



LA FRANÇAISE

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L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité  
Luxembourg, le 2019-10-03  
Commission de Surveillance du Secteur Financier

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# La Française LUX

A Luxembourg SICAV

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# A WORD TO POTENTIAL INVESTORS

## ALL INVESTMENTS INVOLVE RISK

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With these sub-funds, as with most investments, future performance may differ from past performance. There is no guarantee that any sub-fund will meet its objectives or achieve any particular level of performance.

Sub-Fund investments are not bank deposits. The value of your investment can go up and down, and you could lose some or all of your invested money. No sub-fund in this prospectus is intended as a complete investment plan, nor are all sub-funds appropriate for all investors.

Before investing in any sub-fund, you should understand its risks, costs and terms of investment, and how well these characteristics align with your own financial circumstances and risk tolerance.

As a potential investor, it is your responsibility to know and follow the laws and regulations that apply to you, including any foreign exchange restrictions, and to be aware of potential tax consequences. We recommend that you consult an investment adviser, legal adviser and tax adviser before investing.

Any difference among portfolio security currencies, share class currencies, and your home currency may expose you to currency risk. If your home currency is different from your share class currency, the performance you experience as an investor could be very different from the published performance of the share class.

## WHO CAN INVEST IN THESE SUB-FUNDS

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Distributing this prospectus, offering these shares for sale, or investing in these shares is legal only where the shares are registered for public sale or where sale is not prohibited by local law or regulation. This prospectus is not an offer or solicitation in any jurisdiction, or to any investor, where such a solicitation is not legally permitted.

Neither these shares nor the SICAV are registered with the US Securities and Exchange Commission or any other US entity, federal or otherwise. Therefore, unless the SICAV is satisfied that it would not constitute a violation of US securities laws, these shares are not available to, or for the benefit of, US persons.

For more information on restrictions on share ownership, or to request board approval to invest in a restricted class, contact us (see "The SICAV").

## WHICH INFORMATION TO RELY ON

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In deciding whether or not to invest in a sub-fund, you should look at the most recent prospectus, relevant Key Investor Information Document (KIID), and recent annual and semi-annual report (all available online at [la-francaise.com](http://la-francaise.com)). By buying shares in any of these sub-funds, you are considered to accept the terms described in these documents.

Together, all these documents contain the only approved information about the sub-funds and the SICAV. The board is not liable for any statements or information about the sub-funds or the SICAV that is not contained in these documents. Information in this prospectus, or any document about the SICAV or sub-funds, may have changed since the publication date. In case of any inconsistency in translations of this prospectus, the English version will prevail.

# SUB-FUND DESCRIPTIONS

All of these sub-funds are part of La Française LUX, a SICAV that functions as an umbrella structure. The SICAV exists to offer investors access to professional investment management through a range of sub-funds, each aiming to achieve as high a degree of performance as is reasonably consistent with the risks the investment manager considers appropriate.

Descriptions of the specific investment objectives, main investments and other key characteristics of each sub-fund begin on the next page. In addition, all sub-funds follow the regulatory policies and restrictions found in "General Investment Powers and Restrictions". Share class and dealing information appears in both "Sub-Fund Descriptions" and "Investing in the Sub-Funds".

The board of the SICAV has overall responsibility for the SICAV's business operations and its investment activities, including the investment activities of all of the sub-funds. The board has delegated the day-to-day management of the sub-funds to the management company, which in turn has delegated some of its responsibilities to investment managers and service providers. The board retains supervisory approval and control over the management company.

More information about the SICAV, the board, the management company and the service providers appears in the final sections of this prospectus, "The SICAV" and "The Management Company".

## Terms with specific meanings

The terms in this box have the following meanings within this prospectus. Words and expressions that are defined in the 2010 Law but not here have the same meaning as in the 2010 Law.

**2010 Law** The Luxembourg law of December 17, 2010 on Undertakings for Collective Investment, as amended.

**articles of incorporation** The Articles of Incorporation of the SICAV, as amended.

**base currency** The currency in which a sub-fund does the accounting for its portfolio and maintains its primary NAV.

**below investment grade** See "credit quality".

**board** The Board of Directors of the SICAV.

**business day** Any day that the sub-fund calculates a NAV and processes transactions in shares, as defined for each sub-fund in "Sub-Fund Descriptions".

**credit quality** Investment grade debt securities are those rated at least BBB-/Baa3. Below investment grade securities, which are considered more speculative, are rated BB+/Ba1 or lower. Unrated securities may be assigned to either category based on credit analysis by the investment manager at the time of purchase.

**eligible state** Any state that the board considers to be consistent with a given sub-fund's investment portfolio.

**institutional investors** Investors who qualify as institutional investors under article 175 of the 2010 Law or under the guidelines or recommendations of the CSSF.

**investment grade** See "credit quality".

**KIID** Key Investor Information Document.

**member state** A member state of the EU or of the European Economic Area.

**MiFID** Directive 2014/65/EU and Regulation EU 600/2014 on markets in financial instruments and any EU or Luxembourg implementing laws and regulations.

**NAV** Net asset value per share; the value of one share of a sub-fund.

**prospectus** This document, as amended from time to time.

**SICAV** La Française LUX.

**shareholder reports** The annual and semi-annual reports of the SICAV.

**US person** Any of the following:

- an individual who is a US resident
- a partnership, company or other entity that is organised or incorporated under the laws of the United States
- an individual or entity that meets the substantial presence test or that is not a foreign person
- an individual or entity considered to be a US person by the board

**we, us** The SICAV, acting through the board or through any service providers described in this prospectus except for the auditor and any distributors.

