LA FRANÇAISE

UCITS
covered by Directive 2009/65/EC

PROSPECTUS
La Française Rendement Emergent 2023
Mutual Fund

1. General information

1.1 Legal form of the UCITS

Name:
La Française Rendement Emergent 2023

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

Launch date and scheduled duration:
20/03/2012 - 99 years

Date of approval by the French Financial Markets Authority:
24/02/2012

Summary of the management offer

Type of unit	*ISIN code*	*Initial net asset value*	*Sub-funds*	*Allocation of income*	*Allocation of gains and losses:*	*Denomination currency*	*Target investors*	*Minimum initial investment value*
R units	FR0011203231	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
TD EUR units	FR0013290988	EUR 100	No	capitalisation and/or distribution and/or carry forward	capitalisation and/or distribution and/or carry forward	EUR	All subscribers without payment of retrocession fees to distributors	None
I units	FR0011203223	EUR 100,000	No	Capitalisation	Capitalisation	EUR	Reserved for professional clients within the meaning of MiFID	EUR 100,000
D units	FR0011244789	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
TC EUR units	FR0013290970	EUR 100	No	Capitalisation	Capitalisation	EUR	All subscribers without payment of retrocession fees to distributors	None

The minimum initial subscription amount does not apply to the Management Company or to any other La Française Group company.

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
email: contact-valeursmobilieres@la-francaise.com

For further information, please contact the Marketing Department of the Management Company by e-mail at: contact-valeursmobilieres@lafrancaise.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:
- 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.
- 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
6 place de la Pyramide 92908 Paris-La Défense 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

Delegates:

Appointed Accounting 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

Advisers:
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 the 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 date:
- End of accounting period: last trading day in December
- Closing date of the 1st financial year: 31 December 2012

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 adviser for more information.

2.2 Specific provisions

ISIN code:

R units	FR0011203231
TD EUR units	FR0013290988
I units	FR0011203223
D units	FR0011244789
TC EUR units	FR0013290970

Classification:
International bond and other debt securities

Management objective:

The management objective is, over the recommended investment period of 6 years from 28 April 2017 until 31 December 2023, to outperform (net of fees) bonds issued by the French Government denominated in euros maturing in 2023.
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 annual net performance objective is based on market assumptions used by the Management Company and shall not serve as a guarantee of yield. These market assumptions include the risk of default or a downgrade 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 six years from the date it was launched. The average time to maturity drops each year to reach that of a monetary investment in 2023.
The Fund is neither an index fund nor an index benchmark and is exposed to credit risk, but for post-hoc comparison purposes the shareholder can refer to the performance of the French OAT government bond (Obligation Assimilable du Trésor) 4.25% October 2023. Actuarial yield on 02/02/2017: 0.33%.
This is the instrument used since 1985 by the French state for borrowing over periods ranging from 7 to 30 years, whether fixed rate or indexed rate, with a "bullet" repayment.

The Fund is managed actively and on a discretionary basis. The Fund is not managed with reference to an index.

Investment strategy:

1- Strategy used

Range of sensitivity: between 6 and 0 (decreasing over time).

The investment strategy involves the management of a portfolio of bonds maturing on or before 31 December 2023. As the Fund approaches maturity, meaning 12 months prior to maturity, with pools of emerging bonds becoming scarcer, cash assets will be, where applicable, placed in securities issued among OECD Member States.

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.
During the marketing period, the portfolio management will be active in order to manage overall exposure.

Eligible countries are selected according to a process set up by the Management Company and based on qualitative and quantitative criteria.
The main selection criteria are:
- macro-economic parameters (budget deficit, ratio of public debt, etc.),
- political stability,
- rating.

The search for performance may lead the manager to invest in credit instruments, with no rating limit.

The Fund invests in international rate instruments (fixed-rate or variable bonds, negotiable debt securities, commercial papers, deposit securities and treasury bills) denominated in euros and/or dollars and/or pounds sterling. The portfolio may be invested up to 100% in (speculative) high-yield securities, i.e. those with a rating below BBB- on the Standard & Poor's rating agency or Baa3 rating at Moody's or equivalent based on the Management Company's analysis, non-rated securities, securities with investment grade status (BBB- or above or as deemed equivalent by the Management Company).
The Management Company shall not exclusively or systematically rely on ratings, but rather shall conduct a credit analysis at the time of investment.

The manager may invest up to 100% in securities from the public or para-public sector.
Investment in private sector securities, exclusively high-value capitalisations, is limited to 10% maximum of the assets.

