LA FRANÇAISE

UCITS
under Directive 2009/65/EC

# PROSPECTUS
# La Française Rendement Global 2025
Mutual Fund

## 1. General information

### 1.1 Legal form of the UCITS

***Name:***
La Française Rendement Global 2025

***Legal form and Member State in which the UCITS has been set up:***
Fonds Commun de Placement [mutual fund] under French law

***Launch date and scheduled duration:***
30/08/2017 - 99 years

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

***Summary of the management offer***

| Type of unit | ISIN code | Initial net asset value | Sub-funds | Allocation of income | Allocation of gains | Denomination currency | Target investors | Minimum initial investment value |
|---|---|---|---|---|---|---|---|---|
| D-B units | FR0013279395 | EUR 100 | No | capitalisation and/or distribution and/or carry forward | capitalisation and/or distribution and/or carry forward | EUR | All investors, including the Beobank network | None |
| D units | FR0013272739 | EUR 100 | No | Distribution | Capitalisation | EUR | All investors | None |
| D USD H units | FR0013272747 | USD 100 | No | capitalisation and/or distribution and/or carry forward | capitalisation and/or carry forward and/or distribution, with the option to make prepayments | USD | All investors | USD 1,000 |
| R units | FR0013258647 | EUR 100 | No | Capitalisation | Capitalisation | EUR | All investors | None |
| I units | FR0013258654 | EUR 1,000 | No | Capitalisation | Capitalisation | EUR | All investors, particularly institutional investors | EUR 500,000 |

The minimum initial subscription value does not apply to the Management Company or to the entities of the La Française Group, which may only purchase one unit.

Units in foreign currencies are systematically hedged against exchange risk for the reference currency of the Fund.

***Location where the latest annual report and the latest interim report may be obtained:***
The latest annual reports and the breakdown 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-valeursmobilieres@lafrancaise-group.com

For further information, please contact the Marketing Department of the Management Company by e-mail at: contact-valeursmobilieres@lafrancaise-group.com.

## 1.2 Participants

***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,
Registered 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 UCITS Depositary, BNP Paribas Securities Services SCA, is responsible for the safekeeping of assets (as defined in Article 22(5) of Directive 2009/65/EC, as amended by Directive 2014/91/EU). In order to offer services linked to the safekeeping of assets in a large number of countries, enabling the UCITS to achieve its investment objectives, BNP Paribas Securities Services SCA has appointed sub-depositaries in countries where BNP Paribas Securities Services SCA has no 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 above points will be sent to investors upon request.

***Statutory auditor:***
DELOITTE et Associés
185, avenue Charles de Gaulle, 92524 NEUILLY SUR SEINE cedex
Represented by Mr Jean-Marc LECAT

***Marketers:***
Caisse Fédérale du Crédit Mutuel Nord Europe, Caisses du Crédit Mutuel Nord
4, place Richebé, 59800 LILLE

LA FRANCAISE AM FINANCE SERVICES
Customer service
128, boulevard Raspail, 75006 PARIS

Banque Coopérative et Mutuelle Nord Europe
4, place Richebé, 59000 LILLE

***Delegates:***

***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,
Registered office: 128, boulevard Raspail, 75006 PARIS

***Appointed establishment responsible for subscription and redemption orders:***
LA FRANCAISE AM FINANCE SERVICES
Customer service
128, boulevard Raspail, 75006 PARIS

## 2. Terms of operation and management

### 2.1 General information

***Unit features:***
- Nature of right attached to each unit category: each unitholder has a right of co-ownership to Fund assets in proportion to the number of units held.
- Liabilities managed by BNP Paribas Securities Services.
- Units admitted to EUROCLEAR France.
- Voting rights: the units do not carry any voting rights; decisions are taken by the Management Company.
- Form of units: bearer units.
- Decimalisation: each unit can be divided into thousandths

***Closing dates:***
- End of accounting period: last trading day in December
- Closing date of the 1st financial year: 31 December 2018