**you** Any past, current or prospective shareholder, or an agent for the same.

## Currency abbreviations

<b>AUD</b>	Australian dollar	<b>GBP</b>	British pound sterling
<b>CAD</b>	Canadian dollar	<b>JPY</b>	Japanese yen
<b>CHF</b>	Swiss franc	<b>SEK</b>	Swedish krona
<b>EUR</b>	Euro	<b>USD</b>	United States dollar



# Forum Global Real Estate Securities

## INVESTMENT OBJECTIVE AND POLICY

**Objective** To achieve income and long-term capital growth (total return). Specifically, the sub-fund seeks to achieve an annualised return of 5% (net of fees) over any given 5-year period, with lower volatility than the FTSE EPRA/NAREIT Developed Index Total Return in EUR.

**Investment policy** The sub-fund invests mainly in equities of real estate companies from anywhere in the world, including emerging markets.

Specifically, the sub-fund invests at least 60% of net assets in equities and equity-related securities issued by companies, including real estate investment trusts (REITs) that qualify as transferable securities under the 2010 Law and related regulations and that generate at least 50% of gross revenues or net profits from, or have 50% of their assets in, real estate or related activities. Examples of these activities include owning, developing, building, financing, managing and marketing real estate, whether commercial, industrial or residential.

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

- preferred stocks: 10%
- bonds from issuers in the real estate sector: 10%
- money market instruments: 10%
- other UCITS/UCIs: 10%

The sub-fund may also invest in credit notes.

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

**Derivatives and techniques** The sub-fund may use derivatives for hedging and efficient portfolio management.

In addition to core derivatives (defined in "How the Sub-Funds Use Derivatives and Techniques"), the sub-fund may use contracts for difference (CFDs) on real estate stocks in order to reduce its volatility significantly. It is therefore expected that the sub-fund will invest between 20% and 60% of its assets in CFDs depending on the volatility of the markets.

The sub-fund may also use repurchase and reverse repurchase agreements for efficient portfolio management.

**Strategy** The investment manager uses fundamental analysis to select, within a universe of approximately 600 real estate companies, securities that appear to have superior growth and earnings prospects.

**Investment manager(s)** La Française Forum Securities (SG) Pte Limited, Singapore.

**Base currency** EUR.

## MAIN RISKS

See "Risk Descriptions" for more information.

### Risks typically associated with ordinary market conditions

- Concentration
- Currency
- Derivatives
- Emerging markets
- Equity
- Illiquid securities
- Investment fund
- Leverage
- Management
- Market
- Real estate investments

### Risks typically associated with unusual market conditions

- Counterparty
- Liquidity
- Operational

**Risk management method** Commitment.

## PLANNING YOUR INVESTMENT

**Suitability** Designed for investors who understand the risks of the sub-fund and plan to invest for at least 5 years.

The sub-fund may appeal to investors who:

- are looking for exposure to a sector that may have a relatively low correlation to equities or bonds
- are looking for exposure to the real estate sector
- are interested in diversifying a core investment portfolio

**Subscription, redemption and switch orders** Requests received and accepted by the transfer agent by 11:00 AM CET any day on which banks are normally open in Luxembourg are ordinarily processed the *following* business day.

Settlement of subscription and redemption transactions occurs 3 business days after a request is received and accepted.

### Costs and minimum investments for major share classes

	R	I	I
<b>Minimum initial investment</b>			
<b>Currency</b>	EUR, USD, USD H	CHF, EUR, USD, USD H	SEK, SEK H
<b>Amount</b>	None	50,000	500,000
<b>One-off charges taken before or after you invest (maximum %)</b>			
<b>Subscription</b>	5.00	5.00	5.00
<b>Charges taken from the sub-fund over a year (maximum %)</b>			
<b>Management</b>	2.00	1.30	1.30
<b>Operation</b>	0.45	0.45	0.45
<b>Performance fee (maximum; charged as a % of outperformance)</b>			
<b>Performance</b>	None	None	None

See "Notes on Sub-Fund Costs" immediately following the last sub-fund description for a fuller explanation of these fees, including the performance fee. For a current and complete listing of available share classes, go to [la-francaise.com](http://la-francaise.com).

# Inflection Point Carbon Impact Euro

## INVESTMENT OBJECTIVE AND POLICY

**Objective** To achieve long-term capital growth, while constructing a carbon-neutral investment portfolio.

**Investment policy** The sub-fund invests mainly in equities of companies in the Eurozone that have superior carbon efficiency or are significantly reducing carbon emissions or are providing solutions to achieve these outcomes.

Specifically, the sub-fund invests at least 90% of net assets in equities and equity-related securities issued by companies of any sector and market capitalisation that are registered in the Eurozone.

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

- equities (including exposure from derivatives): 90% to 105%
- investment grade bonds: 10%
- other UCITS/UCIs: 10%

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

The sub-fund's net exposure to non-EUR currencies does not exceed 10% of net assets.

**Derivatives and techniques** The sub-fund may use derivatives as a substitute for direct investment, for hedging and efficient portfolio management.

**Strategy** In selecting securities, the investment manager uses a 3-step investment process:

- ESG filter applied to the investment universe
- fundamental analysis of companies including environmental, strategic and financial criteria
- rigorous, iterative portfolio construction aiming to minimise overall carbon footprint

**Investment manager(s)** La Française Asset Management, Paris.

**Base currency** EUR.

## MAIN RISKS

See "Risk Descriptions" for more information.

### Risks typically associated with ordinary market conditions

- Currency
- Equity
- Investment fund
- Management
- Market

### Risks typically associated with unusual market conditions

- Liquidity
- Operational

**Risk management method** Commitment.

## PLANNING YOUR INVESTMENT

**Suitability** Designed for investors who understand the risks of the sub-fund and plan to invest for at least 5 years.

The sub-fund may appeal to investors who:

- are looking for a responsible investment with exposure to Eurozone equities
- are interested in diversifying a core investment portfolio

**Subscription, redemption and switch orders** Requests received and accepted by the transfer agent by 11:00 AM CET any day on which banks are normally open in Luxembourg and France are ordinarily processed the *same* business day.

