



LA FRANÇAISE

Key Investor Information

This document provides essential information for investors in this mutual fund. It is not a promotional document. It contains information provided in accordance with a statutory requirement to help you understand what investing in this mutual fund involves and what risks are associated with it. You are advised to read this document in order to make an informed decision on whether or not to invest.

La Française Sub Debt - IC USD H units - FR0013324159

This mutual fund is managed by La Française Asset Management, a company of the La Française Group

OBJECTIVES AND INVESTMENT POLICY

The objective of the fund, classified as "bonds and other debt securities denominated in euros", is to obtain an annualised return of more than 7 % over a recommended investment horizon of more than 10 years, notably by gaining exposure to subordinated debt securities with a specific risk profile different from that of conventional bonds.

Please note: the AMF reminds potential subscribers that the annualised performance objective of more than 7 % stipulated in the "Management objective" section is based on market assumptions determined by the management company and does not constitute, in any case, a guarantee of return or performance of the fund.

Benchmark index: Markit Iboxx Euro Financials Subordinated

The fund is permanently exposed to one or more European Union bond markets and combines discretionary and non-directional strategies, predominantly on nominal interest rates, interest rate curves and credit.

Fund allocation is defined according to the performance potential and the risk level of each strategy.

The investment universe of the fund covers bonds and negotiable debt instruments issued or guaranteed by Member States of the European Union, Switzerland, the United Kingdom and Norway (public debt), non-government bonds (private debt) of the European Union, Switzerland, the United Kingdom and Norway and denominated in euros, convertible bonds and money market instruments. This investment universe notably includes different categories of subordinated debt.

"CoCos" are more speculative and the risk of default is greater than a conventional bond, but these contingent convertible bonds will be sought as part of the management of the fund owing to their high yield. The purpose of this remuneration is to compensate for the fact that these securities can be

converted into equity (shares) or suffer a capital loss in the event that the contingency clauses are triggered by the financial institution concerned (exceedance of a capital threshold predetermined in the prospectus of the subordinated bond).

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

The fund may invest without reference to specific financial rating criteria.

The overall sensitivity of the portfolio is between 0 and 10.

Investors in eurozone countries are not exposed to exchange-rate risks.

The fund may invest up to 10 % in units or shares of UCITS in order to manage its cash or meet the management objective and may carry out temporary acquisitions and sales of securities.

The fund may invest in forward financial instruments (warrants, EMTNs, warrants, etc.) traded on French and foreign regulated markets or over-the-counter in order to hedge and/or expose the portfolio to the risks of interest rate and/or equities markets (exposure to equity risk will not exceed 10 % of net assets) via futures, options and/or swaps and via single name CDS or index CDS for hedging purposes only.

The Fund may also carry out Total Return Swaps (TRS).

Overall exposure of the portfolio is limited to 300 % of the fund's assets.

Recommended investment period: This fund may not suit investors who intend to withdraw their contribution before the 10-year period has elapsed.

Redemption methods: Redemptions are centralised at 11.00 a.m. every day (D) by La Française AM Finance Services and carried out on the basis of the next net asset value, with settlement on D+2 (trading days).

Allocation of distributable amounts: Capitalisation

RISK/RETURN PROFILE

Lower risk ← → Higher risk
Potentially lower return Potentially higher return

1	2	3	4	5	6	7
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Textual explanations of the risk indicator and its main limitations:

The level 4 risk indicator reflects the risk of the European Union interest rate markets, irrespective of the sector, with no particular financial rating criteria in which the fund invests within a sensitivity range of 0 to 10. This fund does not benefit from a capital guarantee.

This information is based on past results in terms of volatility. Historical data, such as that used to calculate the synthetic risk indicator, may not be a reliable indication for the future risk profile of the fund. The risk category shown is not

guaranteed and may shift over time. The lowest category does not mean 'risk free'. Past performance is not necessarily a guide to future performance.