***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 his tax situation, he must consult the UCITS marketer or his financial advisor for more information.*

## 2.2 Specific provisions

***ISIN code:***

| | |
|---|---|
| D-B units | FR0013279395 |
| D units | FR0013272739 |
| D USD H units | FR0013272747 |
| R units | FR0013258647 |
| I units | FR0013258654 |

***Classification:***
Bonds and other international debt securities

***Management objective:***
The management objective is, over the recommended investment period of eight years from the launch date of the Fund until 31 December 2025, to outperform (net of fees) bonds issued by the French Government denominated in euros maturing in 2025.
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.

The annualised net performance is based on the realisation of market assumptions set by the Management Company. It is not a guarantee of Fund return or performance. These market assumptions include a risk of defaulting or downgrading in the rating of one or more issuers present in the portfolio. If these risks prove to be greater than anticipated in the financial manager's assumptions, the performance objective may not be met.

***Benchmark index:***
The Fund is not linked to a benchmark index.
The average time to maturity of the bond portfolio is around eight years from the date it was launched. The average time to maturity drops each year to reach that of a monetary investment in 2025.
The mutual fund is neither an index fund nor an index benchmark and is exposed to credit risk but, for post-hoc comparison purposes, the unitholder can refer to the performance of the OAT (fungible treasury bonds) 1.00% November 2025.
For information purposes: Average actuarial yield as at 9 May 2017: 0.61%. The OAT (fungible Treasury bond) is the instrument used by the French state for borrowing over periods ranging from seven to 30 years, whether fixed rate or indexed rate, with a "bullet" repayment.

***Investment strategy:***
**1. Investment strategy**
The investment strategy involves the discretionary management of a portfolio of bonds issued by private or public bodies, maturing on or before 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 risk of defaulting by 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 or floating rate bonds, other negotiable debt securities and money market instruments (Treasury bills, Treasury notes, certificates of deposit) from all economic sectors.
The manager investing in entities which are:

- OECD public and/or private sector entities [0; +100%]
- Non-OECD public sector entities [0; +100%]
- Non-OECD private sector entities [0; +50%]

The allocation between private and public debt is not determined in advance and will be based on market opportunities.
Up to 100% of the Fund's portfolio is invested in investment-grade issues (rated BBB- or higher according to Standard & Poor's or Baa3 or higher according to Moody's) or in high-yield speculative bonds (rated lower than BBB- or Baa3 or equivalent according to the Management Company's analysis) or unrated bonds.
The Management Company shall not exclusively or systematically rely on ratings, but rather shall conduct a credit analysis at the time of investment, according to its own process.
Investment in convertible bonds is limited to maximum 30% of net assets.
During the period from the initial subscription date until the minimum amount of assets under management totals EUR 7 million, the fund will be invested in money market instruments.

The manager shall invest in securities denominated in euros and/or dollars and/or pounds sterling and/or Norwegian kroner and/or Swiss francs. Insofar as the securities are not denominated in euros, the manager will systematically hedge the exchange risk. There may however be a residual 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 high expected repayment rates and junior subordinated issues are preferred (subordinated bonds).

| | |
|---|---|
| The sensitivity range for interest rates in which the mutual fund is managed | from 8 to 0 (decreasing over time) |
| Geographic area of the issuers of securities to which the mutual fund is exposed | OECD public and/or private issuers [all zones): 0 – 100%; non-OECD public issuers (emerging markets): 0 – 100%; non-OECD private issuers (emerging markets) 0-50% |
| Security denomination currencies in which the mutual fund is invested | EUR/USD/GBP/NOK/CHF |
| Level of exchange risk supported by the mutual fund | Residual exchange risk due to imperfect hedging. |

