list. This latter is established on a monthly basis for private issuers and annually for public issuers. It determines a minimum ESG score threshold below which the fund may not invest. Issuers whose ESG score falls below the exclusion threshold cannot be part of the investable universe.

### **Stage 2: Carbon and financial analyses**

In the second stage of the investment process, a carbon analysis and an analysis of the credit quality of the issuers that passed through the filter in stage 1 is carried out.

After having reduced the universe on the basis of a credit analysis, a "carbon" analysis is carried out based on analysis criteria relating to climate change. These criteria exist at various levels, such as the historical performance of carbon emissions (based on Scope 1 – direct emissions, and Scope 2 – indirect emissions; for certain sectors, the share of emissions relating to Scope 3, which is not considered here, can account for a large share of total emissions), governance and climate risk management, and the strategy implemented by the company to participate in the transition. In order to measure companies' performance against these criteria, we use data obtained by our ESG research team from specialist data providers (e.g. carbon data for companies that is collected by CDP). A "carbon impact" score is awarded as a result of this analysis.

For issuers in the low-carbon financial sector (carbon intensity defined as carbon emissions divided by enterprise value), a qualitative analysis is performed in addition to the assigned carbon impact score.

For highly carbon-intensive sectors such as electricity generation and distribution, the oil sector, the automotive industry and materials, a qualitative analysis of the company's future carbon performance is carried out in addition to the assigned "carbon impact" score. This analysis corresponds to a "trajectory" calculation of the issuer's carbon emissions that we match with sectoral decarbonisation trajectories (as defined by the International Energy Agency). During this qualitative analysis, ESG analysts and the management team will estimate the ability of a company to meet its decarbonisation objectives in the face of current

investments, past performance and the transformation of their portfolio of products sold. For example, for the Utilities sector, this takes the form of a carbon intensity based on the tonnes of CO<sub>2</sub>eq generated per MWh of electricity produced, reflecting the development of the production capacity in renewable energy compared to current capacity.

Companies in the various sectors are then qualified, according to the management company's methodology, subject to the limitations specified above by: i) low carbon, ii) in transition according to the sectoral decarbonisation trajectory, iii) in transition but efforts required (in which the management company plays no active role) and iv) lagging in terms of the assigned "carbon impact" score. No investment will be made in companies qualified as late arrivals. The qualification of the companies results from a quantitative and qualitative analysis process – for some of them – and from an annual review of the files between the management and the ESG research team. The files are also reviewed when the company's strategy is updated or a major change occurs, in order to re-analyse the investment case. Thus, if, during a review, a company is qualified as lagging, the management company will sell the securities within a reasonable time, regardless of the price level of the security at the time of the transfer. This sale may have an impact on the fund's financial performance.

The sub-fund may also invest in green bonds for which the impact of the financed environmental projects is measurable. The proportion of green bonds in the sub-fund will depend on market trends and the size of the target market. These green bonds must also respect the four key "Green Bond Principles", namely: the use of funds, the project selection and evaluation process, the fund management and the reporting principles.

The analysis of green bonds is carried out along three axes and in addition to the steps described above, namely:

1. Adherence to the four pillars of the "Green Bond Principles"

- Use of funds: the funds are to be used to finance or refinance green projects in line with the taxonomy defined by the GBPs and with the new European taxonomy;

- The project selection and evaluation process: precise selection and description of projects financed by the green bond, governance put in place around the selection, definition of environmental objectives and impact measurements linked to these projects.

- Fund management: detail of funds allocated by project, ability to monitor funds used with a rigorous process

- Transparency and reporting: the issuer must communicate at least annually and transparently on 2 points: the allocation of funds (funds allocated and activities financed) and the impact of the projects, i.e. the direct contribution to the environment such as the reduction of carbon emissions (impact report, objectives)

2. The issuer's energy transition strategy and status

- A cross-analysis is carried out with the fundamental analysis of the issuer described previously.

3. Analysis and measurement of the impact of funded projects

- special attention is paid to the choice of funded projects and their consistency with the issuer's more global energy transition strategy.

Green bond issuers will be subject to the same financial and extra-financial analyzes and must pass the exclusion phase (step 1) and the financial and carbon analysis phase (step 2).

Additional information on the management company's extra-financial analysis, including ESG criteria and the carbon analysis, is presented in the transparency code available on the La Française website, [www.la-francaise.com](http://www.la-francaise.com).

### Stage 3: Measuring the carbon footprint

The objective of reducing the portfolio's carbon footprint by at least 50% compared to the carbon benchmark is monitored as follows:

- Carbon emissions in tonnes of CO<sub>2</sub>eq per invested euro are based on Scope 1 – direct emissions and Scope 2 – indirect emissions (note that for some sectors, the share of Scope 3 emissions is not taken into account here, but can account for a large share of total emissions), relative to the size of the enterprise (company value). This data is retrieved from the CDP database and in the event that a company does not provide it to CDP, a proprietary model for estimating emissions by industry and firm size is used. These footprints are then weighted by the weights in the portfolio.

The methodology adopted by the management company for taking into account extra-financial criteria has a weakness relating to the quality of the information collected by the ESG Research Team as well as the transparency of the various issuers.

The objective of the sub-fund is sustainable investment within the meaning of Article 9 of the EU Sustainable Finance Disclosure Regulation (EU) 2019/2088 (SFDR).

Additional information on the management company's non-financial analysis, including ESG criteria, is presented in the La Française Group transparency code and engagement policies, available on the La Française website at [www.la-francaise.com](http://www.la-francaise.com).

The objective of the European Union Taxonomy is to identify economic activities considered to be sustainable from an environmental perspective. The taxonomy identifies these activities according to their contribution to six major environmental objectives:

- Climate change mitigation;
- Climate change adaptation;
- The sustainable use and protection of water and marine resources;
- Transition to a circular economy (waste, prevention and recycling);
- Pollution prevention and control;
- The protection and restoration of biodiversity and ecosystems.



In order to be considered sustainable, an economic activity must demonstrate that it contributes substantially to the achievement of at least one of the six objectives, while not harming any of the other five (a principle known as DNSH, "Do No Significant Harm"). For an activity to be considered aligned with the European Taxonomy, it must also respect human and social rights guaranteed by international law.

The minimum percentage of alignment with the EU Taxonomy is 0%. The alignment of companies' activities is carried out qualitatively in the internal analysis process based on data published by the companies themselves as well as that made available by our ESG data providers.

**Financial analysis:**

Financial analysis is applied to the issuers in the investment universe, where securities are selected and portfolios constructed on a discretionary basis, based on an analysis of the issuers' financial statements, their solvency and liquidity situation and related regulatory and sector developments. Credit institutions and their solvency are closely monitored using proprietary tools, and particular attention is paid to the subordination status of securities that may be included in the portfolio.

In order to attain the management objective, up to 100% of the portfolio's net assets are invested in investment-grade rated securities (BBB- or higher) or equivalent, based on the management company's analysis. The management company shall not exclusively or automatically rely on external ratings but may, upon the issuance of such a rating, take it into consideration for its credit analysis. Nonetheless, if the credit rating of an issuer of a security in which the portfolio is already invested is downgraded, the fund may hold securities issued by entities rated "high yield" (in other words, lower than BBB- by the Standard & Poor's ratings agency or Baa3 by Moody's or equivalent, according to the management company's analysis), up to a maximum of 10% of the fund's net assets.

The portfolio may invest up to 10% of its net assets in securities issued or guaranteed explicitly by governments and/or supranational entities, multilateral development banks, local and regional authorities.

The portfolio's total sensitivity is adjusted according to the manager's forecast of interest rate changes and the most appropriate maturities for the economic climate. The portfolio of the sub-fund will be mainly invested in interest rate instruments: fixed or floating rate bonds, covered bonds (backed by a specific security), index-linked bonds, treasury bills, negotiable debt securities, commercial paper, certificates of deposit, BMTNs, repurchase agreements or UCITS/AIF (Alternative Investment Funds). Investments will be made in securities issued in different markets:

The sensitivity range for interest rates in which the fund is managed	between 2 and 7
Geographical area of the issuers of securities to which the fund is exposed	European Union, Switzerland, United Kingdom and Norway: 0–100% OECD (outside the European Union, Switzerland, United Kingdom and Norway): 0-20%
Security denomination currencies in which the fund is invested	euro
Level of exchange risk borne by the fund	None

Since investments are in euro-denominated instruments exclusively, shareholders in the eurozone are not exposed to exchange rate risk.

The Fund may also invest up to a limit of 10% in shares or equities of UCITS governed by French or European law and/or AIFs governed by French law which meet the criteria set out in article R214-13 of the Monetary and Financial Code, solely for the purpose of cash flow management.

Up to 10% of the net assets may be invested in contingent convertible bonds ("CoCos"). CoCos are more speculative in nature and have a higher risk of default than a conventional bond, but these convertible contingent bonds will be sought after in the management of the sub-fund due to their theoretical higher yield compared to a conventional bond. The purpose of this remuneration is to compensate for the fact that these securities can be converted into equity (shares) or suffer a capital loss in the event that the contingency clauses are triggered by the financial institution concerned (exceedance of a capital threshold predetermined in the prospectus of the subordinated bond).

On an exceptional and temporary basis in the event of a significant number of redemption requests, the manager may borrow cash up to a limit of 10% of its net assets.

The Fund will preferably use derivative instruments on organised futures markets, it reserves the right to enter into OTC contracts where these are better suited to the management objective or offer lower trading costs.

The fund may use Total Return Swaps (TRS) up to a limit of 25% maximum of the net assets. The expected proportion of assets under management that shall be subject to TRS may be 10%. The assets underlying the TRS may be credit indices. Securities whose performance is exchanged via a TRS on a non-temporary basis (more than one month) shall not taken into account for the evaluation of the materiality of the non-financial strategy.

The fund reserves the right to trade on all European and, secondarily, international futures markets.

All the risks associated with the assets will be hedged or exposed by derivative financial instruments such as futures, forwards, options, swaps on indices, currency swaps.

The fund will mainly trade on the interest rate futures markets in order to hedge or expose the portfolio so as to hedge exchange risk or in order to enhance the fund's sensitivity within a limit of 2 to 7.

Since the portfolio's total exposure including derivative financial instruments is a maximum of 200% of net assets, exposure to derivatives does not exceed 100% of the UCITS assets.

## **2 - Assets (excluding embedded derivatives)**

In order to achieve its management objective, the fund will use different types of assets:

### a. equities

As the portfolio contains contingent convertible bonds, the fund may temporarily hold equities obtained by conversion or exchange. The equities resulting from these conversions are to be sold as soon as possible taking into account the most favourable market conditions.

Exposure to equity risk shall not exceed 10% of the net assets.

### b. Debt securities and money market instruments

#### i. Negotiable debt securities: yes

#### ii. Bonds: yes

#### iii. Treasury bills: yes

#### iv. Commercial papers: yes

#### v. Certificates of deposit: yes

with the following characteristics:

- all sectors

- selected securities will be invested in the private sector, with the option of investing up to 10% of net assets in securities issued by public sector entities

- anticipated credit level: as the fund favours security, signature funds that, according to the management company's credit analysis procedure, have considerable risks will be systematically rejected

### c. UCITS/AIF: yes, the portfolio may invest up to a limit of 10% in the units or shares of the UCITS governed by French or European law and/or in AIFs governed by French law, meeting the four criteria of Article R214-13 of the Monetary and Financial Code.

The fund may invest in UCIs of the management company or of a related company.

## **3- Derivative instruments**

The fund may trade in any futures or options as long as their underlying funds have a direct or correlated financial relationship with a portfolio asset, for the purpose of both hedging and exposure of the portfolio.

Nature of the markets used:

- regulated: yes

- organised: yes

- OTC: yes

Risks on which the manager seeks to act:

- equities: no

- interest rates: yes

- foreign exchange: no

- credit: no

- indices: yes

Nature of activities:

- hedging: yes

- exposure: yes

- arbitrage: no
- other: no

Nature of the instruments used:

- futures: yes
- options: yes
- swaps: yes
- forward exchange: no
- credit derivatives: no
- other: no

The derivative instruments listed above are not subject to the same extra-financial analysis process as the securities described in the investment strategy.

#### 4 - Securities with embedded derivatives

In order to achieve the management objective, the manager may take positions to hedge and/or expose the portfolio against risks:

- equities: yes (up to a maximum limit of 10%)
- interest rates: yes
- foreign exchange: no
- credit: yes

Nature of activities:

- hedging: yes, to fully hedge the interest rate,
- exposure: yes, to interest rate risk
- arbitrage: no

Nature of the instruments used:

- convertible bonds
- EMTN
- BMTN
- Subscription certificates
- Warrants
- Callables

#### 5- Deposits

The Fund reserves the right to make deposits of up to 10% in order to manage its cash flow.

#### 6. Cash borrowings

The fund reserves the right to temporarily borrow cash up to a limit of 10% of its net assets.

#### 7. Transactions for the temporary purchase and sale of securities: yes

The sub-fund may also engage in transactions for the temporary purchase and sale of securities in order to (i) ensure the investment of the liquid assets available (e.g. reverse repurchase/repurchase transactions), (ii) optimise the performance of the portfolio (e.g. securities lending/borrowing).

Securities lending and/or reverse repo counterparties are subject to an ESG analysis during La Francaise Asset Management's eligibility review of financial intermediaries.

• **Type of activities:** Transactions for the temporary purchase or sale of securities shall be carried out in accordance with the Monetary and Financial Code. They shall be carried out within the framework of cash flow management and/or the optimisation of UCI income. Under no circumstances shall these strategies aim to create or result in the creation of a leverage effect.

• **Nature of transactions used:** These operations will consist of securities lending and borrowing and/or in repurchase and reverse repurchase agreements with reference to the French Monetary and Financial Code. The assets that may be the subject of such transactions will be those described in section "2. Assets (excluding embedded derivatives)" of this prospectus.

• **Envisaged level of use:** Transactions for the temporary sale of securities (securities lending, repurchase transactions) may be carried out up to an amount equivalent to a maximum of 60% of the UCI's net assets, while transactions for the temporary purchase of securities (securities borrowing, reverse repurchase agreements) may be carried out up to an amount equivalent to a maximum

of 10% of the UCI's net assets. The expected proportion of assets under management that will be involved in such transactions may represent 25% of the UCI's net assets.

• **Information on the use of temporary sales and acquisitions of securities:** The purpose of the use of temporary securities acquisitions and disposals is in particular to provide the UCITS with an additional return and therefore to contribute to its performance. In addition, the UCITS may enter into reverse repurchase agreements for the replacement of financial guarantees in cash and/or repurchase agreements to meet liquidity needs. Temporary purchases and sales of securities will be guaranteed in accordance with the principles described in section 8 below "contracts constituting financial guarantees".

• **Remuneration:** Information relating to the remuneration of these transactions is provided in the "Fees and commissions" section.

• **Selection of counterparties:** The management company follows a specific selection process for financial intermediaries, also used for intermediaries designated for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS). These intermediaries are selected on the basis of the liquidity that they offer as well as their speed, reliability and quality with regard to how they process transactions. At the end of this rigorous and regulated process, subject to a rating, the counterparties selected for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS) are credit institutions or other entities authorised by the management company and respecting the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

## 8. Contracts constituting financial guarantees

In connection with the conclusion of financial contracts and/or securities financing transactions, the UCI may receive/remit financial guarantees in the form of full ownership transfer of securities and/or of cash.

Securities received as collateral must meet the criteria set by regulations and must be granted by credit institutions or other entities that meet the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

Financial guarantees received must be able to be fully enforced by the UCI at any time and without consulting or obtaining the approval of the counterparty. The level of financial guarantees and the discount policy are set by the eligibility policy for financial guarantees of the Management Company in accordance with the regulations in force and cover the categories below:

- financial guarantees in cash;
- financial guarantees in debt securities or in equity securities according to a precise nomenclature.

The eligibility policy for financial guarantees explicitly defines the required level of guarantee and the discounts applied for each financial guarantee according to rules that depend on their specific characteristics. It also specifies, in accordance with the regulations in force, rules for risk diversification, correlation, valuation, credit quality and regular stress tests on the liquidity of guarantees.

In the event that financial guarantees in cash are received, these may, under conditions set by regulation, only be:

- placed in deposit;
- invested in high-quality government bonds;
- used in a reverse repurchase agreement;
- invested in short-term money market undertakings for collective investment (UCIs).

Financial guarantees other than received cash may not be sold, reinvested or used as collateral; The management company will, in accordance with the valuation rules provided for in this prospectus, carry out a daily valuation of the guarantees received on a market price basis (mark-to-market).

Margin calls will be made on a daily basis. The guarantees received by the mutual fund will be kept by the mutual fund's depositary or, failing that, by any third-party depositary subject to prudential supervision and which has no connection with the provider of the guarantee. The risks associated with securities financing transactions, financial contracts and the management of inherent collateral are described in the risk profile section.

### Risk profile:

*"Your money will be invested in financial instruments selected by the management company. These instruments will be exposed to market trends and risks".*

The risks described below are not exhaustive: investors should analyse the risks inherent to each investment and make their own decisions. Through the fund, subscribers are exposed to the following risks:

#### Risk of capital loss:

Investors are advised that their capital is not guaranteed and may therefore not be returned to them.

ESG investment risk: The fund uses ESG criteria and may underperform the market in general or other funds that do not use ESG criteria when selecting investments. ESG investments are selected, or excluded on the basis of financial and non-financial criteria. The fund may sell a security due to ESG reasons, rather than for purely financial considerations.

#### Sustainability risk:

This refers to the possible occurrence of an ESG event or condition that could potentially or actually cause a significant negative impact on the value of an investment in a fund. Sustainability risks can either represent a risk in and of themselves, or have an impact on other risks and contribute – by way of correlation – significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks can have an impact on long-term risk-adjusted returns for investors. Assessing sustainability risk is complex and can be based on ESG data that is difficult to obtain and incomplete, believed to be outdated, or otherwise materially inaccurate. Even when identified, there is no guarantee that this data will be properly assessed.

#### Interest rate risk:

The fund is subject to interest rate risk. Interest rate risk is the risk that the value of the fund's investment decreases if interest rates rise. Thus, when interest rates rise, the net asset value of the fund may fall.

#### Credit risk relating to issuers of debt securities:

Risk may arise from a downgrading of the credit rating or default of the issuer of the debt security or failure of the issuer to honour his commitments with regard to the instruments issued. If an issuer's credit rating is downgraded, the value of its assets falls. Accordingly, this may cause the net asset value of the fund to fall.

When investing in bonds there is a direct or indirect risk arising from the possible presence of securities of lower quality, known as "high-yield" or speculative securities. These "speculative" securities have a higher risk of default. They are likely to suffer higher and/or more frequent variations in valuations and are not always sufficiently liquid to be sold at all times at the best price. The value of the mutual fund unit may therefore decrease if the value of these securities in the portfolio falls.

Counterparty risk: Counterparty risk arises from entering into financial forward contracts traded OTC and from temporary securities purchase and sale transactions: This is the risk that a counterparty may default on payment. The defaulting of the payment of a counterparty may therefore lead to a decrease in the fund's net asset value.

#### Risk arising from overexposure:

The fund may use financial futures (derivatives) to generate overexposure and thus increase the fund's overall exposure to a maximum of 200%. Depending on the direction of the Fund's transactions, the effect of the fall (in the case of purchase of exposure) may be amplified and therefore increase the fall of the net asset value of the Fund.

#### Risk related to contingent convertibles:

CoCos are hybrid securities, whose main objective is to enable recapitalisation of the issuing bank or financial institution, during a financial crisis. Indeed, these securities have loss-absorption mechanisms, as described in their issue prospectuses, that are activated generally when the issuer's equity ratio falls below a certain trigger threshold.

The trigger is first of all mechanical: it is generally based on the CET1 ("Common Equity Tier 1") accounting ratio, relative to risk-weighted assets. To offset the discrepancy between book values and the financial reality, there is a discretionary clause allowing the supervisor to invoke the loss absorption mechanism if he/she considers that the issuing institution is insolvent.

CoCos are therefore subject to specific risks, in particular subordination to specific trigger criteria (e.g. a decline in the equity ratio), conversion into shares, loss of capital or non-payment of interest.

The use of subordinated bonds, particularly so-called Additional Tier 1 bonds, exposes the fund to the following risks:

- triggering of contingent clauses: if an equity threshold is crossed, these bonds are either exchanged for shares or undergo a capital reduction, potentially to 0.
- cancellation of the coupon: Coupon payments on these types of instruments are entirely discretionary and may be cancelled by the issuer at any time, for any reason, and without time constraints.
- the capital structure: unlike traditional, secured debt, investors in this type of instrument may incur a capital loss without prior bankruptcy of the company. Moreover, the subordinated creditor will be repaid after ordinary creditors, but before shareholders.
- call for extension: These instruments are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.
- valuation/return: The attractive yield of these securities can be considered a complexity premium.

#### Potential risk of a conflict of interest:

This risk relates to the completion of temporary purchases and sales of securities transactions, during which the fund uses an entity as counterparty and/or financial intermediary that is linked to the group to which the fund's management company belongs.

#### Legal risk:

The recourse to the purchase and/or sale transactions of securities and/or total return swaps (TRS) may result in legal risks, in particular relating to contracts.

#### **Target subscribers:**

- C share All subscribers, particularly private investors
- I share All subscribers, particularly institutional investors
- S share Large institutional investors
- D share All subscribers, particularly private investors
- T share All investors without payment of retrocession fees to distributors

All investors, particularly investors seeking exposure to euro-denominated bond markets.

### US investors

The shares have not been and will not be registered under the US Securities Act of 1933 (hereinafter the "Act of 1933") or any other law applicable in a US state. Shares may also not be directly or indirectly transferred, offered or sold in the United States of America (including its territories and possessions) to any United States national (hereinafter "U.S. Person"), as defined in the American Regulation 'Regulation S' of the Act of 1933 as adopted by the Securities and Exchange Commission ("SEC"), unless (i) the shares have been registered or (ii) an exemption applies (with the prior agreement of the management company's governing body).