The manager will invest in securities denominated in euros and/or dollars and/or pounds sterling. Provided that 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.

The sensitivity range for interest rates in which the fund is managed	from 6 to 0 (decreasing over time)
Geographical area of the issuers of securities to which the fund is exposed	Emerging countries: 0 -100%; OECD countries: 0-100%*
Security denomination currencies in which the fund is invested	EUR, GBP and USD, from 0 to 100% of net assets
Level of exchange risk borne by the fund	Residual due to imperfect hedging

(* At less than 12 months until Fund maturity, the portfolio can be invested up to 100% in securities issued among OECD Member States.)

Given the investment strategy implemented, the Fund's risk profile changes over time and exposure to different risk factors decreases, without disappearing entirely, as the investment period approaches its maturity.

The Fund may also invest up to a limit of 10% in the units or shares of the UCITS governed by French or foreign law and/or in UCIs meeting the 4 criteria of Article R214-13 of the Monetary and Financial Code (mainly in bonds and cash).

On an exceptional and temporary basis, and in the event of a significant number of redemption requests, the manager may borrow cash up to a limit of 10% of the net assets.

The Fund will preferably use derivative instruments on organised futures markets, it reserves the right to enter into OTC contracts where these are better suited to the management objective or offer lower trading costs.

The Fund reserves the right to trade on all French and international futures markets.

The manager may use financial futures such as futures, options, swaps, forwards and credit default swaps (CDS on single underlying asset options). The Fund will mainly trade on the interest rate and/or credit and/or currency-exchange futures markets in order to hedge or expose the portfolio against or to a risk in interest rate, credit or currency-exchange or in order to enhance the Fund's sensitivity within a limit of 0 to 6.

The Fund will not resort to Total Return Swaps (TRS).

The investment limit for the Fund on derivative instruments will not exceed 100% of its net assets, without seeking overexposure.

Upon expiry of the management direction in place until 31/12/2023, the Management Company, after prior approval of the AMF, will opt either to continue with the current strategy or to convert or liquidate the Fund depending on the prevailing market conditions.

2- Assets (excluding embedded derivatives)

In order to achieve its management objective, the fund will use different types of assets:

a. Debt securities and money market instruments
i. Negotiable debt securities: yes
ii. Bonds: yes
iii. Treasury bills: yes
iv. Short-term negotiable securities: yes
with the following characteristics:
- all sectors
- the securities selected will be mainly invested in the public and para-public sector and up to 10% maximum in the private sector.

b. Equity: no

c. UCI: yes, mainly in bonds and cash. The fund may invest up to a limit of 10% in the units or shares of UCITS under French or foreign law and/or in the units or shares of UCIs meeting the four criteria of Article R214-13 of the French Monetary and Financial Code.

The Fund may invest in UCIs of the Management Company or of a related 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: no
- interest rates: yes
- exchange rates: yes
- credit: yes
- indexes: yes, on interest rates

Nature of activities:
- hedging: yes
- exposure: yes
- arbitrage: no
- other: no

Nature of the instruments used:
- futures: yes
- options: yes
- swaps: yes
- forward exchange transactions: yes
- credit derivatives: yes, CDS (single underlying asset options)
- other: no

The Fund will act primarily on the interest-rate, credit and currency-exchange futures markets up to a limit of 100% of net assets.

Management of financial guarantees relating to transactions on over-the-counter derivative financial instruments:
OTC transaction counterparties will be counterparties such as credit institutions, authorised by the Management Company and domiciled in OECD Member States.
These counterparties do not have discretionary decision-making powers over the management of the assets underlying the derivative financial instruments.
These transactions can be entered into with companies linked to the Management Company's Group.

These transactions may give rise to the guarantee deposit:
- of cash,
- of securities issued by OECD Member States,
- of other monetary UCITS/AIF units or shares.

The fund will not receive securities as collateral as part of the management of financial guarantees relating to transactions on over-the-counter derivative financial instruments and to effective portfolio management techniques.

Financial guarantees received in cash may be:
- placed in deposit with a credit institution whose registered office is located in an OECD Member State or in another country with equivalent prudential rules,
- invested in high-quality government bonds,
- invested in short-term money market funds as defined in the guidelines on a common definition of European money market funds.

4- Securities with embedded derivatives
Risk on which the manager seeks to act:
- equities: no
- interest rates: yes
- exchange rates: yes

- credit: yes
- indexes: yes (interest rates)

Nature of activities:
- hedging: yes
- exposure: yes
- arbitrage: no

Nature of the instruments used:
- Callables
- Puttables

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

7. Temporary securities purchase and sale transactions:

General description of transactions:

• 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 from OECD and non-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” (rating higher than or equal to BBB- according to Standard & Poor’s or Baa3 according to Moody’s) and/or speculative.