Up to 10% of the mutual 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 mutual 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 futures 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 index) 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 maximum 25% of net assets. The expected proportion of assets under management that will be subject to such transactions may be 5% of assets. Assets underlying total return swaps may be corporate bonds and emerging market 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 integrated derivatives)**
To achieve its management objective, the mutual fund will use different types of assets:
a) Equities: yes
The Fund may be exposed to equity risk indirectly, because it holds convertible bonds up to a limit of 10% of net assets, and be directly invested in equities up to maximum 5% of net assets.
Equities shall have the following characteristics:
- all market capitalisations
- all economic sectors
- denominated in EUR, USD, GBP, NOK, CHF
- all geographies.
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 shall 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 mutual 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 to which the manager seeks exposure:
- equities: yes (up to maximum 10%)
- interest rates: yes
- exchange rates: 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 rate, currency): yes
- forward exchange (NDF): yes
- credit derivatives: yes, CDS
- total return swaps (TRS): yes

**4- Securities with embedded derivatives**

Risks to which the manager seeks exposure:
- equities: yes
- interest rates: yes
- exchange rates: no
- credit: yes
- indexes: yes (interest rates)
Nature of activities:
- hedging: yes
- exposure: yes
- arbitrage: no
Nature of the instruments used:
- Convertible bonds, up to maximum 30% of net assets
- warrants
- EMTN

**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 a significant number of redemptions.

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

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

• **Nature of transactions used**: These transactions shall consist of securities loans and borrowings and repurchase and reverse repurchase transactions of interest rate or credit products of OECD Member States. The instruments subject to transactions of this nature shall be bonds and other negotiable debt securities issued by public and/private entities and rated “investment grade” (rated BBB- or higher according to Standard & Poor's or rated Baa3 or higher or according to Moody’s) and/or speculative (rated lower than BBB- or Baa3), and/or unrated.

• **Envisaged level of use**:

Transactions for the temporary sale of securities (securities lending, reverse repurchase transactions) may be carried out up to an amount equivalent to 50% maximum of UCI assets, while the transactions for the temporary purchase of securities (securities borrowing, repurchase agreements) may be carried out up to an amount equivalent to 10% maximum of UCI assets.

The expected proportion of assets under management that shall be subject to such transactions may be 25% of assets.

**8. Information on financial guarantees (temporary acquisitions and sales of securities and/or derivative instruments traded over the counter, including total return swaps (TRS)**):

• **Nature of financial guarantees**:

Within the framework of transactions negotiated on OTC markets for the temporary purchase or sale of securities, the UCI may receive cash in its reference currency as collateral. Guarantees are held by the Depositary of the UCI.

• **Reinvestment policy and guarantees received**:

Financial guarantees received in cash are reinvested in accordance with the rules in effect. 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.

Financial guarantees received in cash may be:
- placed in deposit;
- invested in high-quality government bonds;

- invested in short-term money market funds. Securities received as collateral cannot be sold, reinvested or used as a guarantee deposit.

• **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 some derivative instruments, such as total return swaps (TRS). These intermediaries are selected based on their research quality, the cash assets that they offer, and their speed and reliability with regard to the execution and processing quality of orders.

At the end of this rigorous and regulated process resulting in a grade, the counterparties selected for transactions for the temporary purchase or sale of securities and/or some derivative instruments, such as total return swaps (TRS), are credit institutions authorised by the Management Company which have their registered office in a Member State of the European Union.

• **Remuneration**:

No remuneration is due to the Depositary (within the framework of its capacity as Depositary) or to the Management Company for transactions for the temporary purchase or sale of securities and/or some derivative instruments, such as total return swaps (TRS).

All income from these transactions is paid in full to the UCI.

The costs/fees relating to transactions for the temporary purchase and sale of securities and/or some derivative instruments, such as total return swaps (TRS), are not invoiced to the Fund. These costs/fees are paid in full by the Management Company.

Moreover, the Management Company does not take any commission in kind for these transactions.

• **Risks**:

There is no correlation policy to the extent that guarantees received in cash in the reference currency of the UCI do not present an exchange risk or valuation risk due to fluctuating financial markets. Therefore, there is no haircut policy applied to the guarantee received.