The fund has not been and will not be registered under the US Investment Company Act of 1940. Any re-sale or transfer of shares in the United States of America or to a US Person may be in breach of US law and requires the written agreement of the management company of the fund. Those wishing to acquire or purchase shares will have to certify in writing that they are not US Persons.

### Russian and Belarusian investors

In accordance with the provisions of EU Regulation No. 833/2014 subscription to units/shares of this fund is prohibited to any Russian or Belarusian national, to any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus except nationals of a Member State and to natural persons holding a temporary or permanent residence permit in a Member State.

*The appropriate amount to invest in the mutual fund depends on your personal financial situation. To determine this, you must take into account your personal assets, current needs as well as your risk appetite or, on the contrary, your preference for a prudent investment. You are also strongly advised to diversify your investments so that they are not exposed solely to the risks of this fund.*

#### **Recommended investment period:**

This UCI may not suit investors who intend to withdraw their contribution within three years.

#### **Methods of determining and allocating distributable amounts:**

C share	Capitalisation
I share	Capitalisation
S share	Capitalisation
D share	Capitalisation and/or distribution and/or carry forward
T share	Capitalisation

The distributable amounts consist of:

1. The net result, which corresponds to the amount of interest, arrears, dividends, bonuses and lots, directors' fees and all income relating to the securities making up the fund portfolio, plus income from sums temporarily held as liquid assets, minus management fees and borrowing costs, plus retained earnings, plus or minus the balance of the income adjustment account;
2. the realised capital gains, net of costs, minus the realised capital losses, net of costs, during the financial year, plus the similar net capital gains realised during the previous financial years which were not subject to distribution or capitalisation, minus or plus the balance of accrued capital gains.

**D share:** the net result will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward once more (total or partial), by decision of the management company. The net realised capital gains will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward once more (totally or partially), by decision of the management company. The management company does not intend to pay interim dividends. Distribution is carried out on an annual basis.

**I, C, S and T shares:** The distributable amounts are fully capitalised.

#### **Accounting currency:**

EUR

#### **Subscription and redemption terms:**

Subscription requests (as a specified amount or in hundred thousandths of shares) and redemption requests (in hundred thousandths of shares) are processed by La Française AM Finance Services on each net asset value calculation day at 11 a.m. (if the Stock Exchange is open in Paris, or the next trading day, except for public holidays in France) and are executed on the basis of the next net asset value (i.e. unknown at the time of execution).

Payments relating thereto are made on the second trading day following the processing date.



Each share can be divided into hundred thousandths of a share.

Processing of subscription orders	Processing of redemption orders	Execution of the order at the latest in T	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions
T before 11 a.m.	T before 11 a.m.	Each trading day (T)	T + 1 business day	T + 2 business days	T + 2 business days

**Minimum value of initial subscription:**

C share	None
I share	EUR 100,000.00
S share	EUR 1,000,000.00
D share	None
T share	None

**Minimum value of subsequent subscriptions:**

C share	None
I share	None
S share	None
D share	None
T share	None

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

The net asset value is calculated on each trading day of the Paris Stock Exchange, excluding legal holidays in France.

**Original net asset value:**

C share	EUR 21.32
I share	EUR 1,000.00
S share	EUR 10,000.00
D share	EUR 16.66
T share	EUR 100.00

**Location where the net asset value is published:**

the management company's premises and the website: [www.la-francaise.com](http://www.la-francaise.com)

**Costs and fees:**

*Subscription and redemption fees:*

*Subscription and redemption fees increase the subscription price paid by the investor or decrease the redemption price. The fees received by the UCITS offset the charges it incurs in investing or divesting the assets entrusted to it. Commissions not retained by the fund are paid to the investment company, distributor, etc.*

Costs payable by the investor, levied at the time of subscription and redemption	Base	Rate/scale
Subscription fee not paid to the UCITS	Net asset value x Number of shares	<b>C share:</b> 3.00% maximum <b>I share:</b> 0.50% maximum <b>S share:</b> 0.50% maximum <b>D share:</b> 0.50% maximum <b>T share:</b> 0.50% maximum
Sales fee paid to the UCITS	Net asset value x Number of shares	<b>C share:</b> None <b>I share:</b> None <b>S share:</b> None <b>D share:</b> None <b>T share:</b> None
Redemption fee not paid to the UCITS	Net asset value x Number of shares	<b>C share:</b> None <b>I share:</b> None <b>S share:</b> None <b>D share:</b> None <b>T share:</b> None
Redemption fee paid to the UCITS	Net asset value x Number of shares	<b>C share:</b> None <b>I share:</b> None <b>S share:</b> None <b>D share:</b> None <b>T share:</b> None

#### Operating and management charges:

These cover all costs charged directly to the UCITS, apart from transaction fees. Transaction costs include intermediation charges (brokerage, stamp duties, etc.) and any turnover fees charged in particular by the depositary and the management company.

In addition to operating and management charges, there may also be:

- outperformance fees. These are paid to the management company when the UCITS has exceeded its objectives. They are therefore charged to the UCITS;
- turnover fees are charged to the UCITS.

	Costs invoiced to the UCITS	Base	Rate/scale
1	Financial management fees	Net assets	<b>C share:</b> 0.904% maximum rate (including tax) <b>D share:</b> 0.904% maximum rate (including tax) <b>I share:</b> 0.500% maximum rate (including tax) <b>S share:</b> 0.350% maximum rate (including tax) <b>T share:</b> 0.500% maximum rate (including tax)
2	Administrative costs external to the management company	Net assets	<b>C &amp; D, S &amp; I, T shares</b> : 0.096% maximum rate (including tax)
3	Maximum indirect costs	Net assets	None
4	Turnover fees	Deducted from each transaction	<b>Shares:</b> 0.40% (with a minimum of €120) <b>Convertible bonds &lt; 5 years:</b> 0.06% <b>Convertible bonds &gt; 5 years:</b> 0.24% <b>Other bonds:</b> 0.024% (with a minimum of €100) <b>Monetary instruments:</b> 0.012% (with a minimum of €100) <b>Swaps:</b> 300€ <b>Forward exchange:</b> 150€ <b>Spot exchange:</b> 50€ <b>UCI:</b> 15€ <b>Futures:</b> 6€ <b>Options:</b> 2.5€
5	Outperformance fee	Net assets	None

A percentage of the management fee may be paid to remunerate marketers and distributors, subject to applicable regulations.

The UCITS may not inform shareholders specifically or offer them the possibility of redeeming their shares without incurring charges in the event of an increase in administrative costs external to the management company which would be equal to or less than 10 basis points per calendar year; the notification may therefore be made by any means.

Other costs invoiced to the UCITS

- contributions due to the UCITS management pursuant to Article L621-5-3 (II)(3)(d) of the Monetary and Financial Code;
- taxes, duties, licence fees and government fees (relating to the UCITS), both extraordinary and non-recurring;
- extraordinary and non-recurring costs relating to debt recovery or a procedure for asserting a right (e.g.class action procedure).

#### **Information on the remuneration generated by temporary securities purchase and sale transactions:**

The sub-fund's counterparty for temporary acquisitions and sales of securities is one or more credit institutions or other entities authorised by the management company and which comply with the legal form, country and other financial criteria set out in the Monetary and Financial Code. The counterparties will act independently of the sub-fund.

No remuneration is paid to the depositary (within the framework of its capacity as depositary) or to the management company for transactions for the temporary purchase or sale of securities. All income resulting from transactions for the temporary purchase and sale of securities, including income generated by the reinvestment of cash collateral received as part of these transactions, net of direct and indirect operating costs, is returned to the sub-fund. These transactions generate direct and indirect operating costs which will be borne by the management company; the share of these costs may not exceed 40% of the income generated by these transactions.

Furthermore, the management company does not receive any in-kind commission.

For further information, unitholders may refer to the sub-fund's annual report.

#### **Choice of intermediaries:**

The Management Company has introduced a procedure for selecting and evaluating intermediaries and counterparties that takes into account objective criteria such as intermediation costs, execution quality and research. This procedure is available on the Management Company's website at the following address: <https://www.la-francaise.com/fr/informations-reglementaires/>  
Unitholders should refer to the annual report of the fund for any further information they may require.

#### **Information on risks relating to potential conflicts of interest**

The management company may entrust Crédit Industriel et Commercial with the intermediation service, which will be provided by the Table Buy Side department within CIC Market Solutions. Crédit Industriel et Commercial is a Société Anonyme (public limited company) under French law with a share capital of 608,439,888 euros. On 30 September 1999, Crédit Industriel et Commercial

obtained authorisation from the CECEI as a bank providing investment services. The two companies belong to the same group, which is likely to generate a potential risk of conflict of interest.

The service provided by Crédit Industriel et Commercial has therefore been governed by a service contract, to ensure that there is no impact on the fund's investors/shareholders in terms of cost and quality of service.

Crédit Industriel et Commercial's main purpose is to provide intermediation services (i.e. receiving, transmitting and executing orders on behalf of third parties) mainly for the Group's asset management companies. Within this framework, the service provider chooses brokers from the list of brokers authorised by the management company and places orders according to criteria defined by the latter.

Crédit Industriel et Commercial can act as principal or agent. Intervention in "principal" mode corresponds to intervention as counterparty to the management company's portfolios. Acting as an agent, Crédit Industriel et Commercial acts as an intermediary between portfolios and market counterparties. These may be entities belonging to the management company's group.

# La Francaise Credit Innovation

## ISIN code:

S EUR share	FR0014008UP3
F share	FR0014008UO6
R C EUR share	FR0014008UN8
R C USD H share	FR0014008UM0
R D EUR share	FR0014008UL2
R D USD H share	FR0014008UK4
I C EUR share	FR0014008UJ6
I C USD H share	FR0014008UI8
I C CHF H share	FR0014008UE7
I D EUR share	FR0014008UH0
I D USD H share	FR0014008UG2
T C EUR share	FR0014008UF4
T C USD H share	FR0014008UD9
T C CHF H share	FR0014008UC1
T D EUR share	FR0014008UB3
T D USD H share	FR0014008UA5
CM C EUR share	FR001400IH07

## Classification:

International bonds and other debt securities

## Management objective:

The sub-fund aims to achieve, over the recommended investment period of three years, a performance net of fees superior to the performance of the ICE BofAML BB Global High Yield Total Return Index (Ticker Bloomberg: HW10 Index) by investing in a portfolio of issuers that have been screened according to Environmental, Social and Governance (ESG) criteria and that contribute positively to the Sustainable Development Goals (SDGs) up to a minimum of 60% of the net assets.

## Benchmark index:

The sub-fund is neither index-linked nor index-referenced, but as an ex-post comparison, the holder may refer to the performance of the ICE BofAML BB Global High Yield Total Return Index (Bloomberg ticker: HW10 Index).

The ICE BofAML BB Global High Yield Index is a subset of the ICE BofAML Global High Yield Index comprising all securities rated from BB1 to BB3 inclusive.

- Director of the ICE BofAML BB Global High Yield Total Return Index: ICE. As at the date of the latest update to this prospectus, the administrator is no longer listed in the register of administrators and benchmark indices managed by the ESMA.

Further information on the benchmark index is available on the administrator's website: <https://www.theice.com/market-data/>.

The benchmark is only used for comparison. The manager is free to decide whether or not to invest in the securities that make up the benchmark index. They are therefore free to choose the securities that make up the portfolio in accordance with the management strategy and investment restrictions.

## Investment strategy:

### 1- Strategy used

The investment strategy of the sub-fund is to take advantage of the dynamics created by themes and issues of the future which are:

- climate change;
- technological innovation;
- urbanisation;
- population growth.

These themes may change as new trends emerge and are determined at the discretion of the management team. These themes are not linked to sectors of activity but rather to the profiles of products and services sold by companies.

The management company uses the "La Française Sustainable Investment Research" centre of the "La Française Group UK Limited" entity, specialised in responsible investment criteria. It is specified that there is a risk of conflicts of interest relating to the provision of ESG scores with the "La Française Sustainable Investment Research" research centre of the "La Française Group UK Limited" entity belonging to the La Française Group. In order to manage this situation, the management company has put in place and updates a conflict of interest management policy with the aim of identifying and analysing potential conflict of interest situations as well as recording, managing and monitoring situations in which there is a conflict of interest. Furthermore, the provision of ESG scores is fully paid for by the management company, and the holders of the funds concerned by this service are informed through the prospectuses and annual reports.

The strategy of the fund is to invest in issuers whose rating is likely to improve (capture improvements in the risk premium). It consists of the discretionary management of a portfolio of bonds issued by private entities. The management of the fund relies primarily on the management team's in-depth knowledge of the balance sheets of the selected companies.

To fulfil the management objective, the portfolio is invested up to 100% of the net assets in fixed or floating rate bonds, other negotiable debt securities and money market instruments (Treasury bills, commercial paper, certificates of deposit) from all sectors.

The initial investment universe is constructed from issuers belonging to the BofAML Global High Yield Index (HW00 Index). Securities are selected mainly from within this universe. They may also be selected from outside the universe, from European and international markets (including emerging markets), up to a limit of 10% of the investment universe, provided that these securities have an ESG score above the exclusion threshold in force for the investment universe and meet the investment criteria of the sub-fund.

These issuers are analysed by La Française Sustainable Investment Research with an ESG integration approach and with a significant commitment in terms of management. Issuers are subject to the same requirements regardless of whether or not they belong to the index.

The ESG score of private issuers is structured as follows:

- Periodic update of raw data from different sources;
- Calculation of key performance indicators;
- Aggregated and supplemented with recent information collected and deemed relevant by the ESG Research Team, they result in the calculation of scores in three pillars (environmental sustainability, human capital and organisational capital);
- Calculation of the ESG score, on the basis of the three areas and specific sector weightings.

For example, the criteria used to analyse private issuers are:

- Environmental: carbon intensity and waste management, etc.
- Social: staff training, labour relations, etc.
- Governance: management structure and relationship with shareholders, remuneration policy, etc.

At the end of this process, each issuer is given a score from zero (worst) to 10 (best). This score reflects investment opportunities or, conversely, non-financial risks.

The proportion of issuers analysed under these ESG criteria in the portfolio exceeds 90% of the securities in the portfolio, excluding cash.

The first step of the extra-financial analysis consists of identifying the issuers to be excluded beforehand by virtue of the exclusion policy of La Française Group, available on the website [www.la-francaise.com](http://www.la-francaise.com).

The second step is to remove 20% of the issuers with the lowest ESG scores from the initial investment universe covered. All of these excluded issuers make up the ESG exclusion list. This list is established on a monthly basis for private issuers and determines a minimum ESG score threshold below which the fund may not invest. Issuers whose ESG score falls below the exclusion threshold cannot be part of the investable universe.

Therefore, in the third step of the extra-financial analysis, the management company analyses the company profiles after narrowing the investment universe and determines whether their products and services fit into one of the themes. The result of this discretionary analysis determines whether an issuer is assigned to one (or alternatively none) of these subject areas.

The SDGs identified in connection with our investment themes are as follows:

- health and well-being (SDG 3 - lower inequality through improved access to health);
- quality education (SDG 4 - lower inequality through improved access to education);
- clean and affordable energy (SDG 7 - green energy and sustainable energy use);
- sustainable cities and communities (SDG 11 - promote sustainable cities and buildings);
- combatting climate change (SDG 13 - mitigating climate change).

Even though these SDGs are directly related to the investment themes, the management company does not ignore the positive and negative contributions to the other 12 SDGs. To do this, the Management Company uses two methodologies, the combination of which ensures that a greater number of companies are covered by an SDG score. These two methodologies are described below:

- A methodology which calculates the percentage of a company's turnover generated by products and services with a positive, neutral or negative impact. These percentages are then added together at global level to arrive at a score scale that reflects the positioning of a company's contribution to the 17 SDGs (ranging from significant obstruction, limited

obstruction, no net impact, limited contribution to significant contribution). This results in a score for each company ranging from -10 to +10. A company with a contribution strictly greater than 0 is considered to have a positive impact, one with a score of 0 is considered to have a neutral impact and one with a score below 0 is considered to have a negative impact. The conversion of turnover into a score is based on rules linked to a detailed and defined taxonomy for each of the sustainability objectives (the taxonomy used can be found in our Transparency Code);

- A methodology that uses collective intelligence to assess the impact of a company's products and services. This approach is therefore broader than financial flows, which are not exhaustive in assessing the impact. This methodology uses a network of analysts to assess a company's products and services against the impact issues identified for those activities or sectors. The accumulation of independent analyses will determine the overall negative, neutral or positive impact of the company's products and services through an SDG score. The score for each company can range from -5 to +5. A company with a contribution strictly greater than 0.5 is considered to have a positive impact, one with a score between [-0.5; +0.5] is considered to have a neutral impact and a company with a score below -0.5 is considered to have a negative impact.

In the event that a company obtains two scores following the application of the two methodologies, the management company will use the higher of the two scores.

As these major economic issues are at the heart of the following sustainable development objectives, the management company undertakes to invest at least 60% of the net assets of the sub-fund in issuers making a positive contribution to the sustainable development goals (SDGs).

The objective of the Sub-fund is sustainable investment within the meaning of Article 9 of the EU Sustainable Finance Disclosure Regulation (EU) 2019/2088 (SFDR).

The methodology adopted by the management company for taking into account extra-financial criteria may have a limitation related to the analyses carried out by the ESG Research Team. These analyses are dependent on the quality of the information collected and the transparency of the issuers.

Additional information on the management company's non-financial analysis, including ESG criteria, is presented in the La Française Group transparency code and engagement policies, available on the La Française website at [www.la-francaise.com](http://www.la-francaise.com).

The sub-fund invests up to 100% of its net assets in Investment Grade issues (with a rating higher or equal to BBB- at Standard & Poor's or Baa3 at Moody's or the equivalent according to the analysis of the management company) and/or in High Yield issues (speculative) (i.e. with a rating lower than BBB- or Baa3 or equivalent according to the analysis of the management company). The management company shall not exclusively or automatically rely on external ratings but may, upon the issuance of such a rating, take it into consideration for its credit analysis.

Investment in convertible bonds is limited to maximum of 30% of net assets.

The manager may invest in securities denominated in euros and/or other currencies. Where securities are not denominated in euros, the manager will systematically hedge the exchange risk. A residual risk may nevertheless remain, as hedging cannot be perfect.

The sub-fund may use financial and non-financial subordinated bonds (including contingent convertible bonds – "Cocos") up to an overall limit of 20% of net assets.

CoCos are more speculative in nature and have a higher risk of default than a conventional bond, but these convertible contingent bonds will be sought after in the management of the sub-fund due to their theoretical higher yield compared to a conventional bond. The purpose of this remuneration is to compensate for the fact that these securities can be converted into equity (shares) or suffer a capital loss in the event that the contingency clauses are triggered by the financial institution concerned (exceedance of a capital threshold predetermined in the prospectus of the subordinated bond).

Consequently, the selection of securities focuses on the financial situation, debt structure and cash flow statements of issuers to avoid default situations. Moreover, issuers with the expectation of high repayment rates and junior subordinated issues are preferred.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS established under French or European law in accordance with Directive 2009/65/EC.

Taking into account the investment strategy implemented, the risk profile of the sub-fund is closely linked to the selection of speculative securities which may represent up to 100% of its net assets and therefore including default risk.

On an exceptional and temporary basis, in the event of large redemptions, the manager may borrow cash up to a maximum of 10% of the net assets and hold cash or cash equivalents up to a maximum of 10% of the net assets.



The sub-fund will preferably use derivative instruments on organised futures markets but reserves the right to enter into OTC contracts where these contracts are better suited to the management objective or offer lower trading costs. The sub-fund reserves the right to trade on all European and international futures markets including emerging markets.

The manager may use financial instruments such as futures, forwards, options, interest rate swaps, foreign exchange swaps, forward exchange transactions, Credit Default Swaps (CDS on single underlying asset options and CDS on indices) and Non-Deliverable Forwards. They will mainly act with the aim of hedging and/or exposing the fund to interest rate and/or credit futures markets, and with the aim of hedging future exchange markets.

The sub-fund will not use Total Return Swaps (TRS).

The sub-fund's exposure to derivatives shall not exceed 100% of its net assets, without seeking overexposure.

The sensitivity range for interest rates within which the fund is managed	0 to 10
Geographical area of the issuers of securities to which the fund is exposed	Private issuers from OECD countries (all regions): 0-100%; Private issuers from non-OECD countries (emerging countries): 0-50%
Currencies of denomination of the securities in which the fund is invested	All currencies
Level of foreign exchange risk borne by the residual fund due to imperfect hedging	Residual owing to imperfect hedging of currency positions

The objective of the European Union Taxonomy is to identify economic activities considered to be sustainable from an environmental perspective. The taxonomy identifies these activities according to their contribution to six major environmental objectives:

- Climate change mitigation;
- Climate change adaptation;
- The sustainable use and protection of water and marine resources;
- Transition to a circular economy (waste, prevention and recycling);
- Pollution prevention and control;
- The protection and restoration of biodiversity and ecosystems.

In order to be considered sustainable, an economic activity must demonstrate that it contributes substantially to the achievement of at least one of the six objectives, while not harming any of the other five (a principle known as DNSH, "Do No Significant Harm").

For an activity to be considered aligned with the European Taxonomy, it must also respect human and social rights guaranteed by international law.

The minimum percentage of alignment with the EU Taxonomy is 0%. The alignment of companies' activities is carried out qualitatively in the internal analysis process based on data published by the companies themselves as well as that made available by our ESG data providers.

## **2. Assets (excluding embedded derivatives)**

In order to achieve its management objective, the sub-fund will use different types of assets.

