



LA FRANÇAISE

# La Française LUX - Euro Inflation - Class R (Capitalisation) EUR-LU0970531629

A share class of La Française LUX - Euro Inflation (the "Fund"),  
a sub-fund of the UCITS La Française LUX (The "UCITS")  
The Fund is managed by La Française AM International,  
part of La Française group of companies

## OBJECTIVES AND INVESTMENT POLICY

The objective of the Fund is to outperform (net of fees) the Barclays Capital Euro Government Inflation-Linked Bond Index, over any given 3-year period.

The Fund invests mainly in investment grade government bonds issued in the Eurozone.

Specifically, the Fund invests in fixed rate, floating rate or inflation-indexed debt securities and negotiable debt instruments that are issued or guaranteed by a Eurozone member state. At the time of investment, these securities are rated investment grade or judged equivalent by the investment manager; however, if they subsequently decline in quality, the Fund may continue to hold them.

The Fund may invest in, or be exposed to, the following investments up to the percentage of net assets indicated:

- corporate bonds issued in the Eurozone: 50%
- bonds issued in OECD countries outside the Eurozone: 10%
- below investment grade bonds: 10%
- other UCITS/UCIs: 10%

The Fund may invest in credit notes.

The Fund may hold cash and cash equivalents on an ancillary basis. These may include monetary UCIs or UCIs whose investments' overall weighted maturity or rate reset frequency does not exceed 12 months.

Non-EUR investments may be up to 10% of net assets and are hedged to EUR.

The Fund's modified duration may vary from 0 to 10.

The investment manager uses a combination of various derivative-based strategies.

Specifically, these strategies include:

- a directional strategy aiming to optimise the performance of the portfolio based on interest rate and inflation expectations
- an interest rate curve strategy aiming to exploit the variations of the spreads between long-term rates and short-term rates
- an arbitrage strategy between fixed-rate and inflationlinked bonds
- an international diversification strategy aiming to take advantage of the opportunities offered by the OECD bond markets
- a credit diversification strategy founded on the use of bonds issued by the private sector

The Fund may use derivatives as a substitute for direct investment, for hedging, for efficient portfolio management and to create leverage.

The Fund may also use repurchase and reverse repurchase agreements for efficient portfolio management and to create arbitrage positions designed to profit from changes in interest rate spreads.

You can buy and sell shares of the Fund daily.

All income generated by share Class R (Capitalisation) EUR of the Fund is reinvested and included in the value of its shares.

Recommendation: This Fund may not be appropriate for investors who plan to withdraw their money within 3 years.

## RISK AND REWARD PROFILE



**Risk and Reward Profile:** The SRRRI (Synthetic Risk and Reward Indicator) demonstrates where the Fund ranks in terms of its potential risk and return. The higher the Fund's position on this scale, the greater possible reward, but also the greater risk of losing money.

The risk category is 3, which reflects the risk of investing in "investment grade" debt instruments, mainly in the public sector.

We bring your attention to the fact that:

- Historical data used in calculating the SRRRI may not be a reliable indication of the future risk profile of the Fund.
  - The risk indicator shown above is not guaranteed and it may shift over time.
- The lowest category does not mean a risk free investment.

**Risks materially relevant to the Fund which are not adequately captured in the indicator:**

**Credit risk:** the Fund can invest in debt securities. There is a risk that the issuer may default. The likelihood of this happening will depend on the credit-worthiness of the issuer.

**Counterparty risk:** the Fund enters into contracts with various counterparties. If a counterparty does not fulfil its obligations to the Fund (e.g. not paying an agreed amount or not delivering securities as agreed) the Fund can suffer a loss.

**Interest rate risk:** an increase in interest rates may cause the value of fixed income securities held by the Fund to decline. Bonds prices and yield have an inverse relationship, when the price of a bond falls the yield rises.

**Risk linked to the impact of management techniques:** risk of increased losses owing to the use of financial futures instruments such as OTC financial agreements, and/or the temporary acquisition and transfer of securities, and/or futures contracts, and/or derivative instruments. This risk may lower the net asset value.

**Selection risk:** the Investment Manager's judgment about the attractiveness, value and potential appreciation of a particular company's security could be incorrect.

## CHARGES

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

ONE-OFF CHARGES TAKEN BEFORE OR AFTER YOU INVEST	
Entry charge	3.00%
Exit charge	None

This is the maximum that might be taken out of your money before it is invested and/or before the proceeds of your investment are paid out. The entry and exit charges shown are maximum figures. In some cases you might pay less - you can find this out from your financial adviser.

