



# PROSPECTUS

## La Française Rendement Global 2025

### SICAV

## 1. General features

### 1.1 Legal form of the UCITS

**Name:**

La Française Rendement Global 2025

**Legal form and Member State in which the UCITS has been incorporated:**  
SICAV

**Launch date and scheduled duration:**  
12/11/2018 - 99 years

**Date of approval by the Financial Markets Authority:**  
13/07/2017

#### Summary of the management offer

Type of unit	ISIN code	Original net asset value	Sub-funds	Allocation of income	Allocation of gains	Denomination currency	Target subscribers	Minimum value of initial subscription
R share	FR0013258647	EUR 100	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 D EUR share	FR0013277373	EUR 100	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 C share	FR0013277381	EUR 100	No	Capitalisation	Capitalisation	EUR	All investors without payment of retrocession fees to distributors	None
D USD H share	FR0013272747	USD 100	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 make prepayments	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
I C CHF H share	FR0013284569	CHF 1,000	No	Capitalisation	Capitalisation	CHF	Reserved for professional clients within the meaning of MiFID	CHF 500,000
D share	FR0013272739	EUR 100	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 share	FR0013258654	EUR 1,000	No	Capitalisation	Capitalisation	EUR	Reserved for professional clients within the meaning of MiFID and clients of the BPCE group	EUR 500,000
I D EUR share	FR0013298957	EUR 1,000	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 and clients of the BPCE group	EUR 500,000

				forward	forward			
R C USD H share	FR0013290996	USD 100	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
T D USD H share	FR0013288982	USD 100	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 make prepayments	USD	All investors without payment of retrocession fees to distributors	USD 1,000
I C USD H share	FR0013289501	USD 1,000	No	Capitalisation	Capitalisation	USD	Reserved for professional clients within the meaning of MiFID	USD 500,000
D-B share	FR0013279395	EUR 100	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

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" 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.

#### **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**

#### **Management company:**

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,  
Head office: 128, boulevard Raspail – 75006 Paris

#### **Depositary and registrar:**

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

The Depositary of the UCITS is BNP Paribas Securities Services SCA, a subsidiary of the BNP PARIBAS SA group located at 9, rue du Débarcadère 93500 PANTIN (the "Depositary"). BNP PARIBAS SECURITIES SERVICES, a partnership limited by shares, registered in the Trade and Companies Register under number 552 108 011, 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 3, rue d'Antin, 75002 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 Securities Services SCA alongside its appointment as Depositary (which may be the case where BNP Paribas Securities Services, by delegation from the Management Company, calculates the net asset value of the UCITS while BNP Paribas Securities Services 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 Securities Services SCA, is responsible for the safekeeping of the assets (as defined in Article 22(5) of the Directive 2009/65/CE 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 Securities Services SCA has appointed sub-depositaries in the countries where BNP Paribas Securities SCA Services 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

Caisse Fédérale du Crédit Mutuel Nord Europe, Caisses du Crédit Mutuel Nord

4 place Richebé - 59800 LILLE

Banque Coopérative et Mutuelle Nord Europe

4, place Richebé, 59000 LILLE

#### **Delegated entities:**

#### **Appointed account manager:**

BNP Paribas Securities Services, SCA

With its registered office at 3 rue d'Antin - 75002 PARIS

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

#### **Advisors:**

None

#### **Centralising agent:**

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,

Head office: 128, boulevard Raspail – 75006 Paris

**Institution responsible for the receipt of subscription and redemption orders:**

LA FRANÇAISE AM FINANCE SERVICES

Customer relations department

128, boulevard Raspail – 75006 PARIS

## 2. Terms of operation and management

### 2.1 General features

**Unit features:**

- Nature of right attached to each unit category: Each unitholder has a right of co-ownership to the fund assets in proportion to the number of units held.

Liabilities managed by BNP Paribas Securities Services.

- Units listed with EUROCLEAR France.

- Voting rights: the units do not carry any voting rights; decisions are taken by the management company.