### **a) Equities: yes**

The sub-fund may not purchase shares directly but it may be indirectly exposed to equity risk due to the fact that it holds convertible bonds up to a limit of 10% of its net assets and may be directly invested in equities up to a limit of 5% of its net assets only in the event of a restructuring of a bond, standard or convertible, by the issuer.

The equities shall present following characteristics:

- all capitalisation
- all economic sectors
- all currencies
- in all geographical areas.

### **b) Debt securities and money market instruments: yes**

#### **i. Negotiable debt securities: yes**

#### **ii. Bonds (fixed rate, floating rate, indexed): yes**

#### **iii. Treasury bills: yes**

#### **iv. Short-term negotiable securities: with the following characteristics:**

- all economic sectors

### **c) UCITS:**

The sub-fund may invest up to 10% of its assets in units or shares of UCITS established under French or foreign law, in accordance with Directive 2009/65/EC.

These UCITS may be managed by the management company of the sub-fund or an associated company.

### 3. Derivative instruments

The sub-fund may, on a discretionary basis, trade in any futures or options as long as their underlying funds have a direct or correlated financial relationship with a portfolio asset, used for both hedging and exposure of the portfolio.

Nature of the markets used:

- regulated: yes
- organised: yes
- OTC: yes

Risks on which the manager seeks to act:

- equities: yes (up to 10% of the net assets)
- interest rates: yes
- foreign exchange: yes
- credit: yes
- indices: yes

Nature of activities:

- hedging: yes
- exposure: yes
- arbitrage: no

Nature of the instruments used:

- futures: yes
- options (listed, OTC): yes
- swaps (interest rates, currencies): yes
- forward exchange (NDF): yes
- credit derivatives: yes, CDS
- CDS options: yes (up to 15% of the net assets)

The sub-fund will not use Total Return Swaps (TRS).

The derivative instruments listed above are not subject to the same extra-financial analysis process as the securities described in the investment strategy.

### 4 - Securities with embedded derivatives

Risks on which the manager seeks to act:

- equities: yes
- interest rates: yes
- foreign exchange: no
- credit: yes
- indices: yes (interest rates)

Nature of activities:

- hedging: yes
- exposure: yes
- arbitrage: no

Nature of the instruments used:

- Convertible bonds, within a limit of 30% of net assets
- Contingent convertible bonds ("cocos") (up to 20% of net assets)
- Warrants
- EMTN
- Callable rate products
- Puttable rate products

**5- Deposits:** the sub-fund reserves the right to make deposits of up to 10% in order to manage its cash flow.

#### **6- Cash borrowings**

The sub-fund reserves the right to temporarily borrow cash up to a limit of 10% of its net assets in the event of significant redemptions.

#### **7- Temporary securities purchase and sale transactions:** yes

The sub-fund may also engage in transactions for the temporary purchase and sale of securities in order to (i) ensure the investment of the liquid assets available (e.g. reverse repurchase/repurchase transactions), (ii) optimise the performance of the portfolio (e.g. securities lending/borrowing). Securities lending and/or reverse repo counterparties are subject to an ESG analysis during La Francaise Asset Management's eligibility review of financial intermediaries.

**Nature of activities:** Transactions for the temporary purchase or sale of securities shall be carried out in accordance with the Monetary and Financial Code. They shall be carried out within the framework of cash flow management and/or the optimisation of UCI income. Under no circumstances shall these strategies aim to create or result in the creation of a leverage effect.

• **Nature of transactions used:** These operations will consist of securities lending and borrowing and/or in repurchase and reverse repurchase agreements with reference to the French Monetary and Financial Code. The assets that may be the subject of such transactions will be those described in section "2. Assets (excluding embedded derivatives)" of this prospectus.

• **Envisaged level of use:** Transactions for the temporary sale of securities (securities lending, repurchase transactions) may be carried out up to an amount equivalent to a maximum of 60% of the UCI's net assets, while transactions for the temporary purchase of securities (securities borrowing, reverse repurchase agreements) may be carried out up to an amount equivalent to a maximum of 10% of the UCI's net assets. The expected proportion of assets under management that will be involved in such transactions may represent 25% of the UCI's net assets.

• **Information on the use of temporary sales and acquisitions of securities:** The purpose of the use of temporary securities acquisitions and disposals is in particular to provide the UCITS with an additional return and therefore to contribute to its performance. In addition, the UCITS may enter into reverse repurchase agreements for the replacement of financial guarantees in cash and/or repurchase agreements to meet liquidity needs. Temporary purchases and sales of securities will be guaranteed in accordance with the principles described in section 8 below "contracts constituting financial guarantees".

• **Remuneration:** Information relating to the remuneration of these transactions is provided in the "Fees and commissions" section.

• **Selection of counterparties:** The management company follows a specific selection process for financial intermediaries, also used for intermediaries designated for transactions for the temporary purchase or sale of securities. These intermediaries are selected on the basis of the liquidity that they offer as well as their speed, reliability and quality with regard to how they process transactions. At the end of this rigorous and regular process, subject to a grade, the counterparties selected for transactions for the temporary purchase or sale of securities are credit institutions or other entities authorised by the management company and respecting the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

#### **8. Contracts constituting financial guarantees**

In connection with the conclusion of financial contracts and/or securities financing transactions, the UCI may receive/remit financial guarantees in the form of full ownership transfer of securities and/or of cash.

Securities received as collateral must meet the criteria set by regulations and must be granted by credit institutions or other entities that meet the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

Financial guarantees received must be able to be fully enforced by the UCI at any time and without consulting or obtaining the approval of the counterparty. The level of financial guarantees and the discount policy are set by the eligibility policy for financial guarantees of the Management Company in accordance with the regulations in force and cover the categories below:

- financial guarantees in cash;

- financial guarantees in debt securities or in equity securities according to a precise nomenclature.

The eligibility policy for financial guarantees explicitly defines the required level of guarantee and the discounts applied for each financial guarantee according to rules that depend on their specific characteristics. It also specifies, in accordance with the regulations in force, rules for risk diversification, correlation, valuation, credit quality and regular stress tests on the liquidity of guarantees.

In the event that financial guarantees in cash are received, these may, under conditions set by regulation, only be:

- placed in deposit;

- invested in high-quality government bonds;
- used in a reverse repurchase agreement;
- invested in short-term money market undertakings for collective investment (UCIs).

Financial guarantees other than received cash may not be sold, reinvested or used as collateral;

The management company will, in accordance with the valuation rules provided for in this prospectus, carry out a daily valuation of the guarantees received on a market price basis (mark-to-market). Margin calls will be made on a daily basis.

The guarantees received by the mutual fund will be kept by the mutual fund's depository, or, failing that, by any third-party depository subject to prudential supervision and which has no connection with the provider of the guarantee.

The risks associated with securities financing transactions, financial contracts and the management of inherent collateral are described in the risk profile section.

#### **Risk profile:**

*"Your money will be invested in financial instruments selected by the management company. These instruments will be exposed to market trends and risks".*

The risks described below are not exhaustive: investors should analyse the risks inherent to each investment and make their own decisions. Through the fund, subscribers are exposed to the following risks:

#### Risk of capital loss:

Investors are advised that their capital is not guaranteed and may therefore not be returned to them.

#### Discretionary risk:

The discretionary management style applied to the mutual fund is based on the selection of portfolio assets and/or market expectations. There is a risk that the mutual fund may not be invested in the best-performing assets or markets at all times. The fund's performance may therefore be lower than the management objective. In addition, the net asset value of the fund may have a negative performance.

ESG investment risk: The fund uses ESG criteria and may underperform the market in general or other funds that do not use ESG criteria when selecting investments. ESG investments are selected, or excluded on the basis of financial and non-financial criteria. The fund may sell a security due to ESG reasons, rather than for purely financial considerations.

Sustainability risk: This refers to the possible occurrence of an ESG event or condition that could potentially or actually cause a significant negative impact on the value of an investment in a fund. Sustainability risks can either represent a risk as such, or have an impact on other risks and contribute – by way of correlation – significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks can have an impact on long-term risk-adjusted returns for investors. Assessing sustainability risk is complex and can be based on ESG data that is difficult to obtain and incomplete, believed to be outdated, or otherwise materially inaccurate. Even when identified, there is no guarantee that this data will be properly assessed.

#### Exchange rate risk:

The fund may invest in transferable securities denominated in currencies other than the reference currency.

The manager will systematically hedge the currency risk. There may however be a residual currency exchange risk due to imperfect hedging. The net asset value of the fund may fall as a consequence.

#### Risk arising from techniques such as derivatives:

This is the risk of increased losses due to the use of forward financial instruments such as over-the-counter financial contracts and/or temporary securities purchases and/or futures contracts.

#### Interest rate risk:

The fund is subject to interest rate risk within the maximum limit of 10% of assets. Interest rate risk is the risk that the value of the fund's investments will fall if interest rates rise. Thus, when interest rates rise, the net asset value of the fund may fall.

#### Credit risk relating to issuers of debt securities:

Risk may arise from a downgrading of the credit rating or default of the issuer of the debt security or failure of the issuer to honour his commitments with regard to the instruments issued. If an issuer's credit rating is downgraded, the value of its assets falls. Accordingly, this may cause the net asset value of the fund to fall.

When investing in bonds there is a direct or indirect risk arising from the possible presence of securities of lower quality, known as "high-yield" or speculative securities. These "speculative" securities have a higher risk of default. They are likely to suffer higher and/or more frequent variations in valuations and are not always sufficiently liquid to be sold at all times at the best price. The value of the mutual fund unit may therefore decrease if the value of these securities in the portfolio falls.

#### Default risk relating to issuers of debt securities:

The default risk is the risk related to solvency of the entity which issued the securities. This risk is even greater should the fund invest in speculative or unrated securities which could lead to an increased level of risk of the net asset value of the fund decreasing and a loss of capital.

#### Risk associated with investments in "high-yield" securities (known as speculative securities):

This fund should be considered speculative. It is aimed specifically at investors who are aware of the risks inherent to investing in securities with a low or non-existent rating.

These speculative securities are classed as speculative and have a higher risk of default; they are likely to suffer higher and/or more frequent variations in valuations and are not always sufficiently liquid to be sold at all times at the best price. The value of the fund unit may therefore be lower when the value of these securities in the portfolio falls.

#### Risk associated with investing in non-OECD countries (emerging markets):

The fund may be exposed up to 50% in non-OECD countries. Market risks are amplified by possible investments in non-OECD countries where market movements, upward or downward, may be stronger and faster than in major international markets.

Investing in non-OECD countries involves a high degree of risk due to the political and economic situation of these markets, which may affect the value of the fund's investments. Their operational and supervisory conditions may differ from the standards prevailing on the major international markets. In addition, investment on these markets involves risks linked to restrictions imposed on foreign investments, counterparties, increased market volatility, delays in settlements/deliveries and the limited liquidity of certain lines in the fund's portfolio. The net asset value of the mutual fund may fall as a consequence.

#### Counterparty risk:

Counterparty risk arises from entering into financial forward contracts traded OTC and from temporary securities purchase and sale transactions. This is the risk that a counterparty may default on payment. The defaulting of the payment of a counterparty may therefore lead to a decrease in the net asset value.

Liquidity risk: This refers to the risk when trading volumes are low or in the event of volatility on a particular market, this financial market cannot absorb the volumes of sales (or purchases) without significantly lowering (or raising) asset prices. This may result in a fall in the fund's net asset value.

#### Risk relating to subordinated debt securities:

The investment universe of the fund includes subordinated bonds. These debt securities have a specific risk profile that differs from that of conventional bonds. Note that a debt is termed subordinated when its repayment is dependent on the initial repayment of other creditors (preferential creditors, unsecured creditors). Thus, the subordinated creditor will be repaid after ordinary creditors, but before shareholders. The interest rate on this type of debt will be higher than the interest on other receivables. In the event that one or more clauses provided in the issue documentation of these subordinated debt securities is triggered and, more generally, if a credit event affects the issuer in question, there is a risk of a fall in the net asset value of the fund. The use of subordinated bonds may expose the fund to the risks of coupon cancellation or deferral (at the issuer's sole discretion), redemption date uncertainty or valuation/performance (as the attractive yield of these securities may be considered to be a complexity premium).

#### Risk associated with holding convertible bonds:

The value of convertible bonds depends on a number of factors: level of interest rate, credit, change of price of the underlying shares, change of price of the derivative integrated into the convertible bond. If the underlying equities of convertible bonds and similar – equities held directly or the indices to which the fund is exposed – fall, the net asset value of the fund may fall.

#### Potential risk of a conflict of interests:

This risk relates to the completion of temporary purchases and sales of securities transactions, during which the fund uses an entity as counterparty and/or financial intermediary that is linked to the group to which the fund's management company belongs.

#### Risk related to contingent convertibles:

CoCos are hybrid securities, whose main objective is to enable recapitalisation of the issuing bank or financial institution, during a financial crisis. Indeed, these securities have loss-absorption mechanisms, as described in their issue prospectuses, that are activated generally when the issuer's equity ratio falls below a certain trigger threshold. The trigger is first of all mechanical: it is generally based on the CET1 ("Common Equity Tier 1") accounting ratio, relative to risk-weighted assets. To offset the discrepancy between book values and the financial reality, there is a discretionary clause allowing the supervisor to invoke the loss absorption mechanism if he/she considers that the issuing institution is insolvent. CoCos are therefore subject to specific risks, in particular subordination to specific trigger criteria (e.g. a decline in the equity ratio), conversion into shares, loss of capital or non-payment of interest. The use of subordinated bonds, particularly so-called Additional Tier 1 bonds, exposes the fund to the following risks:

- triggering of contingent clauses: if an equity threshold is crossed, these bonds are either exchanged for shares or undergo a capital reduction, potentially to 0.

- cancellation of the coupon: Coupon payments on these types of instruments are entirely discretionary and may be cancelled by the issuer at any time, for any reason, and without time constraints. - capital structure: unlike traditional, secured debt, investors in this type of instrument may incur a capital loss without prior bankruptcy of the company. Thus, the subordinated creditor will be repaid after ordinary creditors, but before shareholders. - call for extension: These instruments are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. -valuation/performance: The attractive yield of these securities can be considered a complexity premium.

#### Target subscribers:

S	EUR	Reserved for professional clients within the meaning of MiFID share
F		Reserved for funds managed by companies in the La Française Group
R C	EUR	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services share
R C	USD H	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services share
R D	EUR	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services share
R D	USD H	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services share
I C	EUR	Reserved for professional clients within the meaning of MiFID share
I C	USD H	Reserved for professional clients within the meaning of MiFID share
I C	CHF H	Reserved for professional clients within the meaning of MiFID share
I D	EUR	Reserved for professional clients within the meaning of MiFID share
I D	USD H	Reserved for professional clients within the meaning of MiFID share
T C	EUR	All investors without payment of retrocession fees to distributors share
T C	USD H	All investors without payment of retrocession fees to distributors share
T C	CHF H	All investors without payment of retrocession fees to distributors share
T D	EUR	All investors without payment of retrocession fees to distributors share
T D	USD H	All investors without payment of retrocession fees to distributors share
CM C	EUR	All subscribers in the Crédit Mutuel Alliance Fédérale network share

#### US investors

The shares have not been and will not be registered under the US Securities Act of 1933 (hereinafter the "Act of 1933") or any other law applicable in a US state. Shares may also not be directly or indirectly transferred, offered or sold in the United States of America (including its territories and possessions) to any United States national (hereinafter "U.S. Person"), as defined in the American Regulation 'Regulation S' of the Act of 1933 as adopted by the Securities and Exchange Commission ("SEC"), unless (i) the shares have been registered or (ii) an exemption applies (with the prior agreement of the management company's governing body).

The fund has not been and will not be registered under the US Investment Company Act of 1940. Any re-sale or transfer of shares in the United States of America or to a US Person may be in breach of US law and requires the written agreement of the management company of the fund. Those wishing to acquire or purchase shares will have to certify in writing that they are not US Persons.

*The appropriate amount to invest in the mutual fund depends on your personal financial situation. To determine this, you must take into account your personal assets, current needs as well as your risk appetite or, on the contrary, your preference for a prudent investment. You are also strongly advised to diversify your investments so that they are not exposed solely to the risks of this fund.*

#### Russian and Belarusian investors



In accordance with the provisions of EU Regulation No. 833/2014 subscription to units/shares of this fund is prohibited to any Russian or Belarusian national, to any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus except nationals of a Member State and to natural persons holding a temporary or permanent residence permit in a Member State.

**Recommended investment period:**

This sub-fund may not be suitable for investors who plan to withdraw their contributions before 3 years.

**Methods of determining and allocating distributable amounts:**

	S EUR share		Capitalisation
	F share		Capitalisation and/or distribution and/or carry forward
	R C EUR share		Capitalisation
share	R C USD H		Capitalisation
	R D EUR share		Capitalisation and/or distribution and/or carry forward
share	R D USD H	dividends	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim
	I C EUR share		Capitalisation
share	I C USD H		Capitalisation
share	I C CHF H		Capitalisation
	I D EUR share		Capitalisation and/or distribution and/or carry forward
share	I D USD H	dividends	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim
	T C EUR share		Capitalisation
share	T C USD H		Capitalisation
share	T C CHF H		Capitalisation
	T D EUR share		Capitalisation and/or distribution and/or carry forward
share	T D USD H	dividends	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim
share	CM C EUR		Capitalisation

The distributable amounts consist of:

1. The net result, which corresponds to the amount of interest, arrears, dividends, bonuses and lots, directors' fees and all income relating to the securities making up the fund portfolio, plus income from sums temporarily held as liquid assets, minus management fees and borrowing costs, plus retained earnings, plus or minus the balance of the income adjustment account;
2. the realised capital gains, net of costs, minus the realised capital losses, net of costs, during the financial year, plus the similar net capital gains realised during the previous financial years which were not subject to distribution or capitalisation, minus or plus the balance of accrued capital gains.

**F, R D EUR, R D USD H, I D EUR, I D USD H, T D EUR and T D USD H shares:** The net result will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (total or partial), by decision of the management company.

The net realised capital gains will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (totally or partially), by decision of the management company.

The management company has the possibility to distribute quarterly interim dividends in January, April, July and October for the R D USD H, I D USD H, T D USD H share classes.

**S EUR, R C EUR, R C USD H, I C EUR, I C USD H, I C CHF H, T C EUR, T C USD H, T C CHF H, CM C EUR shares:** the distributable amounts are fully capitalised.

**Accounting currency:**

EUR

**Subscription and redemption terms:**

**- Bearer shares to be registered or already registered in Euroclear: all shares**

Subscription requests (as a specified amount or in thousandths of shares) and redemption requests (in thousandths of shares) are processed by La Française AM Finance Services on each net asset value calculation day at 11 a.m. (if the Stock Exchange is open in Paris, except for public holidays in France) and are executed on the basis of the next net asset value (i.e. unknown at the time of execution).

Payments relating thereto are made on the second trading day following the processing date.  
Each share can be divided into thousandths of a share.

**- Registered shares to be listed or already listed in the IZNES Electronic Share Registration System (DEEP):  
R C EUR shares (FR0014008UN8), R D EUR shares (FR0014008UL2)**

Subscription requests (in amounts or thousandths of shares) and redemption requests (in thousandths of shares) are processed on each net asset value calculation day (T) at 11 a.m. (if the Stock Exchange is open in Paris or on the following trading day, excluding statutory public holidays in France) with La Française AM Finance Services for shares to be registered or recorded as bearer units with Euroclear and with IZNES for shares to be registered or recorded as pure registered units with the IZNES Shared Electronic Registration System (DEEP); and are made on the basis of the net asset value of T calculated on T+1.

The associated clearances will be made on the second trading day following the date of the net asset value (T+2).

The orders shall be carried out according to the table below:

Processing of subscription orders	Processing of redemption orders	Order fulfilment at the latest, in T	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions
T before 11 a.m.	T before 11 a.m.	Each trading day (T)	T + 1 business day	T + 2 business days	T + 2 business days

**Minimum value of initial subscription:**

S EUR share	EUR 10,000,000.00
F share	None
R C EUR share	None
R C USD H share	None
R D EUR share	None
R D USD H share	None
I C EUR share	EUR 100,000.00
I C USD H share	USD 100,000.00
I C CHF H share	CHF 100,000.00
I D EUR share	EUR 100,000.00
I D USD H share	USD 100,000.00
T C EUR share	None
T C USD H share	None
T C CHF H share	None
T D EUR share	None
T D USD H share	None
CM C EUR share	EUR 1,000.00

**Minimum value of subsequent subscriptions:**

S EUR share	None
F share	None
R C EUR share	None
R C USD H share	None
R D EUR share	None
R D USD H share	None
I C EUR share	None
I C USD H share	None
I C CHF H share	None
I D EUR share	None
I D USD H share	None
T C EUR share	None
T C USD H share	None
T C CHF H share	None
T D EUR share	None
T D USD H share	None
CM C EUR share	None

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

The net asset value is calculated on each trading day of the Paris Stock Exchange, excluding legal holidays in France.