### Costs and minimum investments for major share classes

	R	I
<b>Minimum initial investment</b>		
<b>Currency</b>	EUR	EUR
<b>Amount</b>	None	100,000
<b>One-off charges taken before or after you invest (maximum %)</b>		
<b>Subscription</b>	3.00	3.00
<b>Charges taken from the sub-fund over a year (maximum %)</b>		
<b>Management</b>	1.65	1.00
<b>Operation</b>	0.30	0.30
<b>Performance fee (maximum; charged as a % of outperformance)</b>		
<b>Performance</b>	None	None

See "Notes on Sub-Fund Costs" immediately following the last sub-fund description for a fuller explanation of these fees, including the performance fee. For a current and complete listing of available share classes, go to [la-francaise.com](http://la-francaise.com).

# Inflection Point Gonet Swiss Equity

## INVESTMENT OBJECTIVE AND POLICY

**Objective** To achieve long-term capital growth. Specifically, the sub-fund seeks to outperform (net of fees) the Swiss Performance Index Total Return in CHF, over any given 3-year period.

**Investment policy** The sub-fund invests mainly in Swiss equities.

Specifically, the sub-fund invests at least 80% of net assets in equities and equity-related securities issued by Swiss companies of any market capitalisation. Investments may include American and global depositary receipts (ADRs and GDRs).

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

- equities (including exposure from derivatives): 120%
- investment grade bonds: 10%
- other UCITS/UCIs: 10%

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

The sub-fund's net exposure (after hedging) to non-CHF currencies does not exceed 20% of net assets.

**Derivatives and techniques** The sub-fund may use derivatives as a substitute for direct investment, hedging and efficient portfolio management.

The sub-fund may also use repurchase and reverse repurchase agreements for efficient portfolio management.

**Strategy** In selecting securities, the investment manager uses a proprietary financial and extra-financial scoring model as well as ESG indicators (bottom-up approach).

**Investment manager(s)** Gonet & Cie SA, Geneva.

**Investment advisor(s)** Inflection Point by La Française, London.

**Base currency** CHF.

## MAIN RISKS

See "Risk Descriptions" for more information.

### Risks typically associated with ordinary market conditions

- Concentration
- Currency
- Equity
- Investment fund
- Management
- Market

### Risks typically associated with unusual market conditions

- Liquidity
- Operational

**Risk management method** Commitment.

## PLANNING YOUR INVESTMENT

**Suitability** Designed for investors who understand the risks of the sub-fund and plan to invest for at least 3 years.

The sub-fund may appeal to investors who:

- are looking for exposure to Swiss equities
- are interested in diversifying a core investment portfolio

**Subscription, redemption and switch orders** Requests received and accepted by the transfer agent by 11:00 AM CET any day on which banks are normally open in Luxembourg are ordinarily processed the *same* business day.

### Costs and minimum investments for major share classes

	R	I
<b>Minimum initial investment</b>		
<b>Currency</b>	CHF, EUR	CHF, EUR
<b>Amount</b>	None	100,000
<b>One-off charges taken before or after you invest (maximum %)</b>		
<b>Subscription</b>	3.00	3.00
<b>Charges taken from the sub-fund over a year (maximum %)</b>		
<b>Management</b>	1.60	1.10
<b>Operation</b>	0.30	0.30
<b>Performance fee (maximum; charged as a % of outperformance)</b>		
<b>Performance</b>	None	None

See "Notes on Sub-Fund Costs" immediately following the last sub-fund description for a fuller explanation of these fees, including the performance fee. For a current and complete listing of available share classes, go to [la-francaise.com](http://la-francaise.com).

# Inflection Point Leaders Emergents

## INVESTMENT OBJECTIVE AND POLICY

**Objective** To achieve long-term capital growth. Specifically, the sub-fund seeks to outperform (net of fees) the MSCI Emerging Markets Index Daily Net Total Return in EUR, over any given 5-year period.

**Investment policy** The sub-fund invests mainly in emerging markets equities issued by large capitalisation companies with above-average revenues.

Specifically, the sub-fund invests at least 80% of net assets in equities and equity-related securities issued by emerging markets companies of any sector and market capitalisation. Investments may include American and global depositary receipts (ADRs and GDRs).

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

- bonds and money market instruments from public and private issuers in the European Union: 20%
- other UCITS/UCIs: 10%

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

**Derivatives and techniques** The sub-fund may use derivatives for hedging and efficient portfolio management.

**Strategy** The investment manager focuses on international companies that are leaders in their markets. In selecting securities, the investment manager uses a combination of strategic, competitive and financial criteria (bottom-up approach).

**Investment manager(s)** La Française Asset Management, Paris.

**Base currency** EUR.

## MAIN RISKS

See "Risk Descriptions" for more information.

### Risks typically associated with ordinary market conditions

- Currency
- Emerging markets
- Equity
- Investment fund
- Management
- Market

### Risks typically associated with unusual market conditions

- Counterparty
- Liquidity
- Operational

**Risk management method** Commitment.

## PLANNING YOUR INVESTMENT

**Suitability** Designed for investors who understand the risks of the sub-fund and plan to invest for at least 5 years.

The sub-fund may appeal to investors who:

- are looking for exposure to emerging markets equities
- are interested in diversifying a core investment portfolio

**Subscription, redemption and switch orders** Requests received and accepted by the transfer agent by 11:00 AM CET any day on which banks are normally open in Luxembourg and France are ordinarily processed the *following* business day.

### Costs and minimum investments for major share classes

	R	I
<b>Minimum initial investment</b>		
<b>Currency</b>	EUR	EUR
<b>Amount</b>	None	100,000
<b>One-off charges taken before or after you invest (maximum %)</b>		
<b>Subscription</b>	3.00	3.00
<b>Charges taken from the sub-fund over a year (maximum %)</b>		
<b>Management</b>	2.00	1.25
<b>Operation</b>	0.50	0.50
<b>Performance fee (maximum; charged as a % of outperformance)</b>		
<b>Performance</b>	25	25

**Reference for performance fee** MSCI Emerging Markets Index Daily Net Total Return in EUR.

See "Notes on Sub-Fund Costs" immediately following the last sub-fund description for a fuller explanation of these fees, including the performance fee. For a current and complete listing of available share classes, go to [la-francaise.com](http://la-francaise.com).