- Form of the units: the units of this mutual fund are bearer units.

- Decimalisation: Each unit can be divided into thousandths

**Closing date:**

- End of accounting period: last trading day in December
- End of the first financial year:

**Tax system:**

*Please note: Depending on your tax system, any capital gains and income associated with holding units in the UCITS could be subject to taxation. If the unitholder is uncertain about their tax situation, they should consult the UCITS marketer or their financial adviser for more information.*

### 2.2 Specific provisions

**ISIN code:**

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

**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 management objective of the Fund is based on the realisation 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 may invest in securities that mature by 31 December 2026, i.e. one year after the fund's maturity. However, the portfolio's average maturity must not go beyond 31 December 2025.

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

## **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. In 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 cash assets 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 monetary 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.

**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 relating to the solvency of the entity which has 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 Sub-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.

**Guarantee or protection:**

The Fund does not benefit from any guarantee or protection.

**Target subscribers:**

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 D EUR share	All investors without payment of retrocession fees to distributors
T C 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
I C CHF H share	Reserved for professional clients within the meaning of MiFID
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 share	Reserved for professional clients within the meaning of MiFID and clients of the BPCE group
I D EUR share	Reserved for professional clients within the meaning of MiFID and clients of the BPCE 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
T D USD H share	All investors without payment of retrocession fees to distributors
I C USD H share	Reserved for professional clients within the meaning of MiFID
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

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.

*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:**

R share	Capitalisation
T D EUR share	Capitalisation and/or distribution and/or carry forward
T C share	Capitalisation
D USD H share	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends
I C CHF H share	Capitalisation
D share	Capitalisation and/or distribution and/or carry forward
I share	Capitalisation
I D EUR share	Capitalisation and/or distribution and/or carry forward
R C USD H share	Capitalisation
T D USD H share	Capitalisation and/or carry forward and/or distribution, with the possibility to pay interim dividends
I C USD H share	Capitalisation
D-B 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 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, RC USD H, IC USD H and TCshares:** the distributable amounts are fully capitalised.

**Accounting currency:**

EUR

**Subscription and redemption terms:**

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.

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.

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

**Minimum value of initial subscription:**

R share	None
T D EUR share	None
T C share	None
D USD H share	USD 1,000
I C CHF H share	CHF 500,000
D share	None
I share	EUR 500,000
I D EUR share	EUR 500,000
R C USD H share	USD 1,000
T D USD H share	USD 1,000
I C USD H share	USD 500,000
D-B share	None

**Minimum value of subsequent subscriptions:**

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

R share	EUR 100
T D EUR share	EUR 100
T C share	EUR 100
D USD H share	USD 100

I C CHF H share	CHF 1,000
D share	EUR 100
I share	EUR 1,000
I D EUR share	EUR 1,000
R C USD H share	USD 100
T D USD H share	USD 100
I C USD H share	USD 1,000
D-B share	EUR 100

**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. Fees that are not paid to it revert to the management company, marketer, 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> 3.00% maximum <b>T D EUR share:</b> 3.00% maximum <b>T C share:</b> 3.00% maximum <b>D USD H share:</b> 3.00% maximum <b>I C CHF H share:</b> 3.00% maximum <b>D share:</b> 3.00% maximum <b>I share:</b> 3.00% maximum <b>I D EUR 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>I C USD H share:</b> 3.00% maximum <b>D-B share:</b> 3.00% maximum
Sales fee paid to the UCITS	Net asset value x Number of shares	<b>R share:</b> None <b>T D EUR share:</b> None <b>T C share:</b> None <b>D USD H share:</b> None <b>I C CHF H share:</b> None <b>D share:</b> None <b>I share:</b> None <b>I D EUR share:</b> None <b>R C USD H share:</b> None <b>T D USD H share:</b> None <b>I C USD H share:</b> None <b>D-B share:</b> None
Redemption fee not paid to the UCITS	Net asset value x Number of shares	<b>R share:</b> None <b>T D EUR share:</b> None <b>T C share:</b> None <b>D USD H share:</b> None <b>I C CHF H share:</b> None <b>D share:</b> None <b>I share:</b> None <b>I D EUR share:</b> None <b>R C USD H share:</b> None <b>T D USD H share:</b> None <b>I C USD H share:</b> None <b>D-B share:</b> None
Redemption fee paid to the UCITS	Net asset value x Number of shares	<b>R share:</b> None <b>T D EUR share:</b> None <b>T C share:</b> None <b>D USD H share:</b> None <b>I C CHF H share:</b> None <b>D share:</b> None <b>I share:</b> None