**Original net asset value:**

S EUR share	EUR 1,000.00
F share	EUR 100.00
R C EUR share	EUR 100.00
R C USD H share	USD 100.00
R D EUR share	EUR 100.00
R D USD H share	USD 100.00
I C EUR share	EUR 1,000.00
I C USD H share	USD 1,000.00
I C CHF H share	CHF 1,000.00
I D EUR share	EUR 1,000.00
I D USD H share	USD 1,000.00
T C EUR share	EUR 100.00
T C USD H share	USD 100.00
T C CHF H share	CHF 100.00
T D EUR share	EUR 100.00
T D USD H share	USD 100.00
CM C EUR share	EUR 1,000.00

**Location where the net asset value is published:**

the management company's premises and the website: [www.la-francaise.com](http://www.la-francaise.com)

**Costs and fees:**

*Subscription and redemption fees:*

*Subscription and redemption fees increase the subscription price paid by the investor or decrease the redemption price. The fees received by the UCITS offset the charges it incurs in investing or divesting the assets entrusted to it. Commissions not retained by the fund are paid to the investment company, distributor, etc.*

Costs payable by the investor, levied at the time of subscription and redemption	Base	Rate/scale
Subscription fee not paid to the UCITS	Net asset value x Number of shares	<b>S EUR share:</b> 3.00% maximum <b>F share:</b> 3.00% maximum <b>R C EUR share:</b> 3.00% maximum <b>R C USD H share:</b> 3.00% maximum <b>R D EUR share:</b> 3.00% maximum <b>R D USD H share:</b> 3.00% maximum <b>I C EUR share:</b> 3.00% maximum <b>I C USD H share:</b> 3.00% maximum <b>I C CHF H share:</b> 3.00% maximum <b>I D EUR share:</b> 3.00% maximum <b>I D USD H share:</b> 3.00% maximum <b>T C EUR share:</b> 3.00% maximum <b>T C USD H share:</b> 3.00% maximum <b>T C CHF H share:</b> 3.00% maximum <b>T D EUR share:</b> 3.00% maximum <b>T D USD H share:</b> 3.00% maximum <b>CM C EUR share:</b> 3.00% maximum
Sales fee paid to the UCITS	Net asset value x Number of shares	<b>S EUR share:</b> None <b>F share:</b> None <b>R C EUR share:</b> None <b>R C USD H share:</b> None <b>R D EUR share:</b> None <b>R D USD H share:</b> None <b>I C EUR share:</b> None <b>I C USD H share:</b> None <b>I C CHF H share:</b> None <b>I D EUR share:</b> None <b>I D USD H share:</b> None <b>T C EUR share:</b> None <b>T C USD H share:</b> None <b>T C CHF H share:</b> None <b>T D EUR share:</b> None <b>T D USD H share:</b> None <b>CM C EUR share:</b> None
Redemption fee not paid to the UCITS	Net asset value x Number of shares	<b>S EUR share:</b> None <b>F share:</b> None <b>R C EUR share:</b> None

		<b>R C USD H share: None</b> <b>R D EUR share: None</b> <b>R D USD H share: None</b> <b>I C EUR share: None</b> <b>I C USD H share: None</b> <b>I C CHF H share: None</b> <b>I D EUR share: None</b> <b>I D USD H share: None</b> <b>T C EUR share: None</b> <b>T C USD H share: None</b> <b>T C CHF H share: None</b> <b>T D EUR share: None</b> <b>T D USD H share: None</b> <b>CM C EUR share: None</b>
Redemption fee paid to the UCITS	Net asset value x Number of shares	<b>S EUR share: None</b> <b>F share: None</b> <b>R C EUR share: None</b> <b>R C USD H share: None</b> <b>R D EUR share: None</b> <b>R D USD H share: None</b> <b>I C EUR share: None</b> <b>I C USD H share: None</b> <b>I C CHF H share: None</b> <b>I D EUR share: None</b> <b>I D USD H share: None</b> <b>T C EUR share: None</b> <b>T C USD H share: None</b> <b>T C CHF H share: None</b> <b>T D EUR share: None</b> <b>T D USD H share: None</b> <b>CM C EUR share: None</b>

*Operating and management charges:*

*These cover all costs charged directly to the UCITS, apart from transaction fees. Transaction costs include intermediation charges (brokerage, stamp duties, etc.) and any turnover fees charged in particular by the depositary and the management company.*

*In addition to operating and management charges, there may also be:*

- *outperformance fees. These are paid to the management company when the UCITS has exceeded its objectives. They are therefore charged to the UCITS;*
- *turnover fees are charged to the UCITS.*

	<b>Costs invoiced to the UCITS</b>	<b>Base</b>	<b>Rate/scale</b>
1	Financial management fees	Net assets	<b>R shares:</b> 1.19% maximum rate (including tax) <b>I and T shares:</b> 0.59% maximum rate (including tax) <b>S shares:</b> 0.35% maximum rate (including tax) <b>F share:</b> 0% maximum rate (including tax) <b>CM C EUR share:</b> 0.77% maximum rate (including tax)
2	Administrative costs external to the management company	Net assets	All shares: 0.072% maximum rate (including tax)
3	Maximum indirect costs	Net assets	None
4	Turnover fees	Deducted from each transaction	<b>Shares:</b> 0.10% (with a minimum of €120) <b>Convertible bonds:</b> 0.05% (with a minimum of €100) <b>Other bonds:</b> 0.035% (with a minimum of €100) <b>Monetary instruments:</b> 0.0120% (with a minimum of €100) <b>Swaps:</b> 0.010% (with a minimum of €150 and a maximum of €600) <b>Forward exchange:</b> 0.010% (with a minimum of €75 and a maximum of €300) <b>Spot exchange:</b> 0.010% (with a minimum of €25 and a maximum of €100) <b>UCI:</b> 15€ <b>Futures:</b> 1€ <b>Options:</b> 1€
5	Outperformance fee	Net assets	None

A percentage of the management fee may be paid to remunerate marketers and distributors, subject to applicable regulations.

The UCITS may not inform shareholders specifically or offer them the possibility of redeeming their shares without incurring charges in the event of an increase in administrative costs external to the management company which would be equal to or less than 10 basis points per calendar year; the notification may therefore be made by any means.

Information on the remuneration generated by temporary securities purchase and sale transactions:

The sub-fund's counterparty with respect to transactions for the temporary purchase and sale of securities is one or more credit institutions whose head office or branch is located in a country of the European Union. The counterparties will act independently of the fund. No remuneration is paid to the depositary (within the framework of its capacity as depositary) or to the management company for transactions for the temporary purchase or sale of securities. All income resulting from transactions for the temporary purchase and sale of securities, including income generated by the reinvestment of cash collateral received as part of these transactions, net of direct and indirect operating costs, is returned to the sub-fund. These transactions generate direct and indirect operating costs which will be borne by the management company; the share of these costs may not exceed 40% of the income generated by these transactions.

Other costs invoiced to the UCITS

- contributions due to the UCITS management pursuant to Article L621-5-3 (II)(3)(d) of the Monetary and Financial Code;
- taxes, duties, licence fees and government fees (relating to the UCITS), both extraordinary and non-recurring;
- extraordinary and non-recurring costs relating to debt recovery or a procedure for asserting a right (e.g. class action procedure).

#### **Choice of intermediaries:**

The Management Company has introduced a procedure for selecting and evaluating intermediaries and counterparties that takes into account objective criteria such as intermediation costs, execution quality and research. This procedure is available on the Management Company's website at the following address: <https://www.la-francaise.com/fr/informations-reglementaires/>  
Unitholders should refer to the annual report of the fund for any further information they may require.

#### ***Information on risks relating to potential conflicts of interest***

The management company may entrust Crédit Industriel et Commercial with the intermediation service, which will be provided by the Table Buy Side department within CIC Market Solutions. Crédit Industriel et Commercial is a Société Anonyme (public limited company) under French law with a share capital of 608,439,888 euros. On 30 September 1999, Crédit Industriel et Commercial obtained authorisation from the CECEI as a bank providing investment services. The two companies belong to the same group, which is likely to generate a potential risk of conflict of interest.

The service provided by Crédit Industriel et Commercial has therefore been governed by a service contract, to ensure that there is no impact on the fund's investors/shareholders in terms of cost and quality of service.

Crédit Industriel et Commercial's main purpose is to provide intermediation services (i.e. receiving, transmitting and executing orders on behalf of third parties) mainly for the Group's asset management companies. Within this framework, the service provider chooses brokers from the list of brokers authorised by the management company and places orders according to criteria defined by the latter.

Crédit Industriel et Commercial can act as principal or agent. Intervention in "principal" mode corresponds to intervention as counterparty to the management company's portfolios. Acting as an agent, Crédit Industriel et Commercial acts as an intermediary between portfolios and market counterparties. These may be entities belonging to the management company's group.

# La Française Carbon Impact 2026

## ISIN code:

TD share	FR0013467032
S share	FR0013431178
D B EUR shares	FR001400N2N7
C share	FR0013527348
Z share	FR00140039S1
IC USD H share	FR0013470861
R USD H share	FR0013470879
I D share	FR0013458239
I share	FR0013431194
R share	FR0013431186
TC share	FR0013467040
D USD H share	FR0013470887
D share	FR0013431152

## Classification:

International bonds and other debt securities

## Management objective:

The fund's objective is to achieve, over the recommended investment period of 7 years from the fund launch date until 31 December 2026, a net return which is greater than the performance of the French government's euro bonds maturing in 2026, by investing in a portfolio of issuers filtered primarily according to ESG criteria and analysed with regard to their compatibility with the energy transition on the basis of a methodology defined by the management company. The fund is committed to having a weighted average of the portfolio's greenhouse gas emissions per euro invested (scopes 1 and 2) at least 50% lower than that of a comparable investment universe that would be the composite 30% Bloomberg Global aggregate Corporate Index 70% ICE BofAML BB-B Global High Yield Index.

The net annualised performance objective is based on the achievement of market assumptions set by the management company. It is not a guarantee of Fund return or performance. Investors should note that the performance indicated in the management objective of the fund takes account of the estimate of the risk of default or downgrading of the rating of one or more issuers in the portfolio, the cost of currency hedging and the management fees payable to the management company.

## Benchmark index:

The UCI has no benchmark indicator. It is actively managed and in a discretionary manner.

## Investment strategy:

### 1. Strategy used

The investment strategy involves the discretionary management of a portfolio of bonds issued by private or public bodies (up to 10% of the net assets).

The sub-fund may invest in securities that mature by 31 December 2027, i.e. one year after the fund's maturity. However, the average maturity of the portfolio will not exceed 31 December 2026. The strategy is not limited to bond carrying; the management company may use sale and purchase transactions in the event of new market opportunities or an increased default risk of one of the issuers in the portfolio.

## Non-financial analysis:

The sub-fund's initial investment universe is constructed from a portfolio of bonds issued by public issuers which are members of the JP Morgan Hedged Eur Unit GBI Global Index (JHUCGBIG Index) and private issuers which are members of the Bloomberg Global Aggregate Corporate Total Return Index Hedged EUR (LGCPTREH Index) and ICE BofAML BB-B Global High Yield Index (HW40 Index). Securities are selected mainly from this universe; they may also be selected from outside the universe, from European and international markets, including emerging markets, up to a limit of 10% of the investment universe, provided that these securities have an ESG score higher than the exclusion threshold in force for the universe and meet the investment criteria of the sub-fund.

The sub-fund's investment criteria detailed below are analysed by La Française Sustainable Investment Research (hereinafter "ESG Research Team") of the entity "La Française Group UK Limited" which specialises in the responsible investment criteria. It is specified that there is a risk of conflicts of interest relating to the provision of ESG scores with the "La Française Sustainable Investment Research" research centre of the "La Française Group UK Limited" entity belonging to the La Française Group. In order



to manage this situation, the management company has put in place and updates a conflict of interest management policy with the aim of identifying and analysing potential conflict of interest situations as well as recording, managing and monitoring situations in which there is a conflict of interest. In addition, the provision of ESG scores is paid for in full by the management company. The analysis of Environmental, Social and Governance criteria is carried out by the ESG Research Team, which has developed a proprietary ESG model that enables a selective approach to the initial investment universe. This tool uses raw data from various data providers to calculate KPIs (Key Performance Indicators). The investment process is based on a dual approach of ESG integration with a significant commitment to management and the topic at hand, and includes the following steps :

### **Stage 1: Quantitative filtering – Selectivity approach**

The ESG score of private issuers is structured as follows:

1. Periodic update of raw data from different sources
2. Calculation of performance indicators (KPIs, at least 30)
3. When aggregated and supplemented with recent information collected and deemed relevant by the ESG Research Team, they produce scores in three areas (environmental sustainability, human capital and organisational capital);
4. Calculation of weightings for these three areas, which may differ by sector
5. Calculation of the ESG score, on the basis of the three areas and specific sector weightings

For example, the criteria used to analyse the issuers are:

- Environmental : carbon intensity and waste management, etc.
- Social : staff training, labour relations, etc.
- Governance : management structure and relationship with shareholders, remuneration policy, etc.

The ESG score of public issuers is structured as follows:

- Periodic update of raw data from different sources;
- Calculation of key performance indicators;
- Calculation of the ESG score, on the basis of the three pillars and equal weightings.

For example, the criteria used to analyse public issuers are:

- Environmental: the degree of exposure to natural disasters, etc.
- Social: the human development rate of the countries of the world through the human development index, etc.
- Governance: the quality of a country's governance through the World Governance indicator (WGI), etc...

At the end of this process, each issuer is given a score from zero (worst) to 10 (best). This score reflects investment opportunities or, conversely, non-financial risks. The proportion of issuers analysed under these ESG criteria in the portfolio exceeds 90% of the securities in the portfolio, excluding cash.

This first step of the analysis consists of identifying the issuers to be excluded beforehand by virtue of the exclusion policy of La Française Group, available on the website [www.la-francaise.com](http://www.la-francaise.com).

The following issuers are therefore automatically excluded under the La Française Group's exclusion policy:

- issuers involved in controversial weapons; and
- companies located in countries on the La Française group's black list. Those located in countries on the red list require approval, on a case-by-case basis, from the LFAM Compliance department.

Next, the 20% of private issuers and 20% of public issuers with the lowest ESG scores in the initial investment universe are excluded. All of these excluded issuers make up the ESG exclusion list. This latter is established on a monthly basis for private issuers and annually for public issuers. It determines a minimum ESG score threshold below which the fund may not invest. Issuers whose ESG score falls below the exclusion threshold cannot be part of the investable universe.

### **Stage 2: Carbon and financial analyses**

In the second stage of the investment process, a carbon analysis and an analysis of the credit quality of the issuers that passed through the filter in stage 1 is carried out. After having reduced the universe on the basis of a credit analysis, a "carbon" analysis is carried out based on analysis criteria relating to climate change. These criteria exist at various levels, such as the historical performance of carbon emissions (based on Scope 1 – direct emissions, and Scope 2 – indirect emissions; for certain sectors, the share of emissions relating to Scope 3, which is not considered here, can account for a large share of total emissions), governance and climate risk management, and the strategy implemented by the company to participate in the transition. In order to measure companies' performance against these criteria, we use data provided by our ESG Research Team from specialised data providers (e.g. carbon data from companies collected by CDP). A "carbon impact" score is awarded as a result of this analysis.

For issuers in the low-carbon financial sector (carbon intensity defined as carbon emissions divided by enterprise value), a qualitative analysis is performed in addition to the assigned carbon impact score.

For highly carbon-intensive sectors such as electricity generation and distribution, the petroleum sector, the automotive industry and materials, a qualitative analysis of the company's future carbon performance is carried out in addition to the assigned "carbon impact" score. This analysis corresponds to a "trajectory" calculation of the issuer's carbon emissions that we match with sectoral decarbonisation trajectories (as defined by the International Energy Agency). During this qualitative analysis, the ESG Research Team and the management team will estimate the ability of a company to meet its decarbonisation objectives in the face of current investments, past performance and the transformation of their portfolio of products sold. For example, for the Utilities sector, this takes the form of a carbon intensity based on the tonnes of CO<sub>2</sub>eq generated per MWh of electricity produced, reflecting the development of the production capacity in renewable energy compared to current capacity.

Companies in the various sectors are then qualified, according to the management company's methodology, subject to the limitations specified above by: i) low carbon, ii) in transition according to the sectoral decarbonisation trajectory, iii) in transition but efforts required (in which the management company plays no active role) and iv) lagging in terms of the assigned "carbon impact" score. No investment will be made in companies qualified as late arrivals. The qualification of the companies results from a quantitative and qualitative analysis process – for some of them – and from an annual review of the files between the management and the ESG Research Team. The files are also reviewed when the company's strategy is updated or a major change occurs, in order to re-analyse the investment case. Thus, if, during a review, a company is qualified as lagging, the management company will sell the securities within a reasonable time, regardless of the price level of the security at the time of the transfer. This sale may have an impact on the fund's financial performance.

The sub-fund may also invest in green bonds for which the impact of the financed environmental projects is measurable. The proportion of green bonds in the sub-fund will depend on market trends and the size of the target market. These green bonds must also respect the four key "Green Bond Principles", namely: the use of funds, the project selection and evaluation process, the fund management and the reporting principles.

The analysis of green bonds is carried out along three axes and in addition to the steps described above, namely:

1. Adherence to the four pillars of the "Green Bond Principles"

- Use of funds: the funds are to be used to finance or refinance green projects in line with the taxonomy defined by the GBPs and with the new European taxonomy;

- The project selection and evaluation process: precise selection and description of projects financed by the green bond, governance put in place around the selection, definition of environmental objectives and impact measurements linked to these projects.

- Fund management: detail of funds allocated by project, ability to monitor funds used with a rigorous process

- Transparency and reporting: the issuer must communicate at least annually and transparently on 2 points: the allocation of funds (funds allocated and activities financed) and the impact of the projects, i.e. the direct contribution to the environment such as the reduction of carbon emissions (impact report, objectives)

2. The issuer's energy transition strategy and status

- A cross-analysis is carried out with the fundamental analysis of the issuer described previously.

3. Analysis and measurement of the impact of funded projects

- special attention is paid to the choice of funded projects and their consistency with the issuer's more global energy transition strategy.

Green bond issuers will be subject to the same financial and extra-financial analyzes and must pass the exclusion phase (step 1) and the financial and carbon analysis phase (step 2).

Additional information on the management company's extra-financial analysis, including ESG criteria and the carbon analysis, is presented in the transparency code available on the La Française website, [www.la-francaise.com](http://www.la-francaise.com).

### **STAGE 3: MEASURING THE CARBON FOOTPRINT**

The objective of reducing the portfolio's carbon footprint by at least 50% compared to its carbon composite indicator is monitored as follows.

Carbon emissions in tonnes of CO<sub>2</sub>eq per invested euro are based on Scope 1 – direct emissions and Scope 2 – indirect emissions (Note that for some sectors, the share of Scope 3 emissions is not taken into account here, but can account for a large share of total emissions), relative to the size of the enterprise (company value). This data is retrieved from the CDP database and in the event that a company does not provide it to CDP, a proprietary model for estimating emissions by industry and firm size is used. These footprints are then weighted by the weights in the portfolio.

The methodology adopted by the management company for taking into account extra-financial criteria has a weakness relating to the quality of the information collected by the ESG Research Team as well as the transparency of the various issuers.

The objective of the sub-fund is sustainable investment within the meaning of Article 9 of the EU Sustainable Finance Disclosure Regulation (EU) 2019/2088 (SFDR).

Additional information on the management company's non-financial analysis, including ESG criteria, is presented in the La Française Group transparency code and engagement policies, available on the La Française website at [www.la-francaise.com](http://www.la-francaise.com).

The objective of the European Union Taxonomy is to identify economic activities considered to be sustainable from an environmental perspective. The taxonomy identifies these activities according to their contribution to six major environmental objectives:

- Climate change mitigation;
- Climate change adaptation;
- The sustainable use and protection of water and marine resources;
- Transition to a circular economy (waste, prevention and recycling);
- Pollution prevention and control;
- The protection and restoration of biodiversity and ecosystems.

In order to be considered sustainable, an economic activity must demonstrate that it contributes substantially to the achievement of at least one of the six objectives, while not harming any of the other five (a principle known as DNSH, "Do No Significant Harm").

For an activity to be considered aligned with the European Taxonomy, it must also respect human and social rights guaranteed by international law.

The minimum percentage of alignment with the EU Taxonomy is 0%. The alignment of companies' activities is carried out qualitatively in the internal analysis process based on data published by the companies themselves as well as that made available by our ESG data providers.

### **Financial analysis:**

Financial analysis is applied to the issuers in the investment universe, where securities are selected and portfolios constructed on a discretionary basis, based on an analysis of the issuers' financial statements, their solvency and liquidity situation and related regulatory and sector developments. Credit institutions and their solvency are closely monitored using proprietary tools, and particular attention is paid to the subordination status of securities that may be included in the portfolio.

In order to attain the management objective, up to 100% of the portfolio's net assets are invested in Investment Grade issues (with a rating higher or equal to BBB- at Standard & Poor's or Baa3 at Moody's or the equivalent according to the analysis of the management company) and up to 70% High Yield issues (i.e. greater than or equal to B- at Standard & Poor's or B3 according to Moody's or an equivalent rating of the management company). The management company shall not exclusively or automatically rely on external ratings but may, upon the issuance of such a rating, take it into consideration for its credit analysis. If the rating of a bond already present in the portfolio deteriorates and falls below the minimum rating, the sub-fund may keep the security in the portfolio; these downgrades may concern up to 5% of the total assets.

The portfolio may invest up to 10% of its net assets in securities issued or guaranteed explicitly by governments and/or supranational entities, multilateral development banks, local and regional authorities.

The sensitivity range for interest rates in which the fund is managed	between 0 and 8
Geographical area of the issuers of securities to which the fund is exposed	OECD countries: 0 – 100% / Non-OECD countries (including emerging countries): 0 - 10%
Security denomination currencies in which the fund is invested	EUR or in USD, GBP, NOK, SEK and CHF
Level of exchange risk borne by the fund	up to a maximum of 10% of net assets

The sub-fund can invest up to a limit of 10% of its assets in the units or shares of UCITS governed by French or foreign law and/or in UCIs meeting the four criteria of Article R214-13 of the Monetary and Financial Code. They will be used to manage the cash flow.

The sub-fund may invest in futures traded on French and foreign regulated markets or OTC: futures, swaps, forwards. Each instrument addresses specific hedging or exposure strategies to (i) hedge the entire portfolio or certain asset classes held within it against market risk (ii) synthetically rebuild specific assets, or (iii) increase the fund's exposure to certain risks in the market.