CHARGES TAKEN FROM THE FUND OVER A YEAR	
Ongoing charges	1.60%

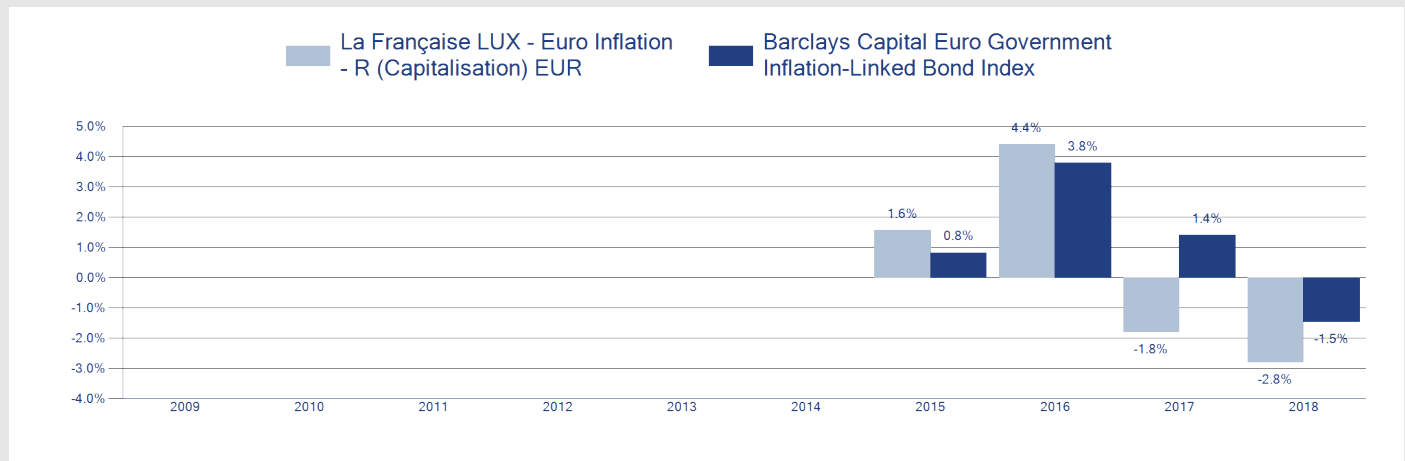
The ongoing charges figure is based on expenses for the year ending 31/12/2018. This figure may vary from year to year.

CHARGES TAKEN FROM THE FUND UNDER CERTAIN SPECIFIC CONDITIONS	
Performance fee	0.06%

The performance fee shall represent a maximum of 20% of the difference between the performance of the Sub-Fund and the performance of the Barclays Capital Euro Government Inflation-Linked Bond Index (total return). The performance fee cannot exceed 2.5% of the net asset value of the Fund per year. The Fund pays the performance fee on an annual basis.

For more information about charges, please refer to the UCITS' prospectus, which is available at the registered office of the UCITS.

## PAST PERFORMANCE



The Fund came into existence during the year 2013.

The past performance of this share class has been calculated in EUR, taking into account all charges and costs except for entry charges.

Past performance is not a reliable indicator of future results.

## PRACTICAL INFORMATION

**Depository:** BNP Paribas Securities Services, Luxembourg Branch

Further information about the Fund and English copies of annual reports, semi annual reports and prospectus can be obtained free of charge upon request at the UCITS registered office.

Other practical information, including the latest prices of units, is made available to the public at the UCITS registered office or on [www.la-francaise.com](http://www.la-francaise.com)

The up-to-date remuneration policy of La Française AM International, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, is made available at <http://lfgrou.pe/xxDHv0>. A paper copy is available free of charge upon request at the La Française AM International's registered office

The present document describes a share-class of a sub-fund of the UCITS. Then prospectus and the periodic reports are prepared for the entire UCITS named at the beginning of this key investor information document.

The tax legislation of the UCITS may have an impact on your personal tax position.

La Française AM International may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the UCITS.

Each sub-fund corresponds to a distinct part of the assets and liabilities of the UCITS.

You have the right to convert your shares into shares of another existing class of the Fund. Information about how to exercise this right can be obtained at the UCITS registered office or on [www.la-francaise.com](http://www.la-francaise.com).

You can obtain information on the share-classes that are marketed in a specific country at the registered office of the UCITS or on [www.la-francaise.com](http://www.la-francaise.com).

This Fund is authorised in Luxembourg and regulated by the CSSF (Commission de Surveillance du Secteur Financier).

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This key investor information is accurate as at 13/02/2019.