# Inflection Point Carbon Impact Global

## INVESTMENT OBJECTIVE AND POLICY

**Objective** To achieve long-term capital growth, while constructing a carbon-neutral investment portfolio.

**Investment policy** The sub-fund invests mainly in equities of global companies, including those in emerging markets, that have superior carbon efficiency or are significantly reducing carbon emissions or are providing solutions to achieve these outcomes.

Specifically, the sub-fund invests in equities and equity-related securities issued by large capitalisation companies in any sector. Investments may include American and global depositary receipts (ADRs and GDRs).

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

- equities (including exposure from derivatives): 90% to 105%
- investment grade bonds: 10%
- other UCITS/UCIs: 10%

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

The sub-fund's net exposure to non-EUR currencies may be up to 100% of net assets.

**Derivatives and techniques** The sub-fund may use derivatives as a substitute for direct investment, for hedging and for efficient portfolio management.

**Strategy** In selecting securities, the investment manager uses a 3-step investment process:

- ESG filter applied to the investment universe
- fundamental analysis of companies including environmental, strategic and financial criteria
- rigorous, iterative portfolio construction aiming to minimise overall carbon footprint

**Investment manager(s)** La Française Asset Management, Paris.

**Base currency** EUR.

## MAIN RISKS

See "Risk Descriptions" for more information.

### Risks typically associated with ordinary market conditions

- Currency
- Emerging markets
- Equity
- Investment fund
- Management
- Market

### Risks typically associated with unusual market conditions

- Liquidity
- Operational

**Risk management method** Commitment.

## PLANNING YOUR INVESTMENT

**Suitability** Designed for investors who understand the risks of the sub-fund and plan to invest for at least 5 years.

The sub-fund may appeal to investors who:

- are looking for a responsible investment with exposure to global equities
- are interested in diversifying a core investment portfolio

**Subscription, redemption and switch orders** Requests received and accepted by the transfer agent by 11:00 AM CET any day on which banks are normally open in Luxembourg and France are ordinarily processed the *same* business day.

### Costs and minimum investments for major share classes

	R	I
<b>Minimum initial investment</b>		
<b>Currency</b>	EUR	EUR, USD
<b>Amount</b>	None	100,000
<b>One-off charges taken before or after you invest (maximum %)</b>		
<b>Subscription</b>	3.00	3.00
<b>Charges taken from the sub-fund over a year (maximum %)</b>		
<b>Management</b>	1.65	1.00
<b>Operation</b>	0.30	0.30
<b>Performance fee (maximum; charged as a % of outperformance)</b>		
<b>Performance</b>	None	None

See "Notes on Sub-Fund Costs" immediately following the last sub-fund description for a fuller explanation of these fees, including the performance fee. For a current and complete listing of available share classes, go to [la-francaise.com](http://la-francaise.com).

# Sustainable Real Estate Securities

## INVESTMENT OBJECTIVE AND POLICY

**Objective** To achieve income and long-term capital growth (total return) by investing in global real estate with high ESG (Environmental, Social & Governance) characteristics.

**Investment policy** The sub-fund invests mainly in equities of real estate companies from OECD countries.

Specifically, the sub-fund invests at least 80% of net assets in equities and equity-related securities issued by companies, including real estate investment trusts (REITs) that qualify as transferable securities under the 2010 Law and related regulations and generate at least 50% of gross revenues or net profits from, or have 50% of their assets in, real estate or related activities. Examples of these activities include owning, developing, building, financing, managing and marketing real estate, including commercial, industrial, residential or niche real estate sectors. The sub-fund may invest up to 15% of net assets in non-OECD countries.

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

- preferred stocks: 10%
- bonds from issuers in the real estate sector: 10%
- money market instruments: 10%
- other UCITS/UCIs: 10%

The sub-fund may also invest in credit notes.

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

**Derivatives and techniques** The sub-fund may use derivatives for hedging and efficient portfolio management.

In addition to core derivatives (defined in "How the Sub-Funds Use Derivatives and Techniques"), the sub-fund may use contracts for difference (CFDs) on real estate stocks.

The sub-fund may also use repurchase and reverse repurchase agreements for efficient portfolio management.

**Strategy** The investment manager combines financial and extra-financial analysis to select, within a universe of approximately 350 real estate companies, those that have above-average ESG scores and appear to have superior growth and earnings prospects.

**Investment manager(s)** La Française Forum Securities (SG) Pte Limited, Singapore.

**Investment advisor(s)** La Française Forum Securities (UK) Limited, London.

**Base currency** USD.

## MAIN RISKS

See "Risk Descriptions" for more information.

### Risks typically associated with ordinary market conditions

- Concentration
- Currency
- Derivatives
- Emerging markets
- Equity
- Illiquid securities
- Investment fund
- Management
- Market
- Real estate investments

### Risks typically associated with unusual market conditions

- Counterparty
- Liquidity
- Operational

**Risk management method** Commitment.

## PLANNING YOUR INVESTMENT

**Suitability** Designed for investors who understand the risks of the sub-fund and plan to invest for at least 5 years.

The sub-fund may appeal to investors who:

- are looking for an investment with a social/environmental emphasis
- are looking for exposure to a sector that may have a relatively low correlation to equities or bonds
- are looking for exposure to the real estate sector that is comparatively liquid
- are interested in diversifying a core investment portfolio

**Subscription, redemption and switch orders** Requests received and accepted by the transfer agent by 11:00 AM CET any day on which banks are normally open in Luxembourg are ordinarily processed the *following* business day.

Settlement of subscription and redemption transactions occurs 3 business days after a request is received and accepted.