The risks attaching to this type of transaction are described under "risk profile" in the prospectus.

The audit teams in charge of the Fund shall respect all the limits described in the investment strategy and/or under the heading “Envisaged level of use”. The policy for financial guarantees in cash does not require a specific risk procedure in order to monitor collateral and associated haircuts.

***Risk profile:***

*“Your money will be invested primarily in financial instruments selected by the Management Company. These instruments are subject to market changes and fluctuations.”*

The risks described below do not constitute an exhaustive list: investors should analyse the risks inherent to each investment and make their own decisions. Investors are exposed to the following risks through the mutual fund:

Risk of capital loss:

Investors should be aware 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 mutual fund's performance may therefore be lower than the management objective. In addition, the net asset value of the mutual fund may have a negative performance.

Interest rate risk:

The mutual 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 investments 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. Consequently, this may cause the net asset value of the mutual fund to fall.

As part of a bond investment, there is a direct or indirect risk relating to the possible presence of lesser-quality “high-yield” or speculative bonds. These 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 mutual fund unit may therefore decrease if the value of these securities in the portfolio falls.

Default risk relating to issuers of debt securities:

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

Risk associated with investments in (speculative) high-yield 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 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 FCP may be exposed up to 100% in emerging markets. Market risk is amplified by any investment in emerging markets where upward and downward market movements may be stronger and more sudden than on 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, investing in these markets entails risks due to the restrictions imposed on foreign investments, counterparties, the higher market volatility, the delay in settlements/deliveries as well as the limited liquidity of some lines contained in the mutual fund's portfolio. The net asset value of the mutual fund may fall as a consequence.

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 10% of the net assets.

Counterparty risk: Counterparty risk arises from entering into contracts in financial futures traded on over-the-counter 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. Thus, the default of a counterparty may lead to a decline in the net asset value.

Risk relating to subordinated debt securities:

The Fund's investment universe includes subordinated bonds. The risk profile of debt securities is specific and different from the risks attaching to traditional bonds. Your are reminded that a debt is said to be subordinated when its repayment depends on first paying other creditors (senior creditors and unsecured creditors). The subordinated creditor will be repaid after ordinary creditors, but before the shareholders. The interest rate on this type of debt will be higher than for other debt securities. In the event that one or more clauses provided for in the issue documentation of the said subordinated debt instruments is/are triggered and, more generally, in the event of a credit event affecting the issuer concerned, there is a risk that the net asset value of the Fund may fall. The use of subordinated bonds may expose the Fund to the risk of coupon cancellation or deferral (at the issuer's sole discretion), the risk of uncertainty regarding the repayment date, or evaluation/yield risk (the potentially high yield on these securities being considered as a complexity premium).

Exchange risk:

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

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

Risk arising from techniques such as derivative products:

This is the 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 mutual fund uses an entity as counterparty and/or financial intermediary that is linked to the group to which the mutual fund's Management Company belongs.

Liquidity risk related to temporary purchases and sales of securities and/or total return swaps (TRS): The Fund may be exposed to trading difficulties or temporary impossibility of trading in certain securities in which the Fund is invested or those received as collateral, in the event of default by a counterparty to temporary acquisitions and sales of securities and/or total return swaps (TRS).

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

***Target investors:***

| | |
|---|---|
| D-B units | All investors, including the Beobank network |
| D units | All investors |
| D USD H units | All investors |
| R units | All investors |
| I units | All investors, particularly institutional investors |

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

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

*The appropriate amount to invest in the mutual fund depends on your personal financial situation. In order to determine this amount, you should take into account your personal assets and current requirements, and also your willingness to take risks or your wish to favour prudent investment. You are also strongly advised to diversify your investments so that they are not exposed solely to the risks of this mutual fund.*

U.S. investors

Mutual fund units have not been and will not be registered under the U.S. Securities Act of 1933 (hereinafter the “Act of 1933”) or any other law applicable in a U.S. state. Units may also not be directly or indirectly transferred, offered or sold in the United States of America (including its territories and possessions) to any U.S. Person (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 units have been registered or (ii) an exemption applies (with the prior agreement of the Management Company’s governing body).