The sub-fund may also engage in temporary securities purchase and sale transactions in order to (i) ensure the investment of the cash available (reverse repurchase), or (ii) optimise the performance of the portfolio (securities lending).

The sub-fund's exposure to derivatives shall not exceed 100% of its net assets, without seeking overexposure.

**As the Fund approaches maturity and depending on the prevailing market conditions, the management company shall opt either to continue the investment strategy, merge with another UCITS or liquidate the Fund, subject to the AMF's approval.**

## **2. Assets:**

In order to achieve its management objective, the sub-fund will use different types of assets:

### **a. Equities:**

The sub-fund does not intend to hold shares. However, the sub-fund may be indirectly exposed to equity risk due to the fact that it holds convertible bonds up to a limit of 10% of net assets and may be directly invested in equities up to a limit of 5% of net assets only in the event of a restructuring of a bond, standard or convertible, by the issuer.

The shares may be of any market capitalisation, of any economic sector, of any geographical zone, denominated in EUR or USD, GBP, NOK, SEK and CHF.

b. Debt securities and money market instruments, up to 100% of the net assets:

i. Negotiable debt securities: yes

ii. Bonds (fixed rate, floating rate, indexed to inflation): yes

iii. Treasury bills: yes

iv. Commercial papers: yes

v. Certificates of deposit: yes

with the following characteristics:

- rating: investment grade (up to 100% of the assets), high yield (up to 70% of the assets)

- securities will be selected from the private and/or public sector (up to 10% of assets)

- denominated in foreign currencies: EUR or in USD, GBP, NOK, SEK and CHF

c. UCI: yes

The sub-fund may invest up to a limit of 10% in the units or shares of the UCITS governed by French or foreign law and/or in the units or UCI shares meeting the 4 criteria of Article R214-13 of the Monetary and Financial Code.

The sub-fund may invest in UCIs of the management company or a related company.

### 3. Derivative instruments

The sub-fund may invest in futures traded on French and foreign regulated markets or OTC: futures, swaps, forwards. Each instrument addresses specific hedging or exposure strategies to (i) hedge the entire portfolio or certain asset classes held within it against market risk (ii) synthetically rebuild specific assets, or (iii) increase the sub-fund's exposure to certain risks in the market.

Nature of the markets used:

- regulated: yes

- organised: yes

- OTC: yes

Risks on which the manager seeks to act:

- equities: yes (up to 10% of the assets)

- interest rates: yes

- foreign exchange: yes

- credit: yes

- indices: yes

Nature of activities:

- hedging: yes

- exposure: yes (occasionally)

- arbitrage: no

- other: no

Nature of the instruments used:

- futures: yes

- options (listed, OTC): no

- swaps: yes

- forward exchange (NDF and non-NDF): yes

- credit derivatives: no

- Total Return Swaps: no

The derivative instruments listed above are not subject to the same extra-financial analysis process as the securities described in the investment strategy.

### 4 - Securities with embedded derivatives

In order to achieve the management objective, the manager may take positions to hedge and/or expose the portfolio against risks:

- equities: yes

- interest rates: yes

- foreign exchange: yes

- credit: yes

- index: yes (interest rates)

Nature of activities:

- hedging: yes
- exposure: yes
- arbitrage: no

Nature of the instruments used:

- convertible bonds
- Callables
- Puttables
- EMTN

### **5- Deposits**

The sub-fund reserves the right to make deposits of up to 10% of net assets in order to manage its cash flow.

### **6- Cash borrowings**

The fund reserves the right to temporarily borrow cash up to a limit of 10% of its net assets

### **7- Transactions for the temporary purchase and sale of securities: Yes**

The sub-fund may also engage in transactions for the temporary purchase and sale of securities in order to (i) ensure the investment of the liquid assets available (e.g. reverse repurchase/repurchase transactions), (ii) optimise the performance of the portfolio (e.g. securities lending/borrowing). Securities lending and/or reverse repo counterparties are subject to an ESG analysis during La Francaise Asset Management's eligibility review of financial intermediaries.

• **Type of activities:** Transactions for the temporary purchase or sale of securities shall be carried out in accordance with the Monetary and Financial Code. They shall be carried out within the framework of cash flow management and/or the optimisation of UCI income. Under no circumstances shall these strategies aim to create or result in the creation of a leverage effect.

• **Nature of transactions used:** These operations will consist of securities lending and borrowing and/or in repurchase and reverse repurchase agreements with reference to the French Monetary and Financial Code. The assets that may be the subject of such transactions will be those described in section "2. Assets (excluding embedded derivatives)" of this prospectus.

• **Envisaged level of use:** Transactions for the temporary sale of securities (securities lending, repurchase transactions) may be carried out up to an amount equivalent to a maximum of 60% of the UCI's net assets, while transactions for the temporary purchase of securities (securities borrowing, reverse repurchase agreements) may be carried out up to an amount equivalent to a maximum of 10% of the UCI's net assets. The expected proportion of assets under management that will be involved in such transactions may represent 25% of the UCI's net assets.

• **Information on the use of temporary sales and acquisitions of securities:** The purpose of the use of temporary securities acquisitions and disposals is in particular to provide the UCITS with an additional return and therefore to contribute to its performance. In addition, the UCITS may enter into reverse repurchase agreements for the replacement of financial guarantees in cash and/or repurchase agreements to meet liquidity needs. Temporary purchases and sales of securities will be guaranteed in accordance with the principles described in section 8 below "contracts constituting financial guarantees".

• **Remuneration:** Information relating to the remuneration of these transactions is provided in the "Fees and commissions" section.

• **Selection of counterparties:** The management company follows a specific selection process for financial intermediaries, also used for intermediaries designated for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS). These intermediaries are selected on the basis of the liquidity that they offer as well as their speed, reliability and quality with regard to how they process transactions. At the end of this rigorous and regulated process, subject to a rating, the counterparties selected for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS) are credit institutions or other entities authorised by the management company and respecting the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

### **8. Contracts constituting financial guarantees**

In connection with the conclusion of financial contracts and/or securities financing transactions, the UCI may receive/remit financial guarantees in the form of full ownership transfer of securities and/or of cash.

Securities received as collateral must meet the criteria set by regulations and must be granted by credit institutions or other entities that meet the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

Financial guarantees received must be able to be fully enforced by the UCI at any time and without consulting or obtaining the approval of the counterparty. The level of financial guarantees and the discount policy are set by the eligibility policy for financial guarantees of the Management Company in accordance with the regulations in force and cover the categories below:

- financial guarantees in cash;
- financial guarantees in debt securities or in equity securities according to a precise nomenclature.

The eligibility policy for financial guarantees explicitly defines the required level of guarantee and the discounts applied for each financial guarantee according to rules that depend on their specific characteristics. It also specifies, in accordance with the regulations in force, rules for risk diversification, correlation, valuation, credit quality and regular stress tests on the liquidity of guarantees.



In the event that financial guarantees in cash are received, these may, under conditions set by regulation, only be:

- placed in deposit;
- invested in high-quality government bonds;
- used in a reverse repurchase agreement;
- invested in short-term money market undertakings for collective investment (UCIs).

Financial guarantees other than received cash may not be sold, reinvested or used as collateral; The management company will, in accordance with the valuation rules provided for in this prospectus, carry out a daily valuation of the guarantees received on a market price basis (mark-to-market).

Margin calls will be made on a daily basis. The guarantees received by the mutual fund will be kept by the mutual fund's depository or, failing that, by any third-party depository subject to prudential supervision and which has no connection with the provider of the guarantee. The risks associated with securities financing transactions, financial contracts and the management of inherent collateral are described in the risk profile section.

#### **Risk profile:**

*"Your money will be invested in financial instruments selected by the management company. These instruments will be exposed to market trends and risks".*

The risks described below are not exhaustive: investors should analyse the risks inherent to each investment and make their own decisions. Through the fund, subscribers are exposed to the following risks:

##### Risk of capital loss:

Investors are advised that their capital is not guaranteed and may therefore not be returned to them.

ESG investment risk: The fund uses ESG criteria and may underperform the market in general or other funds that do not use ESG criteria when selecting investments. ESG investments are selected, or excluded on the basis of financial and non-financial criteria. The fund may sell a security due to ESG reasons, rather than for purely financial considerations.

##### Sustainability risk:

This refers to the possible occurrence of an ESG event or condition that could potentially or actually cause a significant negative impact on the value of an investment in a fund. Sustainability risks can either represent a risk in and of themselves, or have an impact on other risks and contribute – by way of correlation – significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks can have an impact on long-term risk-adjusted returns for investors. Assessing sustainability risk is complex and can be based on ESG data that is difficult to obtain and incomplete, believed to be outdated, or otherwise materially inaccurate. Even when identified, there is no guarantee that this data will be properly assessed.

##### Discretionary risk:

The discretionary management style applied to the mutual fund is based on the selection of portfolio assets and/or market expectations. There is a risk that the mutual fund may not be invested in the best-performing assets or markets at all times. The fund's performance may therefore be lower than the management objective. In addition, the net asset value of the fund may have a negative performance.

##### Exchange rate risk:

The fund may invest in transferable securities denominated in currencies other than the reference currency.

The manager will systematically hedge the currency risk. There may however be a residual currency exchange risk due to imperfect hedging. The net asset value of the fund may fall as a consequence.

##### Risk arising from techniques such as derivatives:

risk of increased losses owing to the use of financial futures such as OTC financial agreements and/or futures contracts.

##### Equity risk associated with holding convertible bonds:

The Fund may be exposed up to 10% in convertible bonds. The value of convertible bonds depends to some extent on the evolution of the prices of their underlying equities. Changes in the underlying equities may lead to a fall in the fund's net asset value.

Exposure to equity risk shall be limited to maximum of 10% of the net assets.

##### Interest rate risk:

This is the risk that interest rate instruments in the portfolio will fall due to fluctuations in interest rates. When interest rates rise (positive sensitivity) or when they fall (when sensitivity is negative), the net asset value of the fund may fall.

This risk is measured by the sensitivity which reflects the impact that a 1% change in interest rates may have on the net asset value of the Fund.

Credit risk: Credit risk may arise from a downgrading of the credit rating of an issuer of debt securities or the default of an issuer. If an issuer's credit rating is downgraded, the value of its assets falls. Accordingly, this may cause the net asset value of the Fund to fall.

##### Default risk relating to issuers of debt securities:

The default risk is the risk related to solvency of the entity which issued the securities. This risk is even greater should the fund invest in speculative or unrated securities which could lead to an increased level of risk of the net asset value of the fund decreasing and a loss of capital.

##### Risk associated with investments in "high-yield" securities (known as speculative securities):



This fund should be considered speculative. It is aimed specifically at investors who are aware of the risks inherent to investing in securities with a low or non-existent rating.

These speculative securities are classed as speculative and have a higher risk of default; they are likely to suffer higher and/or more frequent variations in valuations and are not always sufficiently liquid to be sold at all times at the best price. The value of the fund unit may therefore be lower when the value of these securities in the portfolio falls.

Risk associated with investing in non-OECD countries (emerging markets):

The fund may be exposed up to 10% in non-OECD countries. Market risks are amplified by possible investments in non-OECD countries where market movements, upward or downward, may be stronger and faster than in major international markets.

Investing in non-OECD countries involves a high degree of risk due to the political and economic situation of these markets, which may affect the value of the fund's investments. Their operational and supervisory conditions may differ from the standards prevailing on the major international markets. In addition, investment on these markets involves risks linked to restrictions imposed on foreign investments, counterparties, increased market volatility, delays in settlements/deliveries and the limited liquidity of certain lines in the fund's portfolio. The net asset value of the mutual fund may fall as a consequence.

Counterparty risk: Counterparty risk arises from entering into financial forward contracts traded OTC and from temporary securities purchase and sale transactions: This is the risk that a counterparty may default on payment. The defaulting of the payment of a counterparty may therefore lead to a decrease in the fund's net asset value.

Potential risk of a conflict of interests:

This risk relates to the completion of temporary purchases and sales of securities transactions, during which the fund uses an entity as counterparty and/or financial intermediary that is linked to the group to which the fund's management company belongs.

Liquidity risk: This refers to the risk when trading volumes are low or in the event of volatility on a particular market, this financial market cannot absorb the volumes of sales (or purchases) without significantly lowering (or raising) asset prices. This may result in a fall in the fund's net asset value.

Risk associated with holding convertible bonds:

The value of convertible bonds depends on a number of factors: level of interest rate, credit, change of price of the underlying shares, change of price of the derivative integrated into the convertible bond. If the underlying equities of convertible bonds and similar – equities held directly or the indices to which the fund is exposed – fall, the net asset value of the fund may fall.

**Target subscribers:**

TD share	All investors without payment of retrocession fees to distributors
S share	Reserved for the Caisse Fédérale du Crédit Mutuel Nord Europe and companies in the La Française Group
D B EUR shares	All subscribers with their residence in Belgium, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services
C share	Reserved for companies in the Insurance group of Crédit Mutuel, Crédit Mutuel Nord Europe and Crédit Mutuel Epargne Salariale
Z share	Institutional Investors
IC USD H share	Reserved for professional clients within the meaning of MiFID
R USD H share	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services
I D share	All subscribers, particularly institutional investors
I share	All subscribers, particularly institutional investors
R share	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services
TC share	All investors without payment of retrocession fees to distributors
D USD H share	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services
D share	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services

**How to subscribe to T shares:**

Subscriptions to T shares (net shares) are reserved:

- for investors subscribing through distributors or intermediaries:
- subject to national legislation prohibiting all retrocession fees to distributors
- providing:
  - o independent advice within the meaning of European regulation MiFID II,
  - o individual portfolio management under mandate
- for funds of funds

Investors are informed that their main interest is to hold their investment until 31 December 2026 in order to benefit from the best conditions regarding the actuarial yield offered by the fund.

#### US investors

The shares have not been and will not be registered under the US Securities Act of 1933 (hereinafter the "Act of 1933") or any other law applicable in a US state. Shares may also not be directly or indirectly transferred, offered or sold in the United States of America (including its territories and possessions) to any United States national (hereinafter "U.S. Person"), as defined in the American Regulation 'Regulation S' of the Act of 1933 as adopted by the Securities and Exchange Commission ("SEC"), unless (i) the shares have been registered or (ii) an exemption applies (with the prior agreement of the management company's governing body).

The fund has not been and will not be registered under the US Investment Company Act of 1940. Any re-sale or transfer of shares in the United States of America or to a US Person may be in breach of US law and requires the written agreement of the management company of the fund. Those wishing to acquire or purchase shares will have to certify in writing that they are not US Persons.

#### Russian and Belarusian investors

In accordance with the provisions of EU Regulation No. 833/2014 subscription to units/shares of this fund is prohibited to any Russian or Belarusian national, to any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus except nationals of a Member State and to natural persons holding a temporary or permanent residence permit in a Member State.

*The appropriate amount to invest in the mutual fund depends on your personal financial situation. To determine this, you must take into account your personal assets, current needs as well as your risk appetite or, on the contrary, your preference for a prudent investment. You are also strongly advised to diversify your investments so that they are not exposed solely to the risks of this fund.*

#### **Recommended investment period:**

until 31 December 2026. Investors are informed that their main interest is to hold their investment until 31 December 2026 in order to benefit from the best conditions regarding the actuarial yield offered by the fund.

#### **Methods of determining and allocating distributable amounts:**

	TD share			capitalisation and/or distribution and/or carry forward
	S share			Capitalisation and/or distribution and/or carry forward
shares	D	B	EUR	Capitalisation and/or distribution and/or carry forward
	C share			Capitalisation
	Z share			Capitalisation
share	IC	USD	H	Capitalisation
share	R	USD	H	Capitalisation
	I D share			Capitalisation and/or distribution and/or carry forward
	I share			Capitalisation
	R share			Capitalisation
	TC share			Capitalisation
share	D	USD	H	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends
	D share			Capitalisation and/or distribution and/or carry forward

The distributable amounts consist of:

1. The net result, which corresponds to the amount of interest, arrears, dividends, bonuses and lots, directors' fees and all income relating to the securities making up the fund portfolio, plus income from sums temporarily held as liquid assets, minus management fees and borrowing costs, plus retained earnings, plus or minus the balance of the income adjustment account;
2. the realised capital gains, net of costs, minus the realised capital losses, net of costs, during the financial year, plus the similar net capital gains realised during the previous financial years which were not subject to distribution or capitalisation, minus or plus the balance of accrued capital gains.

**D, I D, TD and S shares:** The net result will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (total or partial), by decision of the management company. The net realised capital gains will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (totally or partially), by decision of the management company.

The management company does not intend to pay interim dividends. Distribution is carried out on an annual basis.

**D USD H shares:** the net result will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (total or partial), by decision of the management company. The net realised capital gains will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (totally or partially), by decision of the management company.

The management company will distribute quarterly dividend payments in January, April, July and October.

**C, R, R USD H, IC USD H, TC, Z and I shares:** the distributable amounts are fully capitalised.

**Accounting currency:**

EUR

**Subscription and redemption terms:**

**- Bearer shares to be registered or already registered in Euroclear: all shares**

Subscription requests (as a specified amount or in thousandths of shares) and redemption requests (in thousandths of shares) are processed by La Française AM Finance Services on each trading day by midday and are executed on the basis of the next net asset value.

Payments relating thereto are made on the second trading day following the processing date.

**- Registered shares to be listed or already listed in the IZNES Electronic Share Registration System (DEEP):**

**R shares (FR0013431186)**

Subscription requests (as a specified amount or in thousandths of shares) and redemption requests (in thousandths of shares) are processed by IZNES on each trading day by midday and are executed on the basis of the next net asset value.

Payments relating thereto are made on the second trading day following the processing date.

The fund will be closed for subscription on 31 December 2024. From this date, only investments preceded by a redemption on the same day for the same number of shares, for the same net asset value and by the same unitholder may be executed.

The orders shall be carried out according to the table below:

Processing of subscription orders	Processing of redemption orders	Execution of the order at the latest, in T	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions
T before 12 p.m.	T before 12 p.m.	Each trading day (T)	T + 1 business days	T + 2 business days	T + 2 business days

**Minimum value of initial subscription:**

TD share	None
S share	EUR 10,000,000.00
D B EUR shares	None
C share	None
Z share	EUR 40,000,000.00
IC USD H share	USD 100,000.00
R USD H share	None
I D share	EUR 100,000.00
I share	EUR 100,000.00
R share	None
TC share	None
D USD H share	None
D share	None

**Minimum value of subsequent subscriptions:**

TD share	None
S share	None
D B EUR shares	None
C share	None
Z share	None
IC USD H share	None
R USD H share	None
I D share	None
I share	None
R share	None
TC share	None
D USD H share	None
D share	None

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

The net asset value is calculated on each trading day of the Paris Stock Exchange, or the next trading day, excluding legal holidays in France.

**In the interests of unitholders, during the marketing period until 31 December 2024, the Fund will be valued at the asking price; beyond this period ending on 31 December 2024, the Fund will be valued at the bid price.**

**Original net asset value:**

TD share	EUR 100.00
S share	EUR 1,000.00
D B EUR shares	EUR 100.00
C share	EUR 100.00
Z share	EUR 1,000.00
IC USD H share	USD 1,000.00
R USD H share	USD 100.00
I D share	EUR 1,000.00
I share	EUR 1,000.00
R share	EUR 100.00
TC share	EUR 100.00
D USD H share	USD 100.00
D share	EUR 100.00

**Location where the net asset value is published:**

the management company's premises and the website: [www.la-francaise.com](http://www.la-francaise.com)

**Costs and fees:**

*Subscription and redemption fees:*

*Subscription and redemption fees increase the subscription price paid by the investor or decrease the redemption price. The fees received by the UCITS offset the charges it incurs in investing or divesting the assets entrusted to it. Commissions not retained by the fund are paid to the investment company, distributor, etc.*

Costs payable by the investor, levied at the time of subscription and redemption	Base	Rate/scale
Subscription fee not paid to the UCITS	Net asset value x Number of shares	<b>TD share:</b> 3.00% maximum <b>S share:</b> 3.00% maximum <b>D B EUR share:</b> 3.00% maximum <b>C share:</b> 4.00% maximum <b>Z share:</b> 3.00% maximum <b>IC USD H share:</b> 3.00% maximum <b>R USD H share:</b> 3.00% maximum <b>I D share:</b> 3.00% maximum <b>I share:</b> 3.00% maximum <b>R share:</b> 3.00% maximum <b>TC share:</b> 3.00% maximum <b>D USD H share:</b> 3.00% maximum <b>D share:</b> 3.00% maximum
Sales fee paid to the UCITS	Net asset value x Number of shares	<b>TD share:</b> None <b>S share:</b> None <b>D B EUR share:</b> None

		<b>C share:</b> None <b>Z share:</b> None <b>IC USD H share:</b> None <b>R USD H share:</b> None <b>I D share:</b> None <b>I share:</b> None <b>R share:</b> None <b>TC share:</b> None <b>D USD H share:</b> None <b>D share:</b> None
Redemption fee not paid to the UCITS	Net asset value x Number of shares	<b>TD share:</b> None <b>S share:</b> None <b>D B EUR share:</b> None <b>C share:</b> None <b>Z share:</b> None <b>IC USD H share:</b> None <b>R USD H share:</b> None <b>I D share:</b> None <b>I share:</b> None <b>R share:</b> None <b>TC share:</b> None <b>D USD H share:</b> None <b>D share:</b> None
Redemption fee paid to the UCITS	Net asset value x Number of shares	<b>TD share:</b> None <b>S share:</b> None <b>D B EUR share:</b> None <b>C share:</b> None <b>Z share:</b> None <b>IC USD H share:</b> None <b>R USD H share:</b> None <b>I D share:</b> None <b>I share:</b> None <b>R share:</b> None <b>TC share:</b> None <b>D USD H share:</b> None <b>D share:</b> None

*Operating and management charges:*

*These cover all costs charged directly to the UCITS, apart from transaction fees. Transaction costs include intermediation charges (brokerage, stamp duties, etc.) and any turnover fees charged in particular by the depositary and the management company.*

*In addition to operating and management charges, there may also be:*

- *outperformance fees. These are paid to the management company when the UCITS has exceeded its objectives. They are therefore charged to the UCITS;*
- *turnover fees are charged to the UCITS.*

	<b>Costs invoiced to the UCITS</b>	<b>Base</b>	<b>Rate/scale</b>
1	Financial management fees	Net assets	<b>C share:</b> 0.94% maximum rate (including tax) <b>S share:</b> 0.15% maximum rate (including tax) <b>I, TC, TD and IC USD H shares:</b> 0.59% maximum rate (including tax) <b>R, R USD H, D USD H, D and D B EUR shares:</b> 1.19% maximum rate (including tax) <b>Z share:</b> 0.3% maximum rate (including tax)
2	Administrative costs external to the management company	Net assets	All shares: 0.06% maximum rate (including tax)
3	Maximum indirect costs	Net assets	None
4	Turnover fees	Deducted from each transaction	Shares: 0.40% (with a minimum of €120) Convertible bonds < 5 years: 0.06% Convertible bonds > 5 years: 0.24% Other bonds: 0.024% (with a minimum of EUR 100) Monetary instruments: 0.012% (with a minimum of EUR 100) Swaps: 300€ Forward exchange: 150€ Spot exchange: 50€ UCITS: 15€ Futures: €6 / Options: 2.5€
5	Outperformance fee	Net assets	None

The UCITS may not inform shareholders specifically or offer them the possibility of redeeming their shares without incurring charges in the event of an increase in administrative costs external to the management company which would be equal to or less than 10 basis points per calendar year; the notification may therefore be made by any means.