### Costs and minimum investments for major share classes

	R	R	I	I
<b>Minimum initial investment</b>				
<b>Currency</b>	EUR H	USD	EUR H	USD
<b>Amount</b>	None	None	50,000	50,000
<b>One-off charges taken before or after you invest (maximum %)</b>				
<b>Subscription</b>	5.00	5.00	None	None
<b>Charges taken from the sub-fund over a year (maximum %)</b>				
<b>Management</b>	1.50	1.50	1.00	1.00
<b>Operation</b>	0.40	0.35	0.36	0.31
<b>Performance fee (maximum; charged as a % of outperformance)</b>				
<b>Performance</b>	None	None	None	None

See "Notes on Sub-Fund Costs" immediately following the last sub-fund description for a fuller explanation of these fees, including the performance fee. For a current and complete listing of available share classes, go to [la-francaise.com](http://la-francaise.com).

# Absolute Emerging Debt

## INVESTMENT OBJECTIVE AND POLICY

**Objective** To achieve a positive return in any market condition, over any given 1-year period.

**Investment policy** The sub-fund invests mainly in emerging markets bonds, including significant investments in below investment grade bonds.

Specifically, the sub-fund invests in fixed and floating rate debt securities and negotiable debt instruments that are issued in emerging markets.

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

- below investment grade bonds: 80%
- unrated bonds: 30%
- corporate bonds: 30%
- contingent convertible bonds (coco bonds): 10%
- other UCITS/UCIs: 10%

The sub-fund may invest in credit notes.

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

The sub-fund's net exposure (after hedging) to non-EUR currencies may be up to 100% of net assets.

The sub-fund's modified duration may vary from -8 to 8.

**Derivatives and techniques** The sub-fund may use derivatives as a substitute for direct investment, for hedging, for efficient portfolio management and to create leverage.

In addition to core derivatives (defined in "How the Sub-Funds Use Derivatives and Techniques"), the sub-fund may use credit-linked securities, credit default swaps and total return swaps based on government debt, corporate bonds and bond indices. The sub-fund may also use repurchase and reverse repurchase agreements for efficient portfolio management.

**Strategy** The investment manager uses qualitative and quantitative criteria for country allocation, as well as credit analysis to select securities that offer a superior combination of yield and creditworthiness. The investment manager also manages long or short exposure to interest rates, credit and currencies.

**Investment manager(s)** La Française Asset Management, Paris.

**Base currency** EUR.

## MAIN RISKS

See "Risk Descriptions" for more information.

### Risks typically associated with ordinary market conditions

- Coco bonds
- Credit
- Currency
- Derivatives
- Emerging markets
- Interest rate
- Investment fund
- Leverage
- Management
- Market

### Risks typically associated with unusual market conditions

- Counterparty
- Default
- Liquidity
- Operational

**Risk management method** Absolute VaR.

**Expected maximum gross level of leverage** 1,000%.

To understand what the leverage metrics do and do not mean, see "Management and monitoring of derivatives risk".

## PLANNING YOUR INVESTMENT

**Suitability** Designed for investors who understand the risks of the sub-fund and plan to invest for at least 3 years.

The sub-fund may appeal to investors who:

- are looking for a higher-yielding bond investment
- are looking for exposure to emerging markets
- are interested in diversifying a core investment portfolio

**Subscription, redemption and switch orders** Requests received and accepted by the transfer agent by 11:00 AM CET any day on which banks are normally open in Luxembourg and France are ordinarily processed the *same* business day.

### Costs and minimum investments for major share classes

	R	I
<b>Minimum initial investment</b>		
Currency	EUR	EUR
Amount	None	100,000
<b>One-off charges taken before or after you invest (maximum %)</b>		
Subscription	3.00	3.00
<b>Charges taken from the sub-fund over a year (maximum %)</b>		
Management	1.27	0.56
Operation	0.25	0.25
<b>Performance fee (maximum; charged as a % of outperformance)</b>		
Performance	20	20

**Reference for performance fee** 3-month Euribor Index + 3%.

See "Notes on Sub-Fund Costs" immediately following the last sub-fund description for a fuller explanation of these fees, including the performance fee. For a current and complete listing of available share classes, go to [la-francaise.com](http://la-francaise.com).

# Euro Inflation

## INVESTMENT OBJECTIVE AND POLICY

**Objective** To outperform (net of fees) the Barclays Capital Euro Government Inflation-Linked Bond Index, over any given 3-year period.

**Investment policy** The sub-fund invests mainly in investment grade government bonds issued in the Eurozone.

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

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

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

The sub-fund may invest in credit notes.

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

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

The sub-fund's modified duration may vary from 0 to 10.

**Derivatives and techniques** The sub-fund may use derivatives as a substitute for direct investment, for hedging, for efficient portfolio management and to create leverage.

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

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

Specifically, these strategies include:

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

**Investment manager(s)** La Française Asset Management, Paris.

**Base currency** EUR.

## MAIN RISKS

See "Risk Descriptions" for more information.

### Risks typically associated with ordinary market conditions

- Credit
- Derivatives
- Inflation
- Interest rate
- Investment fund
- Leverage
- Management
- Market

### Risks typically associated with unusual market conditions

- Counterparty
- Liquidity
- Operational

**Risk management method** Absolute VaR.

**Expected maximum gross level of leverage** 500%.

To understand what the leverage metrics do and do not mean, see "Management and monitoring of derivatives risk".

## PLANNING YOUR INVESTMENT

**Suitability** Designed for investors who understand the risks of the sub-fund and plan to invest for at least 3 years.

The sub-fund may appeal to investors who:

- are looking to protect the value of an investment against inflation
- are interested in a core investment

**Subscription, redemption and switch orders** Requests received and accepted by the transfer agent by 11:00 AM CET any day on which banks are normally open in Luxembourg and France are ordinarily processed the same business day.