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

***Recommended investment period:***
up to 31 December 2025. Investors are informed that their main goal is to hold their investment up until 31 December 2025 in order to benefit from the actuarial yield offered by the fund under the best conditions.

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

| | |
|---|---|
| D-B units | capitalisation and/or distribution and/or carry forward |
| D units | Distribution |
| D USD H units | capitalisation and/or distribution and/or carry forward |
| R units | Capitalisation |
| I units | Capitalisation |

The distributable amounts are made up of:
1. Net income, which is equal to total interest payments, arrears, dividends, bonuses and lots, fees and all earnings from securities held in the Fund's portfolio, plus earnings from amounts held as liquid assets, minus management fees and borrowing costs, plus the amount carried forward and plus or minus the balance of prepayments and accrued income;
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 units**: net income is paid out in full, to the nearest rounded figure. The Management Company does not intend to make prepayments; distribution will be carried out on an annual basis.
Net realised capital gains will be fully capitalised.

**D USD H units**: net income will be capitalised (fully or partially) and/or distributed (fully or partially) and/or carried forward (fully or partially), based on a Management Company decision.
Net realised capital gains will be capitalised (fully or partially) and/or distributed (fully or partially) and/or carried forward (fully or partially), based on a Management Company decision.
The Management Company will make prepayments on a quarterly basis in January, April, July and October.

**D-B units**: net income will be capitalised (fully or partially) and/or distributed (fully or partially) and/or carried forward (fully or partially), based on a Management Company decision.
Net realised capital gains will be capitalised (fully or partially) and/or distributed (fully or partially) and/or carried forward (fully or partially), based on a Management Company decision.
The Management Company does not intend to make prepayments; distribution will be carried out on an annual basis.

**R and I units**: the distributable amounts are fully capitalised.

***Accounting currency:***
EUR

***Subscription and redemption terms:***
Subscription orders (in value or thousandths of units) and redemption orders (in thousandths of units) 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 unit can be divided into thousandths.
**Subscription to the Fund will close on 31 March 2020.** From this date, only investments preceded by a redemption on the same day for the same number of units, for the same net asset value and by the same unitholder may be executed.

***Minimum initial subscription value:***

| | |
|---|---|
| D-B units | None |
| D units | None |
| D USD H units | USD 1,000 |
| R units | None |
| I units | EUR 500,000 |

***Minimum value for subsequent subscriptions:***

| | |
|---|---|
| D-B units | None |
| D units | None |
| D USD H units | None |
| R units | None |
| I units | 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 interest of the unitholders, during the marketing period up until 30 March 2020, the Fund will be valued at the asking price; beyond this period ending on 30 March 2020, the Fund will be valued at the bid price.**

***Initial net asset value:***

| | |
|---|---|
| D-B units | EUR 100 |
| D units | EUR 100 |
| D USD H units | USD 100 |
| R units | EUR 100 |
| I units | EUR 1,000 |

***Location where the net asset value is published:***
premises of the Management Company and on the website: www.lafrancaise-gam.com

***Charges and fees:***
*Subscription and redemption fees:*
*Subscription fees are added to the subscription price paid by the investor and redemption fees are deducted from 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.*

| Fees charged to the investor, levied at the time of subscription and redemption | Base | Rate/scale |
|---|---|---|
| Subscription fee not paid to the UCITS | Settlement value X Number of units | **D-B units:** 3.00% maximum<br>**D units:** 3.00% maximum<br>**D USD H units:** 3.00% maximum<br>**R units:** 3.00% maximum<br>**I units:** 3.00% maximum |
| Subscription fee paid to the UCITS | Settlement value X Number of units | **D-B units:** None<br>**D units:** None<br>**D USD H units:** None<br>**R units:** None<br>**I units:** None |
| Redemption fee not paid to the UCITS | Settlement value X Number of units | **D-B units:** None<br>**D units:** None<br>**D USD H units:** None<br>**R units:** None<br>**I units:** None |
| Redemption fee allocated to the UCITS | Settlement value X Number of units | **D-B units:** None<br>**D units:** None<br>**D USD H units:** None<br>**R units:** None<br>**I units:** None |