Other costs invoiced to the UCITS

- contributions due to the UCITS management pursuant to Article L621-5-3 (II)(3)(d) of the Monetary and Financial Code;
- taxes, duties, licence fees and government fees (relating to the UCITS), both extraordinary and non-recurring;
- extraordinary and non-recurring costs relating to debt recovery or a procedure for asserting a right (e.g.class action procedure).

A percentage of the management fee may be paid to remunerate marketers and distributors, subject to applicable regulations.

**Information on the remuneration generated by temporary securities purchase and sale transactions:**

The sub-fund's counterparty for temporary acquisitions and sales of securities is one or more credit institutions or other entities authorised by the management company and which comply with the legal form, country and other financial criteria set out in the Monetary and Financial Code. The counterparties will act independently of the sub-fund.

No remuneration is paid to the depositary (within the framework of its capacity as depositary) or to the management company for transactions for the temporary purchase or sale of securities. All income resulting from transactions for the temporary purchase and sale of securities, including income generated by the reinvestment of cash collateral received as part of these transactions, net of direct and indirect operating costs, is returned to the sub-fund. These transactions generate direct and indirect operating costs which will be borne by the management company; the share of these costs may not exceed 40% of the income generated by these transactions.

Furthermore, the management company does not receive any in-kind commission.

For further information, unitholders may refer to the sub-fund's annual report.

**Choice of intermediaries:**

The Management Company has introduced a procedure for selecting and evaluating intermediaries and counterparties that takes into account objective criteria such as intermediation costs, execution quality and research. This procedure is available on the Management Company's website at the following address: <https://www.la-francaise.com/fr/informations-reglementaires/>  
Unitholders should refer to the annual report of the fund for any further information they may require.

**Information on risks relating to potential conflicts of interest**

The management company may entrust Crédit Industriel et Commercial with the intermediation service, which will be provided by the Table Buy Side department within CIC Market Solutions. Crédit Industriel et Commercial is a Société Anonyme (public limited company) under French law with a share capital of 608,439,888 euros. On 30 September 1999, Crédit Industriel et Commercial obtained authorisation from the CECEI as a bank providing investment services. The two companies belong to the same group, which is likely to generate a potential risk of conflict of interest.

The service provided by Crédit Industriel et Commercial has therefore been governed by a service contract, to ensure that there is no impact on the fund's investors/shareholders in terms of cost and quality of service.

Crédit Industriel et Commercial's main purpose is to provide intermediation services (i.e. receiving, transmitting and executing orders on behalf of third parties) mainly for the Group's asset management companies. Within this framework, the service provider chooses brokers from the list of brokers authorised by the management company and places orders according to criteria defined by the latter.

Crédit Industriel et Commercial can act as principal or agent. Intervention in "principal" mode corresponds to intervention as counterparty to the management company's portfolios. Acting as an agent, Crédit Industriel et Commercial acts as an intermediary between portfolios and market counterparties. These may be entities belonging to the management company's group.



# La Française Global Coco

## ISIN code:

R C USD H share	FR0013251071
R D USD H share	FR0013393857
I share	FR0013175221
T C USD H share	FR0013393865
R C EUR share	FR0013301082
TC EUR share	FR0013292224

## Classification:

International bonds and other debt securities

## Management objective:

The objective of the sub-fund is to outperform its benchmark, the ICE BofA Merrill Lynch Contingent Capital EUR Hedged Total Return Index, over a recommended investment horizon of more than five years, through exposure to ESG screened subordinated debt securities.

## Benchmark index:

The sub-fund is neither an index fund nor an index benchmark but, for post-hoc comparison purposes, the holder can refer to:

- for shares in EUR: the performance of the ICE BofA Merrill Lynch Contingent Capital EUR Hedged Total Return Index.
- for shares in USD: the performance of the ICE BofA Merrill Lynch Contingent Capital USD Hedged Total Return Index.

Bloomberg Ticker [COCO Index].

The ICE BofA Contingent Capital Index is composed of subordinated debt issues, mainly issued by financial institutions.

- Administrator of ICE BofA Merrill Lynch Contingent Capital EUR Hedged Total Return: ICE. As at the date of the latest update to this prospectus, the administrator is no longer listed in the register of administrators and benchmark indices managed by the ESMA.

Further information on the benchmark index is available on the administrator's website: <https://www.theice.com/market-data/indices>

The UCI is actively managed and aims to outperform its benchmark index. The fund is managed on a discretionary basis: the fund will be primarily exposed to issuers of the benchmark index and may be exposed to issuers not included in the benchmark index. The management strategy includes monitoring the deviation between the risk level of the portfolio and that of the index. A large/significant deviation relative to the risk level of the benchmark index is expected.

## Investment strategy:

1- Strategy used

The investment strategy of the sub-fund consists of discretionary management of a portfolio of subordinated debt instruments issued mainly by financial institutions and conventional bonds and negotiable debt securities.

## Non-financial analysis:

The initial investment universe of the sub-fund is constructed from public issuers that are members of the JP Morgan Hedged Eur Unit GBI Global Index (JHUCGBIG Index) and private issuers that are members of the ICE BofaML Global CoCo Index EUR Hedged (COCO Index), Bloomberg EuroAgg Financials Total Return Index Value Unhedged EUR (LEEFTRU) and ICE BOFA Fixed Rate Preferred Securities (POP1 Index)

Securities are selected mainly from this universe; they may also be selected from outside the universe, from European and international markets, including emerging markets, up to a limit of 10% of the investment universe, provided that these securities have an ESG score higher than the exclusion threshold in force for the universe and meet the investment criteria of the sub-fund.

The sub-fund's investment criteria detailed below are analysed by La Française Sustainable Investment Research (hereinafter "ESG Research Team") of the entity "La Française Group UK Limited" which specialises in the responsible investment criteria. It is specified that there is a risk of conflicts of interest relating to the provision of ESG scores with the "La Française Sustainable Investment Research" research centre of the "La Française Group UK Limited" entity belonging to the La Française Group. In order to manage this situation, the management company has put in place and updates a conflict of interest management policy with the aim of identifying and analysing potential conflict of interest situations as well as recording, managing and monitoring situations in which there is a conflict of interest. In addition, the provision of ESG scores is paid for in full by the management company. The analysis of Environmental, Social and Governance criteria is carried out by the ESG Research Team, which has developed a proprietary ESG model that enables a selective approach to the initial investment universe. This tool uses raw data from various data providers to calculate KPIs (Key Performance Indicators).

The investment process is based on an ESG integration approach with a significant commitment to management.

The ESG score of private issuers is structured as follows:

- Periodic update of raw data from different sources;
- Calculation of key performance indicators;
- Aggregated and supplemented with recent information collected and deemed relevant by the ESG Research Team, they result in the calculation of scores in three areas (environmental sustainability, human capital and organisational capital);
- Calculation of weightings for these three areas, which may differ by sector;
- Calculation of the ESG score, on the basis of the three areas and specific sector weightings.

For example, the criteria used to analyse private issuers are:

- Environmental: carbon intensity and waste management, etc.
- Social: staff training, labour relations, etc.
- Governance: management structure and relationship with shareholders, remuneration policy, etc.

The ESG score of public issuers is structured as follows:

- Periodic update of raw data from different sources;
- Calculation of key performance indicators;
- Calculation of the ESG score, on the basis of the three pillars and equal weightings.

For example, the criteria used to analyse public issuers are:

- Environmental: the degree of exposure to natural disasters, etc.
- Social: the human development rate of the countries of the world through the human development index, etc.
- Governance: the quality of a country's governance through the World Governance indicator (WGI), etc.

Once the rating process is complete, each issuer is assigned a score from zero (worst) to 10 (best). These scores reflect investment opportunities or, conversely, non-financial risks.

At least 90% of the securities in the portfolio are made up by issuers analysed under these ESG criteria (as a percentage of the sub-fund's net assets excluding bonds and other debt securities issued by public or quasi-public issuers, excluding cash assets held on an ancillary basis and excluding social impact assets).

The first step of the extra-financial analysis consists of identifying the issuers to be excluded beforehand by virtue of the exclusion policy of La Française Group, available on the website [www.la-francaise.com](http://www.la-francaise.com). The following issuers are therefore automatically excluded under the La Française Group's exclusion policy:

- issuers involved in controversial weapons; and
- companies located in countries on the La Française group's black list Those located in countries on the red list require approval, on a case-by-case basis, from the LFAM Compliance department.

The second step is to remove the 20% of private issuers and 20% of public issuers with the lowest ESG scores from the initial investment universe covered. All of these excluded issuers make up the ESG exclusion list. This latter is established on a monthly basis for private issuers and annually for public issuers. It determines a minimum ESG score threshold below which the sub-fund may not invest. Issuers whose ESG score falls below the exclusion threshold cannot be part of the investable universe.

The methodology adopted by the management company for taking into account extra-financial criteria may have the following limitation related to the analyses carried out by the ESG Research Team. These analyses are dependent on the quality of the information collected and the transparency of the issuers.

As such, the sub-fund promotes certain environmental and social characteristics within the meaning of Article 8 of the EU Sustainable Finance Disclosure Regulation (EU) 2019/2088 (SFDR).

Additional information on the management company's non-financial analysis, including ESG criteria, is presented in the La Française Group transparency code and engagement policies, available on the La Française website at [www.la-francaise.com](http://www.la-francaise.com).

The objective of the European Union Taxonomy is to identify economic activities considered to be sustainable from an environmental perspective. The taxonomy identifies these activities according to their contribution to six major environmental objectives:

- Climate change mitigation;
- Climate change adaptation;
- The sustainable use and protection of water and marine resources;
- Transition to a circular economy (waste, prevention and recycling);
- Pollution prevention and control;

- The protection and restoration of biodiversity and ecosystems.

In order to be considered sustainable, an economic activity must demonstrate that it contributes substantially to the achievement of at least one of the six objectives, while not harming any of the other five (a principle known as DNSH, "Do No Significant Harm").

For an activity to be considered aligned with the European Taxonomy, it must also respect human and social rights guaranteed by international law.

The minimum percentage of alignment with the EU Taxonomy is 0%. The alignment of companies' activities is carried out qualitatively in the internal analysis process based on data published by the companies themselves as well as that made available by our ESG data providers.

The principle of "not causing significant harm" applies only to investments underlying the financial product which take into account the European Union's criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

#### **Financial analysis:**

Financial analysis is applied to the issuers in the investment universe, where securities are selected and portfolios constructed on a discretionary basis, based on an analysis of the issuers' financial statements, their solvency and liquidity situation and related regulatory and sector developments. Credit institutions and their solvency are closely monitored using proprietary tools, and particular attention is paid to the subordination status of securities that may be included in the portfolio.

In order to attain the management objective, up to 100% of the portfolio's net assets are invested in issues rated "investment grade" (ratings higher than or equal to BBB- according to Standard & Poor's or Baa3 according to Moody's) or speculative (rating less than BBB- or Baa3) or deemed equivalent according to the analysis of the management company. The management company will not exclusively or mechanically make use of external ratings but may, when such a rating is issued, take it into account in its credit analysis.

In the interests of active management, the sub-fund aims to take advantage of existing opportunities within an investment universe made up in particular of Additional Tier 1, Tier 2 and Contingent Convertible ("CoCo") bonds.

CoCos are more speculative in nature and have a higher risk of default than a conventional bond, but these convertible contingent bonds will be sought after in the management of the sub-fund due to their theoretical higher yield compared to a conventional bond. The purpose of this remuneration is to compensate for the fact that these securities can be converted into equity (shares) or suffer a capital loss in the event that the contingency clauses are triggered by the financial institution concerned (exceedance of a capital threshold predetermined in the prospectus of the subordinated bond).

The manager may invest in securities denominated in currencies other than the Euro, but will always hedge against currency risk. There may however be a residual currency exchange risk due to imperfect hedging.

The selection of securities is based on the quality of the issuers and the evaluation of the technical characteristics of the bonds. To evaluate the quality of the issuers, the manager shall be particularly attentive to the quality and composition of assets, financing and solvency. The assessment of the technical characteristics of the bonds depends on the rank of subordinations, the structure of the coupons, the recall dates and the liquidity of the latter.

The sensitivity range for interest rates in which the fund is managed	0 to +10
Geographical area of the issuers of securities to which the fund is exposed	Private issuers from OECD countries (all regions): 0-100%; Private issuers from non-OECD countries (emerging countries): 0 - 100%; Public issuers from OECD and non-OECD countries (including emerging countries): 0-50%
Security denomination currencies in which the fund is invested	all currencies
Level of exchange risk borne by the fund	residual due to imperfect hedging

The sub-fund invests up to 50% of its net assets in bonds and negotiable debt securities issued or guaranteed by governments (public debt).

The sub-fund may invest up to 10% of its assets in units or shares of UCITS under French or foreign law. These UCITS may be managed by the management company or an associated company, as applicable. They will be used to manage cash flow and/or to achieve the management objective.

The sub-fund may use Total Return Swaps (TRS) up to a maximum of 25% of the net assets. The expected proportion of assets under management that shall be subject to TRS may be 10% of the assets. The assets underlying the TRSs may be credit indices.

The sub-fund reserves the right to invest in preferred shares, mainly issued by financial institutions, up to a limit of 10% of its assets.

Furthermore, the sub-fund may also engage in transactions for the temporary purchase and sale of securities in order to (i) ensure the investment of the liquid assets available (e.g. reverse repurchase transactions, for example), (ii) optimise the performance of the portfolio (securities lending, for example).

The sub-fund may also trade in forward financial instruments traded on French and foreign regulated markets or over-the-counter. In this context, the manager may take positions to hedge and/or expose the portfolio against interest rate, credit and/or equity risks through futures, options and/or swaps and single name CDS and/or on indexes only to hedge the portfolio. Global exposure is limited to 300% of net assets, with equity exposure limited to a maximum of 10% of net assets.

## **2 - Assets (excluding embedded derivatives)**

### **a. Shares**

The sub-fund does not intend to hold shares. However, since the sub-fund may invest in bonds of any rank of subordination or in contingent convertible bonds, there exists a possibility that these instruments may be converted into shares on the initiative of the regulator or in the event, for example, of a fall in solvency ratio beyond a generally contractually defined threshold.

If the bonds held in the portfolio are converted into shares, the sub-fund may temporarily hold shares and sell them as soon as possible in the best interests of the holders.

The shares can be of any market capitalisation and denominated in any currency.

The sub-fund may invest in preferred shares. Preferred shares are hybrid securities because they are equity securities that generally pay a fixed-rate dividend and have a preferential ranking in the capital structure of the issuing company, as compared to the ordinary shares of the same company. In general, holders of preferred shares do not have voting rights.

Exposure of the portfolio to equity risk shall be limited to maximum 10% of the net assets.

### **b. Debt securities and money market instruments**

The sub-fund may invest up to 100% of its assets in bonds and up to 10% in money market instruments.

Negotiable debt securities: yes

- Bonds: yes

- Treasury bills: yes

- Commercial papers: yes

- Certificates of deposit: yes

with the following characteristics:

- rating: investment grade, high yield or unrated

- securities will be selected independently in the private and/or public sector (up to 50% of the fund's assets for securities issued or guaranteed by States).

- denominated in foreign currencies: all currencies

### **c. UCITS**

The sub-fund may invest up to 10% of its assets in units or shares of UCITS under French or foreign law. These UCITS will be used to manage cash flow and/or to achieve the management objective.

These UCITS may be managed by the management company or an associated company, as applicable.

## **3- Derivative instruments**

The sub-fund may invest in futures traded on French and foreign regulated markets or OTC.

In this context, the manager may take positions to hedge and/or expose the portfolio to interest rate, credit and/or equity risks (exposure to equities shall not exceed 10% of the net assets), through futures, options, Total Return Swaps and/or swaps and single name CDSs and/or on indexes only to hedge the portfolio.

Nature of the markets used:

- regulated: yes

- organised: yes

- OTC: yes

Risks on which the manager seeks to act:

- equities: yes (within a maximum limit of -10% and +10%)
- interest rates: yes
- foreign exchange: yes
- credit: yes
- indices: yes

Nature of activities:

- hedging: yes
- exposure: yes
- arbitrage: no

Nature of the instruments used:

- futures: yes
- vanilla options (listed, OTC): yes
- swaps (interest rates, currencies): yes
- Total Return Swaps: yes (up to 25% of the net assets). The expected proportion of assets under management that shall be subject to TRS may represent 10% of the net assets.
- forward exchange (NDF): yes
- credit derivatives: yes, CDS (single name, indexed)
- CDS options: yes (up to 15% of the net assets)

The derivative instruments listed above are not subject to the same extra-financial analysis process as the securities described in the investment strategy.

#### **4- Securities with embedded derivatives**

Risks on which the manager seeks to act:

- equities: yes (within a maximum limit of -10% and +10%)
- interest rates: yes
- foreign exchange: yes
- credit: yes
- indices: yes

Nature of activities:

- hedging: yes
- exposure: yes
- arbitrage: no

Nature of the instruments used:

- convertible bonds
- Warrants
- EMTN
- Share warrants
- Callables

#### **5- Deposits**

The fund reserves the right to make deposits of up to 10% of net assets in order to manage its cash flow.

#### **6- Cash borrowings**

The fund reserves the right to temporarily borrow cash up to a limit of 10% of its net assets

#### **7- Temporary securities purchase and sale transactions**

The sub-fund may also engage in transactions for the temporary purchase and sale of securities in order to (i) ensure the investment of the liquid assets available (e.g. reverse repurchase/repurchase transactions), (ii) optimise the performance of the portfolio (e.g. securities lending/borrowing).

Securities lending and/or reverse repo counterparties are subject to an ESG analysis during La Francaise Asset Management's eligibility review of financial intermediaries.

- **Type of activities:** Transactions for the temporary purchase or sale of securities shall be carried out in accordance with the Monetary and Financial Code. They shall be carried out within the framework of cash flow management and/or the optimisation of UCI income. Under no circumstances shall these strategies aim to create or result in the creation of a leverage effect.
- **Nature of transactions used:** These operations will consist of securities lending and borrowing and/or in repurchase and reverse repurchase agreements with reference to the French Monetary and Financial Code. The assets that may be the subject of such transactions will be those described in section "2. Assets (excluding embedded derivatives)" of this prospectus.
- **Envisaged level of use:** Transactions for the temporary sale of securities (securities lending, repurchase transactions) may be carried out up to an amount equivalent to a maximum of 60% of the UCI's net assets, while transactions for the temporary purchase of securities (securities borrowing, reverse repurchase agreements) may be carried out up to an amount equivalent to a maximum of 10% of the UCI's net assets. The expected proportion of assets under management that will be involved in such transactions may represent 25% of the UCI's net assets.
- **Information on the use of temporary sales and acquisitions of securities:** The purpose of the use of temporary securities acquisitions and disposals is in particular to provide the UCITS with an additional return and therefore to contribute to its performance. In addition, the UCITS may enter into reverse repurchase agreements for the replacement of financial guarantees in cash and/or repurchase agreements to meet liquidity needs. Temporary purchases and sales of securities will be guaranteed in accordance with the principles described in section 8 below "contracts constituting financial guarantees".
- **Remuneration:** Information relating to the remuneration of these transactions is provided in the "Fees and commissions" section.
- **Selection of counterparties:** The management company follows a specific selection process for financial intermediaries, also used for intermediaries designated for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS). These intermediaries are selected on the basis of the liquidity that they offer as well as their speed, reliability and quality with regard to how they process transactions. At the end of this rigorous and regulated process, subject to a rating, the counterparties selected for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS) are credit institutions or other entities authorised by the management company and respecting the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

## 8. Contracts constituting financial guarantees

In connection with the conclusion of financial contracts and/or securities financing transactions, the UCI may receive/remit financial guarantees in the form of full ownership transfer of securities and/or of cash.