		<b>I D EUR share:</b> None <b>R C USD H share:</b> None <b>T D USD H share:</b> None <b>I C USD H share:</b> None <b>D-B 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.

	<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: €2.50
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.

**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:**

Financial intermediaries will be independently selected by the management company based on different criteria: the quality of the service provider, the research, the execution and applied prices, and the quality of the Back Office for clearing and settlement transactions. The management company refrains from placing its orders with a single intermediary.

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

### 3. Sustainability-related information

#### 4. Commercial information

1. The distribution of fund units is carried out by LA FRANCAISE AM FINANCE SERVICES, Crédit Mutuel Nord Europe Federal Fund, Crédit Mutuel Nord Funds, Nord Europe Cooperative and Mutual Bank.

2. Subscription/redemption requests are processed by LA FRANÇAISE AM FINANCE SERVICES.

3. Information about the "La Française Rendement Global 2025" mutual fund is available from the management company's premises or online at: [www.la-francaise.com](http://www.la-francaise.com).

4. 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.

5. Notification of the portfolio breakdown: 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. Investment rules

The fund shall comply with the investment rules set by the Monetary and Financial Code.

#### 6. Overall risk method

Methodology for calculating the overall risk: absolute VaR method. The fund's VaR is limited by the management company and may not exceed 20% of the 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 100% of the Fund's assets. However, this level may be higher under exceptional market circumstances.

#### 7. Rules for asset accounting methods and valuation

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.

## **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/en/regulatory-information/>

# MUTUAL FUND REGULATIONS

## La Française Rendement Global 2025

### SECTION 1: ASSETS AND UNITS

#### Article 1: Co-ownership units

The rights of the co-owners are expressed in units, each unit corresponding to the same fraction of the fund's assets. Each unitholder has a right of co-ownership to the fund assets in proportion to the number of units held.

The duration of the fund is 99 years from its creation except in the case of early dissolution or extension provided for in these regulations.

Unit categories:

The features of the different classes of units and their access conditions are specified in the prospectus of the mutual fund.

The different classes of units may:

- Use different income distribution procedures (distribution or capitalisation or carry forward);
- Be denominated in different currencies;
- Bear different management fees;
- Incur different subscription and redemption fees
- Have different nominal values;
- Be systematically hedged against risk, in part or in full, as defined in the prospectus. This hedging is provided through financial instruments, minimising the impact of hedging on the other classes of units of the mutual fund;
- Be confined to one or more marketing channels.

The units may be divided, grouped or split into tenths, hundredths, thousandths, ten thousandths or hundred thousandths (referred to as "fractional units") at the discretion of the management company.

The provisions of the articles of association governing the issue and redemption of units apply to fractional units, whose value will always be proportional to that of the unit they represent. All other provisions of the regulations relating to units shall apply to fractional units without the need to specify, unless otherwise provided.

Finally, the Executive Board of the management company may decide unilaterally to split units by creating new units to be allocated to the unitholders in exchange for the old units.

#### Article 2: Minimum volume of assets

Units may not be redeemed if the assets fall below EUR 300,000; if the assets remain below this amount for a period of 30 days, the management company shall make the necessary provisions to liquidate the UCITS in question, or to carry out one of the operations mentioned in Article 411-16 of the General Regulations of the Financial Markets Authority (transfer of the UCITS).