- General data for each type of transaction:

• 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 a maximum of 50% of the UCI's assets, while transactions for the temporary purchase of securities (securities borrowing, repurchase agreements) may be carried out up to an amount equivalent to a maximum of 10% of the UCI's assets.
The expected proportion of assets under management that will be subject to such transactions may be 25% of assets.

• 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. These intermediaries are selected based on their research quality, the cash assets that they offer, and their speed and reliability with regard to how they process orders and the quality they provide in doing so.
At the end of this rigorous and regulated process, subject to a grade, the counterparties selected for transactions for the temporary purchase or sale of securities 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 his capacity as Depositary) or to the Management Company for transactions for the temporary purchase or sale of securities. 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 are not invoiced to the Fund. These costs/fees are fully undertaken by the Management Company.
Moreover, the Management Company does not take any commission in kind for these transactions.

• Accepted 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 for 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.

• 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 audit teams in charge of the Fund shall respect all the limits described 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. The Fund's Investors are exposed to the following risks:

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 Fund's performance may therefore be lower than the management objective. In addition, the net asset value of the Fund may perform negatively.

Risk arising from investing in emerging markets:
The fund 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 major international markets. In addition, investing on 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 Fund's portfolio. The net asset value of the Fund may fall as a consequence.

Interest rate risk:
The Fund is subject to interest rate risk on 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:
These risks may arise from a downgrading of the credit rating of an issuer of debt securities. If an issuer's credit rating is downgraded, the value of its assets falls. Consequently, 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 securities.

Risk associated with investments in speculative high-yield securities:
This Fund should be considered partly speculative and 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 techniques such as derivatives:
This is the risk of increased losses owing to the use of financial futures such as OTC financial agreements and/or futures contracts.

Counterparty risk:
Counterparty risk arises from entering into contracts in financial futures traded on over-the-counter markets, and from temporary purchases and sales of securities. 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.

Exchange rate 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.

Potential risk of a conflict of interest:
This risk relates to the completion of temporary purchases and sales 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.

Guarantee or protection:
The Fund does not benefit from any guarantee or protection.

Target investors:

R units	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
TD EUR units	All subscribers without payment of retrocession fees to distributors
I units	Reserved for professional clients within the meaning of MiFID
D units	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
TC EUR units	All subscribers without payment of retrocession fees to distributors

The Fund is aimed at investors looking for an investment with a fixed maturity, a controlled performance of the portfolio over the investment horizon and exposure to emerging markets whilst accepting the risks associated with investments in speculative securities.

Terms of subscription to T units:
Subscriptions for T units (net units) 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 units towards T units 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), provided that subscriptions for T units are immediately preceded by a redemption in D and R units by the same unitholder for a product equivalent to the number of redeemed units and on the same net asset value date.

US investors
Units 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. 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 US 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 Fund has not been and will not be registered under the US 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 Fund. Those wishing to acquire or purchase units will have to certify in writing that they are not U.S. Persons.

The reasonable amount to invest in this 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 fund.

Recommended investment period:
until 31 December 2023. This Fund may not suit investors who intend to withdraw their contribution before 31 December 2023.

Methods of determining and allocating distributable amounts:

R units	Capitalisation

TD EUR units	capitalisation and/or distribution and/or carry forward
I units	Capitalisation
D units	capitalisation and/or distribution and/or carry forward
TC EUR units	Capitalisation

R, I, TC EUR units: the distributable amounts are entirely capitalised.

D and TD EUR units: the net result will be subject to capitalisation (total or partial) and/or distribution (total or partial) and/or a report (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 will be carried forward (total or partial), by decision of the Management Company.
The Management Company does not intend to make prepayments; distribution is carried out on an annual basis.

The distributable amounts are made up of:
1. Net income, which is equal to total interest payments, arrears, dividends, bonuses and lots, 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, 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.

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.
The Fund will be closed for subscription for 30 months following 28 April 2017. 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. In the event of a sharp decline in the immediate yield of the securities in the portfolio, the investment period may be closed. A notice announcing the early closure of the investment period shall be published on the Management Company's website: www.la-francaise.com.
The orders shall be carried out according to the table below:

Centralisation of subscription orders	Centralisation of redemption orders	Execution of the order at the latest, in D	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions
D before 11 a.m.	D before 11 a.m.	Each trading day (D)	D+1 working day	D+2 working days	D+2 working days

Minimum initial subscription value:

R units	None
TD EUR units	None
I units	EUR 100,000
D units	None
TC EUR units	None

Minimum value for subsequent subscriptions:

R units	None
TD EUR units	None
I units	None
D units	None
TC EUR 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 unitholders, during the marketing period starting 28 April 2017 and ending 30 months later, the Fund will be valued at the asking price; after this period, the Fund will be valued at the bid price.