Securities received as collateral must meet the criteria set by regulations and must be granted by credit institutions or other entities that meet the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

Financial guarantees received must be able to be fully enforced by the UCI at any time and without consulting or obtaining the approval of the counterparty. The level of financial guarantees and the discount policy are set by the eligibility policy for financial guarantees of the Management Company in accordance with the regulations in force and cover the categories below:

- financial guarantees in cash;
- financial guarantees in debt securities or in equity securities according to a precise nomenclature.

The eligibility policy for financial guarantees explicitly defines the required level of guarantee and the discounts applied for each financial guarantee according to rules that depend on their specific characteristics. It also specifies, in accordance with the regulations in force, rules for risk diversification, correlation, valuation, credit quality and regular stress tests on the liquidity of guarantees.

In the event that financial guarantees in cash are received, these may, under conditions set by regulation, only be:

- placed in deposit;
- invested in high-quality government bonds;
- used in a reverse repurchase agreement;
- invested in short-term money market undertakings for collective investment (UCIs).

Financial guarantees other than received cash may not be sold, reinvested or used as collateral; The management company will, in accordance with the valuation rules provided for in this prospectus, carry out a daily valuation of the guarantees received on a market price basis (mark-to-market).

Margin calls will be made on a daily basis. The guarantees received by the mutual fund will be kept by the mutual fund's depository or, failing that, by any third-party depository subject to prudential supervision and which has no connection with the provider of the guarantee. The risks associated with securities financing transactions, financial contracts and the management of inherent collateral are described in the risk profile section.

### Risk profile:

*"Your money will be invested in financial instruments selected by the management company. These instruments will be exposed to market trends and risks".*



The risks described below are not exhaustive: investors should analyse the risks inherent to each investment and make their own decisions. Through the fund, subscribers are exposed to the following risks:

Risk of capital loss:

Investors are advised that their capital is not guaranteed and may therefore not be returned to them.

ESG investment risk:

The sub-fund uses ESG criteria and may underperform the market in general, or other sub-funds that do not use ESG criteria when selecting investments. ESG investments are selected, or excluded on the basis of financial and non-financial criteria. A sub-fund may sell a security for ESG reasons, rather than for purely financial considerations.

Sustainability risk:

This refers to the possible occurrence of an ESG event or condition that could potentially or actually cause a significant negative impact on the value of an investment in a fund. Sustainability risks can either represent a risk in and of themselves, or have an impact on other risks and contribute – by way of correlation – significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks can have an impact on long-term risk-adjusted returns for investors. Assessing sustainability risk is complex and can be based on ESG data that is difficult to obtain and incomplete, believed to be outdated, or otherwise materially inaccurate. Even when identified, there is no guarantee that this data will be properly assessed.

Discretionary risk:

The discretionary management style applied to the mutual fund is based on the selection of portfolio assets and/or market expectations. There is a risk that the mutual fund may not be invested in the best-performing assets or markets at all times. The fund's performance may therefore be lower than the management objective. In addition, the net asset value of the fund may have a negative performance.

Credit risk: Credit risk may arise from a downgrading of the credit rating of an issuer of debt securities or the default of an issuer. If an issuer's credit rating is downgraded, the value of its assets falls. Accordingly, this may cause the net asset value of the Fund to fall.

Risk related to contingent convertibles:

CoCos are hybrid securities, whose main objective is to enable recapitalisation of the issuing bank or financial institution, during a financial crisis. Indeed, these securities have loss-absorption mechanisms, as described in their issue prospectuses, that are activated generally when the issuer's equity ratio falls below a certain trigger threshold.

The trigger is first of all mechanical: it is generally based on the CET1 ("Common Equity Tier 1") accounting ratio, relative to risk-weighted assets. To offset the discrepancy between book values and the financial reality, there is a discretionary clause allowing the supervisor to invoke the loss absorption mechanism if he/she considers that the issuing institution is insolvent.

CoCos are therefore subject to specific risks, in particular subordination to specific trigger criteria (e.g. a decline in the equity ratio), conversion into shares, loss of capital or non-payment of interest.

The use of subordinated bonds, particularly so-called Additional Tier 1 bonds, exposes the fund to the following risks:

- triggering of contingent clauses: if an equity threshold is crossed, these bonds are either exchanged for shares or undergo a capital reduction, potentially to 0.
- cancellation of the coupon: Coupon payments on these types of instruments are entirely discretionary and may be cancelled by the issuer at any time, for any reason, and without time constraints.
- the capital structure: unlike traditional, secured debt, investors in this type of instrument may incur a capital loss without prior bankruptcy of the company. Moreover, the subordinated creditor will be repaid after ordinary creditors, but before shareholders.
- call for extension: These instruments are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.
- valuation/return: The attractive yield of these securities can be considered a complexity premium.

Equity risk associated with holding convertible bonds:

The Fund may be exposed up to 100% in convertible bonds. The value of convertible bonds depends to some extent on the evolution of the prices of their underlying equities. Changes in the underlying equities may lead to a fall in the fund's net asset value.

Exposure to equity risk shall be limited to maximum of 10% of the net assets.

Liquidity risk: This refers to the risk when trading volumes are low or in the event of volatility on a particular market, this financial market cannot absorb the volumes of sales (or purchases) without significantly lowering (or raising) asset prices. This may result in a fall in the fund's net asset value.

Risk arising from techniques such as derivatives:

risk of increased losses owing to the use of financial futures such as OTC financial agreements and/or futures contracts.

#### Interest rate risk:

This is the risk of a decrease in interest rate instruments due to interest rate fluctuations, which may cause a decline in the net asset value of the Fund.

#### Exchange rate risk:

The fund may invest in transferable securities denominated in currencies other than the reference currency.

The manager will systematically hedge the currency risk. There may however be a residual currency exchange risk due to imperfect hedging. The net asset value of the fund may fall as a consequence.

#### Risk arising from overexposure:

The Fund may use financial futures (derivatives) to generate overexposure and thus increase the Fund's overall exposure to a maximum of 300%. Depending on the direction of the Fund's transactions, the effect of the fall (in the case of purchase of exposure) may be amplified and therefore increase the fall of the net asset value of the Fund.

#### Volatility risk:

It is the risk of a fall in the net asset value brought about by a rise or fall in volatility which is decorrelated from the performances of traditional markets in dynamic securities. In case of an adverse movement in the volatility on the strategies implemented, the net asset value will suffer a fall.

If the fund has taken a buying position and the implicit volatility falls, the net asset value of the fund will fall.

If the fund has taken a selling position and the implicit volatility rises, the net asset value of the fund will fall.

#### Risk associated with investments in "speculative" securities:

This fund may be exposed to "speculative" securities. These securities have a higher risk of default; they are likely to suffer higher and/or more frequent variations in valuations and are not always sufficiently liquid to be sold at all times at the best price. The value of the fund unit may therefore be lower when the value of these securities in the portfolio falls.

#### Risk associated with investing in non-OECD countries (emerging markets):

The fund may be exposed up to 100% in non-OECD countries. Market risks are amplified by possible investments in non-OECD countries where market movements, upward or downward, may be stronger and faster than in major international markets.

Investing in non-OECD countries involves a high degree of risk due to the political and economic situation of these markets, which may affect the value of the fund's investments. Their operational and supervisory conditions may differ from the standards prevailing on the major international markets. In addition, investment on these markets involves risks linked to restrictions imposed on foreign investments, counterparties, increased market volatility, delays in settlements/deliveries and the limited liquidity of certain lines in the fund's portfolio. The net asset value of the mutual fund may fall as a consequence.

Counterparty risk: Counterparty risk arises from entering into financial forward contracts traded OTC and from temporary securities purchase and sale transactions: This is the risk that a counterparty may default on payment. The defaulting of the payment of a counterparty may therefore lead to a decrease in the fund's net asset value.

#### Risks associated with preferred shares:

The fund may invest in preferred shares. These are hybrid capital securities which combine the characteristics of common shares and fixed-income debt securities. They do not offer an exchange option into shares, and their value is not linked to the valuation of the shares.

The returns on preferred shares are set by a dividend rate similar to an interest rate on bonds. Similar to bonds, the market value of preferred shares increases when interest rates fall and vice versa.

A holder of preferred shares does not take part in shareholders meetings.

#### Potential risk of a conflict of interest:

This risk relates to the completion of temporary purchases and sales of securities transactions, during which the fund uses an entity as counterparty and/or financial intermediary that is linked to the group to which the fund's management company belongs.

#### Legal risk:

The recourse to the purchase and/or sale transactions of securities and/or total return swaps (TRS) may result in legal risks, in particular relating to contracts.

#### **Target subscribers:**

R C USD H All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services

R D USD H share	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services
I share	All subscribers, and more particularly intended for professional clients within the meaning of MiFID
T C USD H share	All investors without payment of retrocession fees to distributors
R C EUR share	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services
TC share	EUR All investors without payment of retrocession fees to distributors

#### **How to subscribe to T shares:**

Subscriptions to T shares (net shares) are reserved:

- for investors subscribing through distributors or intermediaries:
  - subject to national legislation prohibiting all retrocession fees to distributors
  - providing:
    - o independent advice within the meaning of European regulation MiFID II,
    - o individual portfolio management under mandate
- for funds of funds

Any arbitrage of fund shares towards T shares will benefit from the MiFID II tax exemption until 31/12/2018 (letters dated 16 March 2017 and 31 October 2017 of the Directorate-General for Public Finance, confirming that such exchange transactions benefit from the tax deferral provided for in Article 150-0 B of the General Tax Code; [www.la-francaise.com](http://www.la-francaise.com)), provided that subscriptions for T shares are immediately preceded by a redemption in I shares by the same shareholder for a product equivalent to the number of redeemed shares and on the same net asset value date.

Information on the remuneration generated by temporary securities purchase and sale transactions:

The sub-fund's counterparty with respect to transactions for the temporary purchase and sale of securities is one or more credit institutions whose head office or branch is located in a country of the European Union. The counterparties will act independently of the fund. No remuneration is paid to the depositary (within the framework of his capacity as depositary) or to the management company for transactions for the temporary purchase or sale of securities. All income resulting from transactions for the temporary purchase and sale of securities, including income generated by the reinvestment of cash collateral received as part of these transactions, net of direct and indirect operating costs, is returned to the sub-fund. These transactions generate direct and indirect operating costs which will be borne by the management company; the share of these costs may not exceed 40% of the income generated by these transactions.

#### US investors

The shares have not been and will not be registered under the US Securities Act of 1933 (hereinafter the "Act of 1933") or any other law applicable in a US state. Shares may also not be directly or indirectly transferred, offered or sold in the United States of America (including its territories and possessions) to any United States national (hereinafter "U.S. Person"), as defined in the American Regulation 'Regulation S' of the Act of 1933 as adopted by the Securities and Exchange Commission ("SEC"), unless (i) the shares have been registered or (ii) an exemption applies (with the prior agreement of the management company's governing body).

The fund has not been and will not be registered under the US Investment Company Act of 1940. Any re-sale or transfer of shares in the United States of America or to a US Person may be in breach of US law and requires the written agreement of the management company of the fund. Those wishing to acquire or purchase shares will have to certify in writing that they are not US Persons.

#### Russian and Belarusian investors

In accordance with the provisions of EU Regulation No. 833/2014 subscription to units/shares of this fund is prohibited to any Russian or Belarusian national, to any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus except nationals of a Member State and to natural persons holding a temporary or permanent residence permit in a Member State.

The appropriate amount to invest in the mutual fund depends on your personal financial situation. To determine this, you must take into account your personal assets, current needs as well as your risk appetite or, on the contrary, your preference for a prudent investment. You are also strongly advised to diversify your investments so that they are not exposed solely to the risks of this fund.

**Characteristics of shares in foreign currencies:**

Shares not in the same currency as the fund currency are completely hedged, i.e. hedged against exchange risk via the use, in particular, of forward exchange contracts, swaps, forwards, etc.

There may however be a residual currency exchange risk due to imperfect hedging.

**Recommended investment period:**

This fund may not suit investors who intend to withdraw their contribution within 5 years.

**Methods of determining and allocating distributable amounts:**

share	R C USD H	Capitalisation
share	R D USD H	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends
share	I share	Capitalisation
share	T C USD H	Capitalisation
	R C EUR share	Capitalisation
	TC EUR share	Capitalisation

The distributable amounts consist of:

1. The net result, which corresponds to the amount of interest, arrears, dividends, bonuses and lots, directors' fees and all income relating to the securities making up the fund portfolio, plus income from sums temporarily held as liquid assets, minus management fees and borrowing costs, plus retained earnings, plus or minus the balance of the income adjustment account;

2. the realised capital gains, net of costs, minus the realised capital losses, net of costs, during the financial year, plus the similar net capital gains realised during the previous financial years which were not subject to distribution or capitalisation, minus or plus the balance of accrued capital gains.

**R D USD H share:** The net result will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (total or partial), by decision of the management company.

The net realised capital gains will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or be carried forward (totally or partially), by decision of the management company.

The management company will distribute quarterly dividend payments in January, April, July and October.

**R C EUR, R C USD H, I, T C EUR and T C USD H share:** the distributable amounts are fully capitalised.

**Accounting currency:**

EUR

**Subscription and redemption terms:**

**Subscriptions:**

Subscription requests given as a specified amount or in hundred thousandths (I and TC EUR shares) or thousandths (R C USD H, R D USD H, T C USD H and R C EUR shares) are processed by La Française AM Finance Services on each net asset value calculation day (T) at 11 a.m. (if the Stock Exchange is open in Paris, except for public holidays in France) and are executed on the basis of the net asset value calculated on T+1.

The clearing and settlement of securities relating thereto shall be made on the second trading day following the processing date (T+2).

**Redemptions:**

Redemption requests denominated in hundred thousandths (I and TC EUR shares) or thousandths (R C USD H, R D USD H, T C USD H and R C EUR shares) are processed by La Française AM Finance Services on each net asset value calculation day (T) at 11 a.m. (if the Stock Exchange is open in Paris, except for public holidays in France) and are executed on the basis of the net asset value calculated on T+1.

The clearing and settlement of securities relating thereto shall be made on the second trading day following the processing date (T+2).

Processing of subscription orders	Processing of redemption orders	Execution of the order at the latest, in T	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions
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T before 11 a.m.	T before 11 a.m.	Each trading day (T)	T + 1 business day	T + 2 business days	T + 2 business days
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#### Minimum value of initial subscription:

R C USD H share	USD 50,000.00
R D USD H share	USD 50,000.00
I share	EUR 100,000.00
T C USD H share	USD 50,000.00
R C EUR share	EUR 50,000.00
TC EUR share	EUR 50,000.00

#### Minimum value of subsequent subscriptions:

R C USD H share	None
R D USD H share	None
I share	None
T C USD H share	None
R C EUR share	None
TC EUR share	None

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

The net asset value is calculated on each trading day of the Paris Stock Exchange, excluding legal holidays in France.

#### Original net asset value:

R C USD H share	USD 100.00
R D USD H share	USD 100.00
I share	EUR 1,000.00
T C USD H share	USD 100.00
R C EUR share	EUR 100.00
TC EUR share	EUR 1,000.00

#### Location where the net asset value is published:

the management company's premises and the website: [www.la-francaise.com](http://www.la-francaise.com)

#### Costs and fees:

##### Subscription and redemption fees:

Subscription and redemption fees increase the subscription price paid by the investor or decrease the redemption price. The fees received by the UCITS offset the charges it incurs in investing or divesting the assets entrusted to it. Commissions not retained by the fund are paid to the investment company, distributor, etc.

Costs payable by the investor, levied at the time of subscription and redemption	Base	Rate/scale
Subscription fee not paid to the UCITS	Net asset value x Number of shares	<b>R C USD H share:</b> 4.00% maximum <b>R D USD H share:</b> 4.00% maximum <b>I share:</b> 4.00% maximum <b>T C USD H share:</b> 4.00% maximum <b>R C EUR share:</b> 4.00% maximum <b>TC EUR share:</b> None
Sales fee paid to the UCITS	Net asset value x Number of shares	<b>R C USD H share:</b> None <b>R D USD H share:</b> None <b>I share:</b> None <b>T C USD H share:</b> None <b>R C EUR share:</b> None <b>TC EUR share:</b> None
Redemption fee not paid to the UCITS	Net asset value x Number of shares	<b>R C USD H share:</b> None <b>R D USD H share:</b> None <b>I share:</b> None <b>T C USD H share:</b> None <b>R C EUR share:</b> None <b>TC EUR share:</b> None
Redemption fee paid to the UCITS	Net asset value x Number of shares	<b>R C USD H share:</b> None <b>R D USD H share:</b> None

**I share:** None  
**T C USD H share:** None  
**R C EUR share:** None  
**TC EUR share:** None

**Operating and management charges:**

These cover all costs charged directly to the UCITS, apart from transaction fees. Transaction costs include intermediation charges (brokerage, stamp duties, etc.) and any turnover fees charged in particular by the depositary and the management company.

In addition to operating and management charges, there may also be:

- outperformance fees. These are paid to the management company when the UCITS has exceeded its objectives. They are therefore charged to the UCITS;
- turnover fees are charged to the UCITS.

	<b>Costs invoiced to the UCITS</b>	<b>Base</b>	<b>Rate/scale</b>
1	Financial management fees	Net assets	<b>I share:</b> 0.500% maximum rate (including tax) <b>TC EUR &amp; T C USD H shares:</b> 0.500% maximum rate (including tax) <b>R C USD H &amp; R D USD H &amp; R C EUR shares:</b> 1.100% maximum rate (including tax)
2	Administrative costs external to the management company	Net assets	<b>TC EUR &amp; R C USD H &amp; R C EUR &amp; T C USD H &amp; R D USD H:</b> 0.100% maximum rate (including tax)
3	Maximum indirect costs	Net assets	None
4	Turnover fees	Deducted from each transaction	<b>Shares:</b> 0.40% (with a minimum of €120) <b>Convertible bonds &lt; 5 years:</b> 0.06% <b>Convertible bonds &gt; 5 years:</b> 0.24% <b>Other bonds:</b> 0.024% (with a minimum of €100) <b>Monetary instruments:</b> 0.012% (with a minimum of €100) <b>Swaps:</b> 300€ <b>Forward exchange:</b> 150€ <b>Spot exchange:</b> 50€ <b>UCI:</b> 15€ <b>Futures:</b> 6€ <b>Options:</b> 2.5€ <i>As of 2 November 2021, the scale of turnover fees will be as follows:</i> <b>Shares:</b> 0.10% (with a minimum of €120) <b>Convertible bonds:</b> 0.05% (with a minimum of €100) <b>Other bonds:</b> 0.035% (with a minimum of €100) <b>Monetary instruments:</b> 0.0120% (with a minimum of €100) <b>Swaps:</b> 0.010% (with a minimum of €150 and a maximum of €600) <b>Forward exchange:</b> 0.010% (with a minimum of €75 and a maximum of 300€) <b>Spot exchange:</b> 0.010% (with a minimum of €25 and a maximum of 100€) <b>UCI:</b> 15€ <b>Futures:</b> 1€ <b>Options:</b> 1€
5	Outperformance fee	Net assets	<b>I &amp; TC EUR &amp; R C EUR shares:</b> Maximum 20% (including tax) of the difference, if it is positive, between the performance of the fund and that of the ICE BofA Merrill Lynch Contingent Capital Euro Hedged Total Return Index (coupons included) [COCO Index]. Variable management fees are capped at 2.5% (incl. tax) of the average net assets. <b>R C USD H &amp; T C USD H &amp; R D USD H shares:</b> Maximum 20% (including tax) of the difference, if it is positive, between the performance of the Fund and that of the ICE BofA Merrill Lynch Contingent Capital USD Hedged Total Return Index (coupons included) [COCO Index]. Variable management fees are capped at 2.5% (incl. tax) of the average net assets.

\* average net assets correspond to the average assets of the fund and are calculated since the start of the reference period of the performance fee and restated for variable management fees.

A percentage of the management fee may be paid to remunerate marketers and distributors, subject to applicable regulations.

**Outperformance fee:**

The Management Company will receive, if applicable, an outperformance fee when the performance of the fund exceeds that of the benchmark index, whether it has recorded a positive or negative performance. The outperformance fee applicable to a given share category is based on the comparison between the measured assets of the fund and those of the benchmark.



**The valued assets** of the fund are understood to be the share of the assets, corresponding to a share category, measured according to the valuation rules applicable to the assets and after taking into account the actual operating and management costs corresponding to said share category.

**The benchmark asset** represents the share of the fund's assets, corresponding to a given share category, restated by the amounts of subscriptions/redemptions applicable to said share category at each valuation, and valued according to the performance of the benchmark index used.

**The benchmark index used** to calculate the outperformance fee is the index:

EUR shares: ICE Bofa Merrill Lynch Contingent Capital Euro Hedged Total Return Index (coupons included) (Bloomberg code COCO Index)

USD shares: ICE Bofa Merrill Lynch Contingent Capital USD Hedged Total Return Index (coupons included) (Bloomberg code COCO Index)

**The performance reference period** corresponds:

From the first trading day in July to the last trading day in June of the following year.

#### Payment schedule:

The outperformance fee is levied for the benefit of the management company in the month following the end of the reference period. Under no circumstances may the reference period for the fund shares be less than one year.

#### Method for calculating the outperformance fee:

As of 1 July 2022, an outperformance fee is only collected after compensation for the fund's underperformance compared to the performance of the benchmark index over the last 5 years.

##### • During the reference period:

- If the fund's measured assets are greater than those of the benchmark asset, the variable portion of management fees will represent a maximum of 20% including tax of the difference between these two assets capped at 2.5% of average net assets.

- A provision for variable management fees will be made on the basis of this difference when calculating the net asset value. Moreover, a provision reversal will be made for each calculation of the net asset value when the daily performance of the fund is lower than that of the reference asset. Reversals of provisions are capped at the level of previous provisions.

In the event of redemptions, the share of the constituted provision corresponding to the number of shares redeemed is definitively acquired by the management company.