*Operating and management fees:*
*These fees cover all costs charged directly to the UCITS, apart from transaction costs. Transaction costs include intermediation costs (brokerage, stock exchange tax, etc.) and any turnover fees, charged notably by the Depositary and the Management Company.*
*In addition to operating and management fees, 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 charged to the UCITS.*

| | **Costs billed to the UCITS** | **Base** | **Rate/scale** |
|---|---|---|---|
| 1 | Financial management fees | Net assets | **R units**: 1.09% maximum rate (incl. tax)<br>**I units:** 0.49% maximum rate (incl. tax)<br>**D units:** 1.09% maximum rate (incl. tax)<br>**D USD H units**: 0.89% maximum rate (incl. tax)<br>**D-B units**: 1.05% maximum rate (incl. |

| | | | |
|---|---|---|---|
| | | | tax) |
| 2 | Administrative fees not paid to the Management Company | Net assets | **R units**: 0.16% maximum rate (incl. tax)<br>**I units:** 0.16% maximum rate (incl. tax)<br>**D units:** 0.16% maximum rate (incl. tax)<br>**D USD H units**: 0.16% maximum rate (incl. tax)<br>**D-B units**: 0.20% maximum rate (incl. tax) |
| 3 | Maximum indirect costs (commission and management fees) | Net assets | None |
| 4 | Turnover fees | Deducted from each transaction | **Equities**: 0.40% (with a minimum of EUR 120)<br>**Convertible bonds <5 years**: 0.06%<br>**Convertible bonds >5 years**: 0.24%<br>**Other bonds**: 0.024% (with a minimum of EUR 100)<br>**Monetary instruments**: 0.012% (with a minimum of EUR 100)<br>**Swaps**: EUR 300<br>**Forward exchange**: EUR 150<br>**Spot exchange**: EUR 50<br>UCITS: EUR 15<br>**Futures**: €6 / Options: EUR 2.50 |
| 5 | Outperformance fee | Net assets | None |

The UCITS may not be able to inform unitholders in a particular way, nor to offer them the option of redeeming their shares or units free of charge in the event of an increase in administrative fees not paid to the Management Company equal to or less than 10 basis points per financial year. Unitholders may be informed by any means in this case.

Other costs billed to the UCITS:
- contributions due in respect of the management of the UCITS pursuant to 3.d of II of Article L. 621-5-3 of the French Monetary and Financial Code;
- the exceptional and non-recurring taxes, levies, fees and government duties (related to the UCITS);
- exceptional and non-recurring costs incurred to hedge debt securities or a procedure to assert a right (e.g. a class action).

Choice of financial intermediaries:
The financial intermediaries will be independently selected by the Management Company based on different criteria: the quality of the provider, research, execution, set prices, quality of the Back Office for clearing and settlement transactions. The Management Company is prohibited from placing its orders through a single intermediary.

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

## 3. Commercial information

1. Units are distributed by Caisse Fédérale du Crédit Mutuel Nord Europe, Caisses du Crédit Mutuel Nord, LA FRANCAISE AM FINANCE SERVICES, Banque Coopérative and Mutuelle Nord Europe.

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

3. Information on the “La Française Rendement Global 2025” mutual fund is available at the premises of the Management Company or on the website: www.lafrancaise-gam.com.

4. Information on the role of ESG (environmental, social and quality of governance) criteria in the investment policy is available on the Management Company's website: www.lafrancaise-gam.com and will be given in the annual report.