### Costs and minimum investments for major share classes

	R	I
<b>Minimum initial investment</b>		
Currency	EUR	EUR
Amount	None	100,000
<b>One-off charges taken before or after you invest (maximum %)</b>		
Subscription	3.00	3.00
<b>Charges taken from the sub-fund over a year (maximum %)</b>		
Management	1.34	0.68
Operation	0.21	0.21
<b>Performance fee (maximum; charged as a % of outperformance)</b>		
Performance	20	20

**Reference for performance fee** Barclays Capital Euro Government Inflation-Linked Bond Index.

See "Notes on Sub-Fund Costs" immediately following the last sub-fund description for a fuller explanation of these fees, including the performance fee. For a current and complete listing of available share classes, go to [la-francaise.com](http://la-francaise.com).

# Global Credit Duration Hedged

## INVESTMENT OBJECTIVE AND POLICY

**Objective** To outperform (net of fees) the reference benchmark by at least 1%, over any given 3-year period.

### Reference benchmark

- EUR-denominated shares: 3-month Euribor Index
- USD-denominated shares: 3-month Libor Index in USD

**Investment policy** The sub-fund invests mainly in investment grade corporate bonds in any currency from issuers in OECD countries, including those considered emerging markets.

Specifically, the sub-fund invests in fixed rate and floating rate negotiable debt instruments, certificates of deposit and money market instruments issued or guaranteed by an OECD member state. The sub-fund invests mainly in securities that are rated at least BBB- by Standard & Poor's or judged equivalent by the investment manager at the time of the purchase.

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

- below investment grade or unrated securities: 10%
- contingent convertible bonds (coco bonds): 10%
- equities: 10%
- other UCITS/UCIs: 10%

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

The sub-fund's targeted duration is between zero and six months.

Non-USD investments are hedged to USD.

**Derivatives and techniques** The sub-fund may use derivatives as a substitute for direct investment, for hedging and for efficient portfolio management.

In addition to core derivatives (defined in "How the Sub-Funds Use Derivatives and Techniques"), the sub-fund may use credit default swaps (including those based on indices).

**Strategy** The investment manager uses qualitative and quantitative criteria for country allocation, as well as credit analysis to select securities that offer a superior combination of yield and creditworthiness. The investment manager also seeks to reduce or eliminate interest rate risk through duration hedging.

**Investment manager(s)** La Française Asset Management, Paris.

**Base currency** USD.

## MAIN RISKS

See "Risk Descriptions" for more information.

### Risks typically associated with ordinary market conditions

- Coco bonds
- Credit
- Currency
- Derivatives
- Emerging markets
- Hedging
- Interest rate
- Investment fund
- Management
- Market

### Risks typically associated with unusual market conditions

- Counterparty
- Default
- Liquidity
- Operational

**Risk management method** Absolute VaR.

**Expected maximum gross level of leverage** 250%.

To understand what the leverage metrics do and do not mean, see "Management and monitoring of derivatives risk".

## PLANNING YOUR INVESTMENT

**Suitability** Designed for investors who understand the risks of the sub-fund and plan to invest for at least 3 years.

The sub-fund may appeal to investors who:

- are looking for exposure to international bonds
- are interested in a bond investment that offers potential protection against interest rate risk

**Subscription, redemption and switch orders** Requests received and accepted by the transfer agent by 11:00 AM CET any day on which banks are normally open in Luxembourg and France are ordinarily processed the same business day.

### Costs and minimum investments for major share classes

	I	-
<b>Minimum initial investment</b>		
<b>Currency</b>	EUR, USD	—
<b>Amount</b>	500,000	—
<b>One-off charges taken before or after you invest (maximum %)</b>		
<b>Subscription</b>	3.00	—
<b>Charges taken from the sub-fund over a year (maximum %)</b>		
<b>Management</b>	0.41	—
<b>Operation</b>	0.36	—
<b>Performance fee (maximum; charged as a % of outperformance)</b>		
<b>Performance</b>	20	—

**Reference for performance fee** 3-month Euribor Index + 1% for class EUR; 3-month Libor Index in USD + 1% for class USD.

See "Notes on Sub-Fund Costs" immediately following the last sub-fund description for a fuller explanation of these fees, including the performance fee. For a current and complete listing of available share classes, go to [la-francaise.com](http://la-francaise.com).



# Global High Yield

## INVESTMENT OBJECTIVE AND POLICY

**Objective** To outperform (net of fees) the Barclays Global High Yield Corporate Total Return Index Hedged EUR, over any given 3-year period.

**Investment policy** The sub-fund invests mainly in below investment grade (high yield) bonds in any currency from issuers in OECD countries, including those considered emerging markets.

Specifically, the sub-fund invests in fixed and floating rate negotiable debt instruments, certificates of deposit and money market instruments issued by public and private issuers. The sub-fund invests in issues that are rated lower than BBB by Standard & Poor's or judged equivalent by the investment manager at the time of purchase.

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

- unrated securities: 20%
- contingent convertible bonds (coco bonds): 10%
- other UCITS/UCIs: 10%

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

Non-USD investments are hedged to USD.

**Derivatives and techniques** The sub-fund may use derivatives as a substitute for direct investment, for hedging and for efficient portfolio management.

In addition to core derivatives (defined in "How the Sub-Funds Use Derivatives and Techniques"), the sub-fund may use credit default swaps (including those based on indices).

**Strategy** The investment manager uses qualitative and quantitative criteria for country allocation, as well as credit analysis to select securities that offer a superior combination of yield and creditworthiness.

**Investment manager(s)** La Française Asset Management, Paris.

**Base currency** USD.

## MAIN RISKS

See "Risk Descriptions" for more information.

### Risks typically associated with ordinary market conditions

- Coco bonds
- Credit
- Currency
- Derivatives
- Emerging markets
- Interest rate
- Investment fund
- Management
- Market

### Risks typically associated with unusual market conditions

- Counterparty
- Default
- Liquidity
- Operational

**Risk management method** Absolute VaR.

**Expected maximum gross level of leverage** 250%.

To understand what the leverage metrics do and do not mean, see "Management and monitoring of derivatives risk".