#### Article 3: Issue and redemption of units

Units may be issued at any time at the request of the holders, based on the net asset value plus any subscription fees, where applicable.

Redemptions and subscriptions are carried out according to the terms and conditions set out in the prospectus.

Mutual fund units may be admitted to listing in accordance with the regulations in force.

Subscriptions must be fully paid on the day on which the net asset value is calculated. They may be paid for in cash and/or through the contribution of financial instruments. The management company has the right to refuse the securities offered and, for this purpose, has a period of seven days from their deposit to make its decision known. In the event of acceptance, the securities offered are valued according to the rules set out in Article 4 and the subscription is carried out on the basis of the first net asset value following acceptance of the securities in question.

Redemptions may be made in cash.

Redemptions may be made in kind. If the redemption in kind corresponds to a representative share of the portfolio assets, then only the written agreement signed by the outgoing unitholder must be obtained by the UCITS or the management company. Where the redemption in kind does not correspond to a representative share of the assets in the portfolio, all unitholders must provide written

approval authorising the outgoing unitholder to obtain the redemption of his/her units against certain specific assets, as explicitly established in the agreement.

By way of derogation from the above, when the fund is an ETF, redemptions on the primary market may, with the agreement of the portfolio management company and in the interest of the unitholders, be carried out in kind according to the conditions established in the prospectus or the fund regulations. The assets are then delivered by the issuing account holder in accordance with the conditions established in the fund's prospectus.

Redeemed assets are generally valued in accordance with the rules set in Article 4, and redemption in kind is carried out on the basis of the first net asset value following the acceptance of the assets in question.

Redemptions are settled by the issuing account holder no later than five days after the valuation of the unit.

However, if, in exceptional circumstances, the redemption requires the prior realisation of assets included in the fund, this period may be extended; it may not exceed 30 days.

Except in the case of inheritance or inter vivos distribution, the sale or transfer of units between unitholders, or from unitholders to a third party, is treated in the same way as a redemption followed by a subscription; in the case of a third party, the amount of the sale or transfer must, where applicable, be supplemented by the beneficiary to reach at least that of the minimum subscription required by the prospectus.

Pursuant to Article L214-8-7 of the Monetary and Financial Code, both the redemption by the mutual fund of its units and the issue of new units may be suspended on a temporary basis by the management company where required by exceptional circumstances and where this is in the interests of the unitholders.

If the net assets of the mutual fund are lower than the amount specified in the regulations, no units may be redeemed.

The UCITS may partially or totally stop issuing units temporarily or definitively pursuant to Article L214-8-7, third paragraph, of the Monetary and Financial Code in objective situations leading to the closure of subscriptions, such as a maximum number of units or equities being issued, a maximum amount of assets being achieved or the expiry of a determined subscription period. Information on this instrument's activation will be issued via any means to all existing unitholders concerned by its activation; it will also include information on the threshold and the objective situation which led to the decision for partial or total closure. In the event of a partial closure, the information issued via any means will clarify in detail the terms under which existing unitholders may continue to subscribe over the period of the partial closure. Unitholders shall also be informed via any means of the decision of the UCITS or of the management company to either end the partial or total closure for subscription (during the passage under the activation threshold) or not to end it (in the event of changes to the threshold or changes in the objective situation which led to the instrument being implemented). Any proposed change to the objective situation or to the instrument activation threshold must always be made in the interests of the unitholders. The information issued via any means will clarify the precise reasons for the changes.

Minimum subscription conditions are possible, according to the terms set out in the prospectus.

If the net assets of the mutual fund are lower than the amount specified in the regulations, no units may be redeemed.

The management company reserves the right to restrict or deny the direct or indirect holding of fund units by any person or entity which is prohibited from holding the fund units (hereinafter "Ineligible Person") as described below:

An "Ineligible Person" is:

- a "U.S. Person" as defined in SEC Regulation S of the Securities and Exchange Commission (SEC) (Part 230 – 17 CFR 230.903); or

- any other person who (a) is directly or indirectly in violation of the laws and regulations of any country or government institution, or (b) may, in the opinion of the management company of the mutual fund, cause damage to the mutual fund, which it would have otherwise not endured or suffered.