5. Transmission of the composition of the portfolio: the Management Company may transmit, directly or indirectly, the breakdown of assets of the UCI to unitholders of the UCI having the status of professional investors, only for purposes associated with regulatory obligations as part of the calculation of shareholders' equity. This transmission, where applicable, shall be carried out within a period of no less than 48 hours following the publication of the net asset value.

## 4. Investment rules

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

## 5. Total risk method

Method used to calculate 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.

## 6. Valuation and accounting rules for the assets

The Fund abides by the accounting rules laid down under the regulations in force and in particular the accounting rules applicable to UCIs.

All transferable securities in the portfolio are recorded at historic cost, excluding transaction costs.

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 are revalued 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 less than three months' maturity, interest is calculated using a linear method.
- Any temporary securities purchase and sale transactions will be valued according to the provisions of the contract. Some fixed-rate transactions with a time to 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: closing market prices.
Market commitments on conditional futures are converted 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.

## 7. 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, and do not hinder the obligation of the Management Company to act in the greater interests of the UCITS.
The La Française Group has established 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 on the website: http://lfgrou.pe/MnDZx7

MUTUAL FUND RULES

# La Française Rendement Global 2025

## HEADING 1: ASSETS AND UNITS

### Article 1: Co-ownership units

Co-ownership rights are expressed in units, with each unit corresponding to the same fraction of Fund assets. Each unitholder has a right of co-ownership to Fund assets in proportion to the number of units held.

The duration of the Fund shall be 99 years from its launch, except in the event of early dissolution or extension as provided for under these rules.

The units may be divided, regrouped or split into tenths, hundredths, thousandths, ten thousandths or hundred thousandths – fractional units – on the decision of the Management Company's Executive Board.

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

The different classes of units may:
- use different income distribution procedures (distribution or capitalisation or carry forward);
- be denominated in different currencies;
- have different management fees;
- have different subscription and redemption fees;
- have a different nominal value;
- 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 provisions of these rules regulating the issue and redemption of units shall also apply to fractional units, the value of which is always proportional to that of the unit they represent. Unless otherwise stipulated, all other provisions of these rules relating to units also apply to fractional units, without it being necessary to state this explicitly.

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 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 thirty 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 unitholders, based on their 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.
Units of the mutual fund may be admitted to the official listing in accordance with the regulations in force.
Subscriptions must be fully paid-up on the date of calculation of the net asset value. They may be paid for in cash and/or through the contribution of transferable securities. The Management Company shall be entitled to reject securities offered to it, and to this end shall have a period of seven days from the date of receipt of the securities to announce its decision. If the securities are accepted, they are valued in accordance with the rules set out in Article 4 and the subscription is carried out on the basis of the net asset value immediately following acceptance of the securities concerned.
All redemptions are made exclusively in cash, except where the Fund is liquidated and where unitholders have expressed their consent to reimbursement in the form of securities. Redemptions are settled by the bookkeeper no later than five days after unit valuation.

Under exceptional circumstances, however, where reimbursement requires the prior disposal of assets held in the Fund, this period may be extended to a maximum of 30 days.
Except in the case of inheritance or inter vivos distribution, the disposal or transfer of units from one unitholder to another or to a third party is treated as a redemption followed by a subscription. In the case of a third party, the amount of the disposal or transfer must, if necessary, be made up by the beneficiary to the minimum subscription amount specified in the prospectus.
Pursuant to Article L214-8-7 of the French 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.
Where the net assets of the mutual fund fall below the amount set out in the regulations, no units may be redeemed.
Minimum subscription conditions may be set out in the prospectus.
The mutual fund may suspend the issue of units pursuant to the second paragraph of Article L214-8-7 of the French Monetary and Financial Code in objective situations leading to the suspension of subscriptions, such as a maximum number of units or shares being issued, a maximum amount of assets being achieved or the expiry of a specified subscription period. These objective situations are defined in the mutual fund prospectus.

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 net asset value

The net asset value of the units is calculated pursuant to the valuation rules provided 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.