## PLANNING YOUR INVESTMENT

**Suitability** Designed for investors who understand the risks of the sub-fund and plan to invest for at least 3 years.

The sub-fund may appeal to investors who:

- are looking for a higher-yielding bond investment
- are interested in diversifying a core investment portfolio

**Subscription, redemption and switch orders** Requests received and accepted by the transfer agent by 11:00 AM CET any day on which banks are normally open in Luxembourg and France are ordinarily processed the *same* business day.

### Costs and minimum investments for major share classes

	I	-
<b>Minimum initial investment</b>		
Currency	EUR	—
Amount	500,000	—
<b>One-off charges taken before or after you invest (maximum %)</b>		
Subscription	3.00	—
<b>Charges taken from the sub-fund over a year (maximum %)</b>		
Management	0.50	—
Operation	0.375	—
<b>Performance fee (maximum; charged as a % of outperformance)</b>		
Performance	None	—

See "Notes on Sub-Fund Costs" immediately following the last sub-fund description for a fuller explanation of these fees, including the performance fee. For a current and complete listing of available share classes, go to [la-francaise.com](http://la-francaise.com).

# JKC Asia Bond

## INVESTMENT OBJECTIVE AND POLICY

**Objective** To achieve income and capital growth (total return).

*Reference benchmark (for context purposes only)* Markit iBoxx Asian Dollar Bond Index.

**Investment policy** The sub-fund invests mainly in government and corporate bonds of any credit quality from Asian Pacific countries, excluding Japan.

Specifically, the sub-fund invests up to 100% net assets in fixed and floating rate debt securities as well as in inflation rate and money market instruments that are issued in those countries. In unusual market conditions, the sub-fund may also invest in US bonds.

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

- convertible bonds: 30%
- contingent convertible bonds (coco bonds): 20%
- equities (through exposure from convertible bonds): 10%
- other UCITS/UCIs: 10%

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

Net exposure to local currencies may be up to 20% of net assets, and to G7 currencies up to 100%. Non-USD investments may be hedged to USD.

The sub-fund's modified duration may vary from 0 to 10.

**Derivatives and techniques** The sub-fund may use derivatives as a substitute for direct investment, for hedging, for efficient portfolio management and to create leverage.

In addition to core derivatives (defined in "How the Sub-Funds Use Derivatives and Techniques"), the sub-fund may use credit default swaps (including those based on indices).

**Strategy** The investment manager uses a long-only approach that is based on global economic and financial analysis as well as analysis of companies' balance sheets and insights into sovereign debt fundamentals.

**Investment manager(s)** JK Capital Management Limited, Hong Kong.

**Investment advisor(s)** La Française Asset Management, Paris.

**Base currency** USD.

## MAIN RISKS

See "Risk Descriptions" for more information.

### Risks typically associated with ordinary market conditions

- Coco bonds
- Country risk – China
- Credit
- Currency
- Derivatives
- Emerging markets
- Inflation
- Interest rate
- Investment fund
- Leverage
- Management
- Market

### Risks typically associated with unusual market conditions

- Counterparty
- Default
- Liquidity
- Operational

**Risk management method** Absolute VaR.

**Expected maximum gross level of leverage** 400%.

To understand what the leverage metrics do and do not mean, see "Management and monitoring of derivatives risk".

## PLANNING YOUR INVESTMENT

**Suitability** Designed for investors who understand the risks of the sub-fund and plan to invest for at least 3 years.

The sub-fund may appeal to investors who:

- are looking for exposure to Asia-Pacific economies
- are interested in diversifying a core investment portfolio

**Subscription, redemption and switch orders** Requests received and accepted by the transfer agent by 11:00 AM CET any day on which banks are normally open in Luxembourg and Hong Kong are ordinarily processed the *same* business day.

### Costs and minimum investments for major share classes

	R	I
Currency and minimum initial investment		
Currency	EUR, USD	EUR, EUR H, USD
Amount	None	100,000
One-off charges taken before or after you invest (maximum %)		
Subscription	3.00	3.00
Charges taken from the sub-fund over a year (maximum %)		
Management	1.50	1.00
Operation	0.40	0.40
Performance fee (maximum; charged as a % of outperformance)		
Performance	None	None

See "Notes on Sub-Fund Costs" immediately following the last sub-fund description for a fuller explanation of these fees, including the performance fee. For a current and complete listing of available share classes, go to [la-francaise.com](http://la-francaise.com).

# JKC Asia Bond 2023

## INVESTMENT OBJECTIVE AND POLICY

**Objective** To achieve high income, over an investment period of 7 years from the launch date of the sub-fund.

**Investment policy** The sub-fund invests mainly in government and corporate bonds of any credit quality from Asian Pacific countries, excluding Japan, that mature on or before 31 December 2023.

Specifically, the sub-fund invests up to 100% of net assets in fixed and floating rate debt securities as well as in money market instruments that are issued in those countries. The sub-fund does not invest in securities that are distressed or defaulted at the time of investment. However, if they subsequently become distressed or defaulted, the sub-fund may continue to hold them.

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

- convertible bonds: 30%
- equities (through exposure from convertible bonds): 10%
- other UCITS/UCIs: 10%

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

The sub-fund's exposure to local or G7 currencies may be up to 100%. Non-USD investments are hedged to USD.

The sub-fund's modified duration may vary from 0 to 6 and decreases over time.

*Note: In the interest of shareholders, until 31 December 2020 (when the subscription period ends), portfolio securities that are listed or traded on an official stock market or other regulated market will be valued using the ask price; thereafter, these securities will be valued using the bid price.*

**Derivatives and techniques** The sub-fund may use derivatives as a substitute for direct investment, for hedging and for efficient portfolio management.

In addition to core derivatives (defined in "How the Sub-Funds Use Derivatives and Techniques"), the sub-fund may use credit default swaps (single name only).

For efficient portfolio management, the sub-fund may also use repurchase and reverse repurchase agreements.