To this end, the management company of the mutual fund may:

(i) refuse to issue any units as soon as it becomes evident that such issuance will or may result in the aforementioned units being directly or indirectly held by or for an Ineligible Person;

(ii) demand, at any time, that a person or entity whose name appears on the register of unitholders provide any information, accompanied with a solemn declaration, which it deems necessary in order to establish whether the actual beneficiary of the relevant units is an Ineligible Person or not;

and

(iii) when it is apparent that a person or entity is (i) an Ineligible Person and, (ii) solely or jointly, the effective beneficiary of the units, proceed with the forced redemption of all the units held by a unitholder without delay and, at the latest, within five days.

The forced redemption will take place at the last known net asset value, minus, where applicable, the relevant fees, rights and commissions, which will be charged to the Ineligible Person within five days, during which time the actual beneficiary of the units may present his observations to the competent authority.

This power also covers any person (i) who is in direct or indirect violation of the laws and regulations of any country or government institution, or (ii) may, in the opinion of the management company of the mutual fund, cause damage to the mutual fund, which it would have otherwise not endured or suffered.

#### **Article 4: Calculation of the net asset value**

The net asset value of the units is calculated in accordance with the valuation rules set out in the prospectus.

Contributions in kind may only consist of securities, transferable securities or contracts in which UCIs are authorised to invest, such contributions shall be valued pursuant to the valuation rules used to calculate the net asset value.

## SECTION 2: FUND OPERATION

### Article 5: The management company

The fund is managed by the management company in accordance with the strategy set out for the fund.

The management company shall act under all circumstances in the exclusive interests of the unitholders and may alone exercise the voting rights attached to the securities in the fund.

### Article 5a: Operating rules

The instruments and deposits in which the UCI may invest and the investment rules are specified in the prospectus.

### Article 5b: Admission for trading on a regulated market and/or a multilateral trading system

The units may be admitted to trading on a regulated market and/or a multilateral trading system in accordance with the regulations in force. If the mutual fund whose units are admitted for trading on a regulated market has a management objective linked to an index, the fund must have a mechanism in place to ensure that the price of its units does not deviate substantially from its net asset value.

### Article 6: The depositary

The depositary shall perform the duties incumbent upon it pursuant to the laws and regulations in force as well as those contractually entrusted to it by the management company. In particular, it must ensure the legality of decisions taken by the management company of the portfolio. Where necessary, it must take all the precautionary measures that it deems to be necessary. In the event of any dispute with the management company, it will inform the Financial Markets Authority.

### Article 7: The statutory auditor

A statutory auditor shall be designated for six financial years, after agreement with the Financial Markets Authority, by the governing body of the management company.

It certifies the legality and accuracy of the accounts.

The statutory auditor's term of office may be renewed.

The statutory auditor is required to notify the Financial Markets Authority as quickly as possible of any fact or ruling regarding the UCITS of which it becomes aware over the course of its assignment, of a nature that may:

1. constitute a breach of the legislative or regulatory provisions applicable to this body or be liable to have significant effects on the financial situation, profits or the assets;
2. adversely affect the conditions or the continuity of its operation;
3. lead to the issuance of reserves or the refusal to certify the accounts.

The statutory auditor shall supervise asset valuations and the calculation of the exchange parity in conversion, merger or demerger transactions.

It assesses any contribution or redemption in kind under its responsibility, except in the context of redemptions in kind for an ETF on the primary market.

It shall monitor the composition of the assets and other items prior to publication.

The statutory auditor's fees are determined by mutual agreement between the auditor and the executive board of the management company on the basis of a work schedule specifying the duties considered necessary.

The auditor shall certify the situations on the basis of which interim distributions are made.