## HEADING 2: OPERATION OF THE FUND

### Article 5: The Management Company

The Fund is managed by the Management Company in accordance with the strategy defined 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 6: The Depositary
The Depositary carries out the assignments incumbent upon it in application of the applicable legislation and regulations, as well as those binding on it as applied by the Management Company. It must ensure the legality of decisions taken by the portfolio Management Company. 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 shall inform the AMF.

### Article 7: The statutory auditor
A statutory auditor is appointed by the Executive Board of the Management Company for a period of six financial years, subject to the approval of the AMF.
It certifies the consistency and accuracy of the accounts.
The statutory auditor’s term of office may be renewed.
The statutory auditor is required to notify the AMF 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:
1. constitutes a breach of the legislative or regulatory provisions applicable to this body and liable to have significant effects on the financial situation, the profits or the assets;
2. jeopardises the conditions or the continuity of its operation;
3. leads to the issuance of reserves or the refusal to certify the accounts.

The valuations of the assets and the calculation of the exchange parity in conversion, merger or demerger transactions shall be supervised by the statutory auditor.
It assesses all contributions in kind under its responsibility.
It monitors the composition of the assets and other elements prior to publication.
The statutory auditor's fees are fixed by mutual agreement between the statutory auditor and the Executive Board of the Management Company on the basis of a work schedule specifying the duties which are considered to be necessary.
It shall certify the situations on the basis of which interim distributions are made.
Its fees shall be covered by the management fees.

### Article 8: Financial statements and management report
At the close of each financial year, the Management Company shall draw up summary documents and a report on the management of the Fund for the past financial year.
The Management Company shall draw up, at least semi-annually and under the supervision of the Depositary, the inventory of assets of the UCI.
The Management Company shall make these documents available to unitholders within four months of the end of the financial year, and will inform them of the income to which they are entitled: these documents shall be sent to unitholders by post at their express request or made available to them at the offices of the Management Company.

## HEADING 3: PROCEDURES FOR ALLOCATING DISTRIBUTABLE AMOUNTS

### Article 9: Procedures for allocating income and distributable amounts
The distributable amounts are made up of:
1) the net profit plus the amount carried forward, plus or minus the balance of prepayments and accrued income;
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.
The amounts stated in 1) and 2) may be distributed, in whole or in part, independently of each other.
Payment of the distributable amounts shall be carried out within five months of the end of the financial year.
The net income of the mutual fund is equal to total interest payments, arrears, premiums and bonuses, dividends, attendance fees and all earnings from securities held in the Fund's portfolio, plus earnings from amounts held as liquid assets, minus management fees and borrowing costs.
The Management Company shall decide how income 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 amounts available for distribution are fully capitalised, with the exception of those that are subject to mandatory distribution by law;
Pure distribution: the amounts are fully distributed, to the nearest rounded figure.
For mutual funds seeking to maintain the freedom to capitalise and/or distribute and/or carry distributable amounts forward, the Management Company shall decide on the allocation of each of the amounts detailed in 1) and 2) each year.

As applicable, 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 detailed in 1) and 2); these prepayments are recorded at the date of the decision.
The exact methods for the allocation of income are detailed in the prospectus.

## Article 10: Merger – Demerger

The Management Company may transfer all or part of the assets held in the Fund to another UCITS which it manages, or it may split the Fund into two or more other mutual funds which it will manage.
Unitholders must be notified before any such merger or demerger takes place. A new statement will then be issued showing the number of units held by each unitholder.

## Article 11: Winding up – Extension

If the assets in the Fund remain below the amount laid down above in Article 2 for thirty days, the Management Company shall advise the AMF 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 subscription or redemption orders will not 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 not extended.
The Management Company shall inform the AMF by post of the date and of the procedure adopted for dissolution. Subsequently, the Management Company shall send the statutory auditor’s report to the AMF.
The Management Company, in agreement with the Depositary, may decide to extend a fund. 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 AMF.

## 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, they are 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 between unitholders, or between unitholders and the Management Company or the Depositary, shall be subject to the jurisdiction of the competent courts.