##### • At the end of the reference period:

- If the measured assets of the fund are greater than those of the benchmark, the variable part of the management fees provisioned during the reference period is definitively acquired by the management company.

- If the measured assets of the fund are less than those of the benchmark, the variable part of the management fees will amount to zero (excepting the portion acquired by the management company as part of a redemption during the reference period). As of 1 July 2022, the reference period will be extended for an additional year, to a maximum of 5 years. Indeed, any underperformance during the reference period must be made up before being able to again provision for outperformance fees for the given share. If another year of underperformance has occurred within this first five-year period and it has not been recovered at the end of this first period, a new period of up to five years begins from this new year of underperformance.

For example:

#### In the event of a positive performance of the fund:

Reference period	Valued asset of the fund	Reference asset of the fund	Performance of the fund:	Variable management fees	Extension of the reference period
Year 1	10%	5%	Outperformance 5%	Yes	No
Year 2	10%	10%	Outperformance 0%	No	No
Year 3	5%	10%	Underperformance: -5%* (underperformance to be compensated for year 3)	No	Start of a reference period
Year 4	8%	5%	Underperformance: -2% (underperformance remaining from year 3)	No	Yes
Year 5	1%	8%	Underperformance: -9% • -2% (underperformance remaining from year 3) • -7%** (underperformance to be compensated for year 5)	No	Start of a new reference period
Year 6	1%	1%	Underperformance: -9% • -2% (underperformance remaining	No	Yes

			from year 3) • -7% (underperformance to be compensated for year 5)		
Year 7	2%	1%	Underperformance: -8% • - 1% (underperformance remaining from year 3) • -7% (underperformance to be compensated for year 5)	No	Yes
Year 8	5%	2%	Underperformance: -4% • 0% (reset of the underperformance remaining from year 3) • -4% (underperformance to be compensated for year 5)	No	Yes
Year 9	10%	5%	Overperformance: 1% (reset of the underperformance of year 5 carried out)	Yes	No
Year 10	8%	10%	Underperformance: -2%*** (underperformance to be compensated for year 10)	No	Start of a reference period

\* The fund's underperformance over the reference period must be compensated for within five years (up to year 7 maximum) before the variable management fees become payable.

\*\* The fund's underperformance over the reference period must be compensated for within five years (up to year 9 maximum) before the variable management fees become payable.

\*\*\* The fund's underperformance over the reference period must be compensated for within five years (up to year 14 maximum) before the variable management fees become payable.

**In the event of a negative performance of the fund:**

Reference period	Valued asset of the fund	Reference asset of the fund	Performance of the fund:	Variable management fees	Extension of the reference period
Year 1	-5%	-10%	Relative outperformance: 5%	Yes	No
Year 2	-10%	-10%	Relative outperformance: 0%	No	No
Year 3	-15%	-10%	Underperformance: -5%* (underperformance to be compensated for year 3)	No	Start of a reference period
Year 4	-12%	-15%	Underperformance: -2% (underperformance remaining from year 3)	No	Yes
Year 5	-19%	-12%	Underperformance: -9% • -2% (underperformance remaining from year 3) • -7%** (underperformance to be compensated for year 5)	No	Start of a new reference period
Year 6	-19%	-19%	Underperformance: -9% • -2% (underperformance remaining from year 3) • -7% (underperformance to be compensated for year 5)	No	Yes
Year 7	-18%	-19%	Underperformance: -8% • -1% (underperformance remaining from year 3) • -7% (underperformance to be compensated for year 5)	No	Yes
Year 8	-15%	-18%	Underperformance: -4% • 0% (reset of the underperformance remaining from year 3) • -4% (underperformance to be	No	Yes

			compensated for year 5)		
Year 9	-10%	-15%	Relative outperformance: 1% (reset of the underperformance carried out for year 5)	Yes	No
Year 10	-12%	-10%	Underperformance: -2%*** (underperformance to be compensated for year 10)	No	Start of a reference period

\* The fund's underperformance over the reference period must be compensated for within five years (up to year 7 maximum) before the variable management fees become payable.

\*\* The fund's underperformance over the reference period must be compensated for within five years (up to year 9 maximum) before the variable management fees become payable.

\*\*\* The fund's underperformance over the reference period must be compensated for within five years (up to year 14 maximum) before the variable management fees become payable.

The past performance of the fund compared to the benchmark index is available on the management company's website: [www.la-française.com](http://www.la-française.com)

The UCITS may not inform shareholders specifically or offer them the possibility of redeeming their shares without incurring charges in the event of an increase in administrative costs external to the management company which would be equal to or less than 10 basis points per calendar year; the notification may therefore be made by any means.

Other costs invoiced to the UCITS

- contributions due to the UCITS management pursuant to Article L621-5-3 (II)(3)(d) of the Monetary and Financial Code;
- taxes, duties, licence fees and government fees (relating to the UCITS), both extraordinary and non-recurring;
- extraordinary and non-recurring costs relating to debt recovery or a procedure for asserting a right (e.g. class action procedure).

Information concerning these fees is also laid out, ex post, in the UCITS's annual report.

#### **Information on the remuneration generated by temporary securities purchase and sale transactions:**

The sub-fund's counterparty for temporary acquisitions and sales of securities is one or more credit institutions or other entities authorised by the management company and which comply with the legal form, country and other financial criteria set out in the Monetary and Financial Code. The counterparties will act independently of the sub-fund.

No remuneration is paid to the depositary (within the framework of its capacity as depositary) or to the management company for transactions for the temporary purchase or sale of securities. All income resulting from transactions for the temporary purchase and sale of securities, including income generated by the reinvestment of cash collateral received as part of these transactions, net of direct and indirect operating costs, is returned to the sub-fund. These transactions generate direct and indirect operating costs which will be borne by the management company; the share of these costs may not exceed 40% of the income generated by these transactions.

Furthermore, the management company does not receive any in-kind commission.

For further information, unitholders may refer to the sub-fund's annual report.

#### **Choice of intermediaries:**

The Management Company has introduced a procedure for selecting and evaluating intermediaries and counterparties that takes into account objective criteria such as intermediation costs, execution quality and research. This procedure is available on the Management Company's website at the following address: <https://www.la-française.com/fr/informations-reglementaires/> Unitholders should refer to the annual report of the fund for any further information they may require.

#### **Information on risks relating to potential conflicts of interest**

The management company may entrust Crédit Industriel et Commercial with the intermediation service, which will be provided by the Table Buy Side department within CIC Market Solutions. Crédit Industriel et Commercial is a Société Anonyme (public limited company) under French law with a share capital of 608,439,888 euros. On 30 September 1999, Crédit Industriel et Commercial obtained authorisation from the CECEI as a bank providing investment services. The two companies belong to the same group, which is likely to generate a potential risk of conflict of interest.

The service provided by Crédit Industriel et Commercial has therefore been governed by a service contract, to ensure that there is no impact on the fund's investors/shareholders in terms of cost and quality of service.

Crédit Industriel et Commercial's main purpose is to provide intermediation services (i.e. receiving, transmitting and executing orders on behalf of third parties) mainly for the Group's asset management companies. Within this framework, the service provider chooses brokers from the list of brokers authorised by the management company and places orders according to criteria defined by the latter.

Crédit Industriel et Commercial can act as principal or agent. Intervention in "principal" mode corresponds to intervention as counterparty to the management company's portfolios. Acting as an agent, Crédit Industriel et Commercial acts as an intermediary between portfolios and market counterparties. These may be entities belonging to the management company's group.



### 3. Sustainability-related information

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability reporting in the financial services sector, as amended ("SFDR"), governs the transparency requirements relating to the integration of sustainability risks in investment decisions, the consideration of negative sustainability impacts and the disclosure of environmental, social and governance ("ESG") information, as well as the publication of information relating to sustainable development.

The occurrence of an ESG event or condition that could potentially or actually cause a negative material impact on the value of an investment of the fund. Sustainability risks can either represent a risk as such, or have an impact on other risks and contribute – by way of correlation – significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks can have an impact on long-term risk-adjusted returns for investors. Assessing sustainability risk is complex and can be based on ESG data that is difficult to obtain and incomplete, believed to be outdated, or otherwise materially inaccurate. Even when identified, there is no guarantee that this data will be properly assessed. The management company has identified two types of climate risks borne by the issuers: physical risks resulting from damage directly caused by meteorological phenomena and transition risks linked to the effects of the implementation of a low-carbon economic model: legal, regulatory and political developments, changes in supply and demand, innovations and technological breakthroughs and customer and stakeholder perception of the contribution to the transition. The risk of ESG investments means that the fund uses ESG criteria and may underperform the market in general or other funds that do not use ESG criteria when selecting investments. ESG investments are selected, or excluded on the basis of financial and non-financial criteria. The fund may sell a security for reasons relating to ESG, rather than for purely financial considerations. The ESG investments are to some extent subjective, and there is no guarantee that all investments made by the fund reflect the beliefs or values of a particular investor. Investments in securities considered to be "sustainable" may potentially involve additional or reduced risks. The Management Company incorporates sustainability risks and opportunities into its research, analysis and investment-decision process in order to improve its ability to manage risks more comprehensively and generate long-term sustainable returns for investors. The Management Company believes that investors are mostly likely to be affected by transition risks over the short and medium term. If, however, global warming leads to a significant rise in temperatures, the physical risks would become predominant. Transition risks linked to the market or to technology are yet to appear but could materialise very quickly. The legal, economic and political risks, for example linked to the implementation of a carbon tax or a price on carbon, should materialise more gradually. The intrinsic characteristics of these risks – long-term, difficult to project as a probability and without precedent – are often difficult to reconcile with standard investment processes which are based on probabilities established from the past. The Management Company measures these risks for all portfolios and integrates them from time to time into investment decisions based on its assessment of risk occurrence. Furthermore, in order to limit this risk as a whole, the Management Company has implemented an exclusion policy targeting the sectors most likely to be the source of liability risks linked to environmental factors.

Sustainable investment refers to any investment that has a neutral or positive impact on the United Nations Sustainable Development Goals, that has not been excluded by virtue of La Française Group's exclusion policy and/or as a result of taking into account a selection of the main negative impacts, and that the companies in which the investments are made apply good governance practices, i.e. a satisfactory governance score according to the proprietary ESG method.

More information on the inclusion of ESG (environmental, social and governance quality) criteria in the investment policy applied by the Management Company, the charter on sustainable investment, the climate and responsible investment strategy report, the engagement and exclusion policy can also be found online on the Management Company's website at the following address: <https://www.la-francaise.com/fr/nous-connaître/nos-expertises/linvestissementdurable>.

All the sub-funds are managed using an investment process that incorporates ESG factors, but do not necessarily promote ESG characteristics, and said funds do not have any specific sustainable investment objective.

At the date of the last update of this prospectus, the sub-funds listed below have specific sustainable investment objectives (article 9 SFDR):

- La Française Carbon Impact 2026
- La Française Obligations Carbon Impact
- La Française Carbon Impact Floating Rates
- La Française Credit Innovation

In this respect, further information on the environmental and social characteristics and sustainable investing within these sub-funds is available in the Appendix to this prospectus.

These sub-funds take into account the main negative impacts on the sustainability factors. The external data provider is ISS.

The sub-funds listed below promote environmental and/or social characteristics (Article 8 SFDR):

- La Française Global Coco
- La Française Financial Bonds 2027
- La Française Rendement Global 2028 Plus
- La Française Rendement Global 2028
- La Française Actions Euro Capital Humain

In this respect, further information on the environmental and social characteristics and sustainable investing within these sub-funds is available in the Appendix to this prospectus.

These sub-funds take into account the main negative impacts on the sustainability factors. The external data provider is ISS.

The sub-fund listed below is managed according to an ESG-inclusive investment process, but does not promote ESG characteristics, and does not have a specific sustainable investment objective (Article 6 SFDR):

- La Française Rendement Global 2025.

#### 4. Commercial information

1. Information about the sub-funds is available:

- from the offices of the management company: 128 boulevard Raspail, 75006 Paris
- on the website: [www.la-francaise.com](http://www.la-francaise.com)

2. Subscription/redemption requests are processed by La Française AM Finance Services for shares yet to be registered or already registered in bearer form with Euroclear, and by IZNES for shares yet to be registered or already registered in pure registered form with the IZNES Shared Electronic Registration System (DEEP).

3. Information regarding the inclusion of ESG (environmental, social and quality of governance) criteria in the investment policy is available on the management company's website: [www.la-francaise.com](http://www.la-francaise.com) and will appear in the annual report.

4.

Transmission of the composition of the portfolio: the management company may directly or indirectly inform the unitholders of the UCI with professional investor status of the breakdown of assets of the UCI, for purposes exclusively associated with regulatory obligations as part of the calculation of shareholders' equity. This notification takes place, where applicable, within a period which may not be less than 48 hours after the publication of the net asset value.

5. The "Voting policy" document and the report setting forth the conditions under which the Management Company exercised the voting rights during the financial year are freely available to shareholders at their request from the registered office of the management company. These documents are available on the website at <https://www.la-francaise.com/fr/informations-reglementaires/>. (The report shall be available at the latest within four months of the close of the financial year of the Management Company).

#### 5. Investment rules

The SICAV shall comply with the investment rules set by the French Monetary and Financial Code.

#### 6. Overall risk method

The La Française Actions Euro Capital Humain and La Française Carbon Impact 2026 sub-funds apply the commitment approach.

- The sub-funds La Française Rendement Global 2025, La Française Rendement Global 2028, La Française Rendement Global 2028 Plus, La Française Carbon Impact Floating Rates, La Française Obligations Carbon Impact, La Française Credit Innovation and La Française Financial Bonds 2027 apply the absolute VaR method:

The sub-fund's VaR is limited by the management company and may not exceed 20% of the sub-fund's net assets with a confidence interval of 99% and a monitoring period not exceeding 20 working days.

The indicative leverage effect (total nominal value of the positions on the financial contracts used) may not exceed:

- 300% of the sub-fund's assets for La Française Global Coco
- 100% of the sub-fund's assets for La Française Rendement Global 2025, La Française Obligations Carbon Impact, La Française Rendement Global 2028, La Française Credit Innovation and La Française Financial Bonds 2027
- 300% of the sub-fund's assets for La Française Rendement Global 2028 Plus
- 300% of the assets of the sub-fund for La Française Global Floating Rates.

However, this level may be higher under exceptional market circumstances.

The La Française Global Coco sub-fund applies the relative VaR method:

The sub-fund's VaR is limited by the management company and may not exceed 200% of the VaR of the comparison index, the ICE BofA Merrill Lynch Contingent Capital EUR Hedged Total Return Index, with a confidence interval of 99% and a monitoring period not exceeding 20 working days.

The expected level of leverage calculated on the basis of the notional sum approach is 300% (outside of exceptional market circumstances).

#### 7. Rules for asset accounting methods and valuation

**The sub-funds apply the valuation and accounting rules for the following assets:**

The fund abides by the accounting rules laid down under the regulations in force and in particular the accounting rules applicable to UCIs.



All transferable securities in the portfolio are recorded at past cost, excluding fees.

On each net asset valuation date and balance sheet date, the portfolio is valued based on:

### **Transferable securities**

- Listed securities: at market value – excluding accrued coupons on bonds - closing price. Foreign prices are converted to euros using the closing exchange rates on the valuation day. Transferable securities whose price has not been noted on the valuation day are valued at the last officially published rate or at their probable trading value, under the responsibility of the Management Company.
- UCIs: at the last-known net asset value.
- Negotiable debt securities and swaps maturing in more than three months: at market value. When the time to maturity becomes equal to three months, negotiable debt securities are valued at the last rate up to maturity. If they are purchased with a maturity of less than three months, interest is calculated using a linear method.
- Any temporary securities purchase and sale transactions will be valued according to the provisions of the contract. Certain fixed rate transactions with a maturity of more than three months may be valued at market price.

### **Financial futures**

French and European markets: fixing value at closing on valuation days. American market: fixing value at closing on the previous day. Asian market: day's closing price.

Commitments on options markets are calculated by converting the options to the equivalent underlying securities.

Commitments on swaps are valued at their market value.

Forward exchange transactions are valued using the forward exchange rates on the valuation date, taking into account the premium/discount.

The valuation prices of credit default swaps (CDS) come from a contributor chosen by the management company.

### **Accounting method for interest**

Interest on bonds and debt securities is recorded using the accrued interest method.

**Swing pricing NAV adjustment method with trigger threshold applicable to the sub-fund, to the La Française Global Coco sub-fund, to the La Française Rendement Global 2025 sub-fund, to the La Française Rendement Global 2028 Plus sub-fund, to the La Française Credit Innovation sub-fund, to the La Française Carbon Impact Floating Rates sub-fund, to the La Française Rendement Global 2028 sub-fund, to the La Française Carbon Impact 2026 sub-fund La Française Obligations Carbon Impact and to the La Française Financial Bonds 2027 sub-fund:**

This mechanism aims to protect shareholders of the sub-fund in the event of significant subscriptions or redemptions of the sub-fund's liabilities, by applying an adjustment factor to shareholders who invest or redeem significant amounts of outstanding assets. This is likely to generate costs for shareholders entering or leaving that would otherwise affect all shareholders in the sub-fund.

Therefore, in the event that on the net asset value calculation day the total net subscription/redemption orders of investors of all shares in the sub-fund exceeds the pre-established threshold set by the management company and defined on the basis of objective criteria as a percentage of the net sub-fund assets, the net asset value may be adjusted upwards or downwards to take into account the readjustment costs arising from net subscription/redemption orders.

The cost parameters and trigger thresholds are established by the management company and reviewed on a regular basis. These costs are estimated by the management company on the basis of the transaction costs and buy-sell ranges.

It is not possible to forecast whether the swing will be applied at a given time in the future, or how often the management company will carry out such adjustments.

Investors will be informed that the volatility of the net asset value of the sub-fund may not reflect only that of the securities held in the portfolio due to the application of swing pricing.

The swung net asset value is the only net asset value of the sub-fund and the only one communicated to shareholders in the sub-fund. However, if there are outperformance fees, these shall be calculated on the basis of the net asset value before application of the adjustment mechanism.

### **Cap on redemptions applicable to the La Française SICAV:**

When exceptional circumstances so require, and if the interests of investors or the public so dictate, the management company may implement this mechanism, which allows redemption requests from investors in the sub-fund to be spread over several net asset values if they exceed a given threshold.

### Description of the method:

The management company may decide not to execute all redemptions on the same net asset value when the objectively pre-established threshold is reached on a net asset value. To determine the level of this threshold, the management company takes

into account the frequency with which the sub-fund's net asset value is calculated, the sub-fund's management strategy and the liquidity of the assets in the portfolio.

For the sub-fund, the limit on redemptions may be applied by the management company when the threshold of 5% of its net assets is reached.

The threshold triggering this cap on redemptions corresponds, for all share categories in the sub-fund, to the ratio between:

- the difference recorded on the same centralisation date between the number of shares in the sub-fund for which redemption is requested or the total amount of such redemptions and the number of shares in the sub-fund for which subscription is requested or the total amount of such subscriptions; and
- the sub-fund's net assets or the total number of shares in the sub-fund.

However, when redemption requests exceed the trigger level, the sub-fund may decide to honour redemption requests in excess of the limit, and thus execute some or all of the orders that might otherwise be blocked.

For example, if total share redemption requests represent 10% of the sub-fund's net assets while the trigger threshold is set at 5% of net assets, the sub-fund may decide to honour redemption requests up to 8% of net assets (and therefore execute 80% of the redemption requests).

The maximum number of net asset values for which a cap on redemptions may be applied is 20 net asset values over 3 months, and the estimated maximum capping time is 1 month.

#### Shareholder information:

If this mechanism is activated, investors in the sub-fund will be informed by any means via the management company's website. Investors in the sub-fund whose redemption orders have not been executed will be informed as soon as possible.

#### Handling of unexecuted orders:

During the period of application of this system, redemption orders will be executed in the same proportions for shareholders of the sub-fund who have requested redemption at the same net asset value. Redemption orders deferred in this way will not have priority over subsequent redemption requests. Shareholders of the sub-fund may not cancel redemption orders that have not been executed and are automatically deferred.

#### Exemptions from the scheme:

If this mechanism is triggered, it will not be applied to subscription and redemption transactions for the same number of shares, on the basis of the same net asset value, for the same sub-fund and for the same investor or beneficial owner (known as round-trip transactions). This exclusion also applies to transfers from one share class to another, at the same net asset value, for the same amount and for the same investor or beneficial owner.

## **8. Remuneration**

In accordance with Directive 2009/65/EC and Article 314-85-2 of the General Regulations of the Financial Markets Authority, the management company has implemented a remuneration policy for categories of staff whose professional activities have significant repercussions on the risk profile of the management company or of the UCITS. These categories of staff include managers, members of the Board of Directors (including the senior management), risk takers, persons performing auditing tasks, persons in a position to influence employees, and all employees receiving a total remuneration who are in the same remuneration range as the risk takers and the senior management. The remuneration policy is compliant and encourages healthy and effective risk management, and does not encourage risk-taking which would be incompatible with the risk profiles of the management company or with its articles and does not hinder the obligation of the management company to act in the greater interests of the UCITS.

La Française Group has set up a remuneration committee at Group level. The remuneration committee is set up in accordance with the internal regulations and in accordance with the principles laid down in Directive 2009/65/EC and Directive 2011/61/EU. The remuneration policy of the management company is designed to promote good risk management and to discourage risk-taking which would exceed the tolerable level of risk, by taking into account the investment profiles of the funds under management and by implementing measures enabling any conflicts of interests to be avoided. The remuneration policy is reviewed annually.

The remuneration policy of the management company, detailing the way in which remuneration and benefits are calculated, is available free of charge from the registered office of the management company. A summary is available from the website: <https://www.la-francaise.com/fr/informations-reglementaires>.