



LA FRANÇAISE

# La Française LUX - JKC ASIA BOND - Class R - USD - CAPITALISATION- LU1190461142

**A share class of La Française LUX - JKC ASIA BOND (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 Fund aims to provide, over the recommended investment period of over 3-5 years, income and capital appreciation in long term. The Fund will seek to achieve the investment objective through a Total Return long only approach with a flexible allocation between bonds issued by private or public bodies principally domiciled in Asian Pacific countries (without Japan) with the ability to invest in US bonds in case of adverse market conditions.

The Fund is not index-based or index-referenced, but may be compared a posteriori by investors with the performance of the HSBC Asian Dollar Bond Index (ADBI).

The Fund will invest up to 100% in bonds from Asian Pacific markets Ex-Japan (fixed-rate, floating-rate, indexed to the inflation rate, convertible bonds) with the ability to invest in US bonds and money market instruments (treasury bills, treasury notes, certificates of deposit) from all economic sectors. The management of the Fund is based on a dynamic management of investments.

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

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

The Fund will be invested up to 100% 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).

## RISK AND REWARD PROFILE



**Risk and Reward Profile:** The SRRI (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 because of investments in stocks, and particularly in emerging markets

We bring your attention to the fact that:

- Historical data used in calculating the SRRI 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.

## Key investor information

This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.

When the issue is not rated, the rating criteria shall be fulfilled by the issuer.

The Fund may also invest in unrated securities.

The Fund may invest its net assets in securities denominated in different currencies: local currencies (up to 20%) and G7 currencies (up to 100%).

This portion of assets will be discretionary and actively hedged against the foreign exchange risk. However, there may be a foreign exchange risk.

As a consequence of investing in convertible bonds and in contingent convertible bonds "CoCos", the Fund may have an exposure in equities not exceeding 10% of the net assets.

The Fund may hold ancillary liquid assets. The Fund may, with the aim of investing its liquid assets, invest in monetary UCIs or UCIs invested in: 1) debt securities whose final or residual maturity term, taking into account the financial instruments associated therewith, does not exceed 12 months, or 2) debt securities for which the rate is adapted, taking into account the financial instruments associated therewith, at least once a year.

Investments in shares or units of UCITS and/or other UCIs is limited to 10% of the Fund's assets.

Recommendation: This Fund may not be appropriate for investors who plan to withdraw their money within 3 to 5 years.

You can buy and sell shares of the Fund daily.

All income generated by share class Class R - USD - CAPITALISATION of the Fund is reinvested and included in the value of its shares.

**Emerging markets risk:** emerging markets are more likely to experience political uncertainty and investments held in these countries may not have the same protection as those held in more developed countries.

**Derivative risk:** the Fund uses derivatives. These are financial instruments whose values depend on the value of the underlying asset. Small price fluctuations in the underlying asset can result in large price changes in the derivative.

**Contingent Convertible ("Coco") Bond Risk:** investment in this particular type of bond may result in material losses to the Fund based on certain trigger events. The existence of these trigger events creates a different type of risk from traditional bonds and may more likely result in a partial or total loss of value or alternatively they may be converted into shares of the issuing company which may also have suffered a loss in value. Such trigger events may include a reduction in the issuers' capital ratio, determination by a regulator or the injection of capital by a national authority. Investors should be aware that in the event of a financial crisis that action by regulators or the companies themselves may cause concentrations of these trigger events across the Fund.

**Call extension risk:** Some CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. It cannot be assumed that the perpetual CoCos will be called on call date. Some CoCos are a form of permanent capital. The investor may not receive return of principal if expected on call date or indeed at any date.

**Unknown risk:** the structure of the instruments is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, will the market view the issue as an idiosyncratic event or systemic? In the latter case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore in an illiquid market, price formation may be increasingly stressed.

## 📍 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	1.95%

The ongoing charges figure shown here is an estimate of the charges. The UCITS' annual report for each financial year will include detail on the exact charges made.

CHARGES TAKEN FROM THE FUND UNDER CERTAIN SPECIFIC CONDITIONS	
Performance fee	None

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

## 📍 PAST PERFORMANCE

La Française LUX - JKC ASIA  
BOND - R - USD - CAPITALISATION

HSBC Asian Dollar Bond Index

There is insufficient data to provide a useful indication of past performance.

The Fund came into existence during the year 2015.

## 📍 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.lafrancaise-am.com](http://www.lafrancaise-am.com)

The present document describes a share-class of a sub-fund of the UCITS. The 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.lafrancaise-am.com](http://www.lafrancaise-am.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.lafrancaise-am.com](http://www.lafrancaise-am.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 18/06/2015.