### Article 8: Financial statements and management report

At the end of each financial year, the management company prepares summary documents and draws up a report on the management of the fund during the past financial year.

The management company establishes, at least semi-annually and under the supervision of the depositary, an inventory of the assets of the UCI.

The management company shall make these documents available to the unitholders within four months of the end of the financial year and shall inform them of the amount of income they have the right to: these documents are either sent by post at the express request of the unitholders, or made available at the management company.

## SECTION 3: ALLOCATION PROCEDURES OF DISTRIBUTABLE AMOUNTS

### Article 9: Procedures for allocating income and distributable amounts

The distributable amounts consist of:

- 1) the net profit plus the amount carried forward, plus or minus the balance of prepayments and accrued income;
- 2) The capital gains made, net of costs, minus the capital losses made, net of costs, during the financial year, plus the similar net capital gains made during the previous financial years which were not subject to distribution or capitalisation and minus or plus the balance of the net capital gains of the pre-payment account.

The amounts stated in 1) and 2) may be distributed, in whole or in part, independently of each other.

The payment of the distributable amounts shall be performed within a maximum period of five months following the end of the financial year.

The mutual fund's net income is equal to the amount of interest, arrears, bonuses and lots, dividends, directors' fees and all other income relating to the securities making up the fund's portfolio, plus income from sums temporarily available, minus management fees and borrowing costs.

The management company shall decide how distributable amounts will be distributed.

For each equity category, as applicable, the mutual fund may opt for one of the following formulae for each of the amounts detailed in 1) and 2):

pure capitalisation: the distributable amounts are fully capitalised, with the exception of those that are subject to mandatory distribution by law;

pure distribution: the amounts are fully distributed, rounded to the nearest number;

For mutual funds seeking to maintain the freedom to capitalise and/or distribute and/or carry forward distributable amounts, the management company shall decide on the allocation of each of the amounts detailed in 1) and 2) each year.

During the course of the financial year, the management company may decide to make one or more prepayments not exceeding the net income of each of the amounts stated in points 1 and 2, recorded at the date of the decision.

The exact methods for the allocation of income are set out in the prospectus.

### Article 10: Merger – Split

The management company may either make a total or partial contribution of the assets comprising the fund to another UCITS, or may split the fund into two or more mutual funds.

Unitholders must be notified before any such merger or demerger takes place. The transactions will lead to a new certificate being issued, specifying the number of shares held by each unitholder.

### Article 11: Dissolution – Extension

If the assets in the fund remain below the amount specified above in Article 2 for thirty days, then the management company shall advise the Financial Markets Authority and dissolve the fund, unless there is a merger operation with another mutual fund.

The management company may dissolve the fund early; it shall inform the unitholders of its decision, and no subscription or redemption orders will be accepted after this date.

The management company shall also dissolve the fund in the event of a redemption order for all of the units, or where the depositary is relieved of its responsibilities and no other depositary has been appointed, or on expiry of the term of the fund, if it has not been extended.

The management company shall inform the Financial Markets Authority by post of the date and of the selected procedure for dissolution. Subsequently, the management company shall send the statutory auditor's report to the Financial Markets Authority.

The management company may, by agreement with the depositary, decide to extend a fund's term. Its decision must be taken at least three months prior to expiry of the fund's term, and must be notified to the unitholders and the Financial Markets Authority.

### Article 12: Liquidation

In the event of dissolution, the management company shall act as liquidator, failing which a liquidator shall be appointed by the court at the request of any interested party. To this end, the liquidator is vested with the most extensive powers for liquidating assets, paying creditors and distributing the available balance to unitholders in cash or securities.

The statutory auditor and the depositary shall continue to carry out their duties until the liquidation operations have been completed.

### Article 13: Jurisdiction – Choice of domicile

Any disputes concerning the mutual fund arising during its existence or upon its liquidation, whether among unitholders or between unitholders and the management company or the depositary, shall be subject to the jurisdiction of the competent courts.