Significant risks to the mutual fund not included in this indicator:

Risk arising from techniques such as derivative products, i.e. the risk of amplified losses due to the use of financial futures instruments such as OTC financial contracts, and/or temporary securities and sale transactions and/or futures contracts.

Counterparty risk:

Counterparty risk arises from entering into contracts in financial futures instruments traded on over-the-counter markets, and from temporary acquisitions and sales of securities. This is the risk that a counterparty may default in payment. Thus, the default of a counterparty may lead to a decline in the net asset value.

CHARGES

The charges and fees paid are used to cover the operating costs of the mutual fund, including the costs of marketing and distributing the units. These charges reduce the potential growth of your investment.

ONE-OFF CHARGES DEDUCTED BEFORE OR AFTER INVESTMENT	
Entry fee	4.00 %
Exit fee	None

This is the maximum that might be taken out of your money before it is invested. In some cases, you might pay less. Your advisor or distributor can provide you with the actual amount of the entry and exit fees.

CHARGES TAKEN FROM THE FUND OVER A YEAR	
Running costs	0.62 % (*)

(*) This figure corresponds to the estimates of the current financial year.

CHARGES TAKEN FROM THE FUND UNDER CERTAIN SPECIFIC CONDITIONS	
Outperformance fee	25 % incl. taxes of the fund benchmark performance differential

Outperformance fee: maximum 25 % including taxes of the outperformance calculated by comparing the development of the UCITS's assets with that of a benchmark UCITS, achieving a return of exactly 7 % per annum and registering the same variations in subscriptions and redemptions as the real UCITS. As of 1 July 2017, the performance fee has been capped at 2 % of average net assets* (*average net assets calculated since the beginning of the reference period for the performance fee and restated for variable management expense provisions).

For more information about charges, please see pages 37 to 39 of the prospectus of this mutual fund, which is available from the www.la-francaise.com website.

The running costs do not include the outperformance and intermediation fees, except in the case of entry and/or exit fees paid by the mutual fund when it buys or sells units of another collective investment vehicle.

PAST PERFORMANCE

La Française Sub Debt (IC USD H units) Markit Iboxx Euro Financials Subordinated

Only performance values over full calendar years are displayed

Mutual fund launched on: 20/10/2008

Performance calculated in USD

The performance of the Fund is calculated with net dividends and coupons reinvested and net of direct and indirect management fees and excluding entry and exit fees.

Past performance is not necessarily a guide to future performance. The value of the Fund may vary over time.

PRACTICAL INFORMATION

Depository: BNP Paribas Securities Services

Latest prospectus, annual report and periodic information document for units IC USD H, A, S, F, RC USD H, D, IC CHF H, T C EUR, R D USD H, R, C, I GBP H, TS, E, T C USD H: available free of charge from <http://www.la-francaise.com>, or by contacting La Française Asset Management on +33 (0)1 44 56 10 00, or by e-mail: contact-valeursmobilières@la-francaise.com, or by post: 128, boulevard Raspail, 75006 Paris

Net asset value and other practical information: premises of the Management Company and/or www.la-francaise.com

Other categories of units: A, S, F, RC USD H, D, IC CHF H, T C EUR, R D USD H, R, C, I GBP H, TS, E, T C USD H

Taxation: depending on your tax regime, any capital gains and income associated with holding units in the mutual fund may be subject to taxation. Please refer to the mutual fund marketer for further information on this subject.

The Fund is not open to residents of the United States of America "U.S. Person" (the definition of a "U.S. Person" is available on the Management Company website www.la-francaise.com and/or in the prospectus).

Remuneration policy: the updated remuneration policy of the Management Company, including a description of how remuneration and benefits are calculated and the membership of the remuneration committee responsible for allocating variable remuneration and benefits, is available on the website: <http://ifgrou.pe/MnDZx7>. A hard copy is available free of charge from the head office of the Management Company.

La Française Asset Management 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 mutual fund prospectus.

This mutual fund is accredited by the French state and regulated by the French Financial Markets Authority.

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The key investor information provided herein is accurate and up to date as at 18/01/2019