Initial net asset value:

R units	EUR 100
TD EUR units	EUR 100
I units	EUR 100,000
D units	EUR 100
TC EUR units	EUR 100

Location where the net asset value is published:
The Management Company's premises and online at: www.la-francaise.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	Net asset value x Number of units	**R units:** 3.00 % maximum **TD EUR units:** None **I units:** 3.00 % maximum **D units:** 3.00 % maximum **TC EUR units:** None
Subscription fee paid to the UCITS	Net asset value x Number of units	**R units:** None **TD EUR units:** None **I units:** None **D units:** None **TC EUR units:** None
Redemption fee not paid to the UCITS	Net asset value x Number of units	**R units:** None **TD EUR units:** None **I units:** None **D units:** None **TC EUR units:** None
Redemption fee allocated to the UCITS	Net asset value x Number of units	**R units:** None **TD EUR units:** None **I units:** None **D units:** None **TC EUR 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 & D units:** 0.963% maximum rate **I & TC EUR & TD EUR units:** 0.363% maximum rate
2	Administrative fees not paid to the Management Company	Net assets	**R & D & I & T C EUR & TD EUR units:** 0.237% maximum rate
3	Maximum indirect costs	Net assets	Insignificant
4	Turnover fees	Deducted from each transaction	**Equities**: 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 €100) **Monetary instruments:** 0.012% (with a minimum of €100) **Swaps:** €300 **Forward exchange:** €150 **Spot exchange:** €50 **UCI**: €15 **Futures:** €6 **Options:** €2.5
5	Outperformance fee	Net assets	None

The UCITS may not inform unitholders specifically or offer them the possibility of redeeming their units 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.

Other costs billed to the UCITS:
- contributions due to the UCITS management pursuant to Article L621-5-3 (II)(3)(d) of the French 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).
Information concerning these fees is also laid out*, ex post,* in the UCITS's annual report.

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. The distribution of units is carried out by Caisse Fédérale du Crédit Mutuel Nord Europe, Caisses du Crédit Mutuel Nord, BCMNE and La Française AM Finance Services.

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

3. Information on the "La Française Rendement Emergent 2023" mutual fund is available on the premises of the management company or on the website: www.la-francaise.com.

4. Information regarding consideration 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 and will appear in the annual report.

5. Communicating the composition of the portfolio: the Management Company may directly or indirectly communicate 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 unitholders' equity. Where applicable, this transmission shall take place 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

The mutual fund applies the method of calculating commitment.

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 does 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 at the website https://www.la-francaise.com/fr/informations-reglementaires.

MUTUAL FUND RULES
La Française Rendement Emergent 2023

SECTION 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.

Unit categories:
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 units may be divided, consolidated or split into tenths, hundredths, thousandths, ten thousandths or hundred thousandths ("fractional units") on the decision of the Management Company's Executive Board.
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.

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 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 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 financial instruments. 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.
Redemptions can be made in cash.
Redemptions can also be made in kind. If the redemption in kind corresponds to a representative share of the portfolio assets, the UCITS or the Management Company must obtain only the signed written consent of the unitholder of outflows. If the redemption in

kind does not correspond to a representative share of the portfolio assets, all unitholders must give their written consent for the unitholder of outflows to have its units redeemed in exchange for certain assets, as laid out in the agreement.
By way of derogation from the above-mentioned, if the fund is an ETF, redemptions on the primary market may be made in kind according to the conditions laid out in the fund regulations or prospectus; in either case, the Management Society of the portfolio must give its agreement and this be in the interests of the unitholders. The assets are then delivered to the holder of the issuing account under the conditions laid out in the Fund prospectus.
Redeemed assets are generally evaluated 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 concerned.
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 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.

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 may be set out in the prospectus.
Where the net assets of the mutual fund fall below the amount set out 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 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.

SECTION 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 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 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: 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 shall certify that the financial statements give a true and fair view of the company.
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 is responsible for evaluating each purchase or redemption in kind; except for in the framework of redemptions in kind for an ETF on the primary market.
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.

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.

SECTION 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 unit 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 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. 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 set out above in Article 2 for 30 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.