**Strategy** The investment manager uses a long only approach that is based on global economic and financial analysis as well as analysis of companies' balance sheets and insights into sovereign debt fundamentals. The investment manager may also use arbitrage strategies in the event of market opportunities or changes in companies' risk profile.

**Investment manager(s)** JK Capital Management Limited, Hong Kong.

**Investment advisor(s)** La Française Asset Management, Paris.

**Base currency** USD.

## MAIN RISKS

See "Risk Descriptions" for more information.

### Risks typically associated with ordinary market conditions

- Country risk – China
- Credit
- Currency
- Derivatives
- Emerging markets
- Interest rate
- Investment fund
- Management
- Market

### Risks typically associated with unusual market conditions

- Counterparty
- Default
- Liquidity
- Operational

**Risk management method** Commitment.

## PLANNING YOUR INVESTMENT

**Suitability** Designed for investors who understand the risks of the sub-fund and plan to invest until the maturity of the sub-fund (31 December 2023).

The sub-fund may appeal to investors who:

- are looking for exposure to Asia-Pacific economies
- are interested in diversifying a core investment portfolio

**Subscription, redemption and switch orders** Requests received and accepted by the transfer agent by 11:00 AM CET any day on which banks are normally open in Luxembourg and Hong Kong are ordinarily processed the *following* business day.

Subscriptions will be closed on 31 December 2020 at 11:00 PM CET. From then on, only a subscription preceded by a redemption by the same shareholder on the same day and for the same number of shares may be executed.

Payment of redemption proceeds will be processed no later than 3 business days following the day on which the redemption request is received and accepted.

### Costs and minimum investments for major share classes

	R	I
<b>Currency and minimum initial investment</b>		
Currency	EUR H	EUR H, USD
Amount	1,000	100,000
<b>One-off charges taken before or after you invest (maximum %)</b>		
Subscription	3.00	3.00
<b>Charges taken from the sub-fund over a year (maximum %)</b>		
Management	1.10	0.60
Operation	0.365	0.325
<b>Performance fee (maximum; charged as a % of outperformance)</b>		
Performance	None	None

See "Notes on Sub-Fund Costs" immediately following the last sub-fund description for a fuller explanation of these fees, including the performance fee. For a current and complete listing of available share classes, go to [la-francaise.com](http://la-francaise.com).

# Multistrategies Obligataires

## INVESTMENT OBJECTIVE AND POLICY

**Objective** To achieve income and capital growth (total return). Specifically, the sub-fund seeks to outperform (net of fees) the reference benchmark by at least 3.5%, over any given 3-year period.

### *Reference benchmark*

- CHF-denominated shares: 3-month Libor Index in CHF
- EUR-denominated shares: 3-month Euribor Index
- GBP-denominated shares: 3-month Libor Index in GBP
- USD-denominated shares: 3-month Libor Index in USD

**Investment policy** The sub-fund invests mainly in bonds of any credit quality, including below investment grade bonds, and in any currency from OECD issuers.

Specifically, the sub-fund invests in fixed rate, floating rate or inflation-indexed debt securities and negotiable debt instruments.

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

- convertible bonds: 100%
- contingent convertible bonds (coco bonds): 20%
- mortgage- or asset-backed securities: 20%
- other UCITS/UCIs: 10%
- equities (through exposure from convertible bonds): 5%

The sub-fund may invest in credit notes. It does not invest in distressed/defaulted securities.

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

The sub-fund's net exposure (after hedging) to non-EUR currencies may be up to 10% of net assets.

The sub-fund's modified duration may vary from -3 to 5.

**Derivatives and techniques** The sub-fund may use derivatives as a substitute for direct investment, for hedging, for efficient portfolio management and to create leverage.

In addition to core derivatives (defined in "How the Sub-Funds Use Derivatives and Techniques"), the sub-fund may use credit default swaps and total return swaps based on developed and emerging market government debt and corporate bonds.

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

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

Specifically, these strategies include:

- a short-or-long directional strategy aiming to optimise the performance of the portfolio based on interest rate and inflation expectations
- an arbitrage strategy aiming to seek the relative value on various bond asset classes
- an interest rate curve strategy aiming to exploit the variations of the spreads between long-term rates and short-term rates
- a credit diversification strategy founded on the use of bonds issued by the private sector

**Investment manager(s)** La Française Asset Management, Paris.

**Base currency** EUR.

## MAIN RISKS

See "Risk Descriptions" for more information.

### **Risks typically associated with ordinary market conditions**

- |                          |                   |
|--------------------------|-------------------|
| • ABS/MBS/TBA            | • Inflation       |
| • Coco bonds             | • Interest rate   |
| • Convertible securities | • Investment fund |
| • Credit                 | • Leverage        |
| • Currency               | • Management      |
| • Derivatives            | • Market          |
| • Illiquid securities    |                   |

### **Risks typically associated with unusual market conditions**

- |                |               |
|----------------|---------------|
| • Counterparty | • Liquidity   |
| • Default      | • Operational |

**Risk management method** Absolute VaR.

**Expected maximum gross level of leverage** 500%.

To understand what the leverage metrics do and do not mean, see "Management and monitoring of derivatives risk".

## PLANNING YOUR INVESTMENT

**Suitability** Designed for investors who understand the risks of the sub-fund and plan to invest for at least 3 years.

The sub-fund may appeal to investors who:

- are looking for exposure to international bonds
- are interested in diversifying a core investment portfolio

**Subscription, redemption and switch orders** Requests received and accepted by the transfer agent by 11:00 AM CET any day on which banks are normally open in Luxembourg and France are ordinarily processed the *same* business day.

## Costs and minimum investments for major share classes

	R	I
<b>Currency and minimum initial investment</b>		
<b>Currency</b>	EUR, USD	CHF H, EUR
<b>Amount</b>	None	100,000
<b>One-off charges taken before or after you invest (maximum %)</b>		
<b>Subscription</b>	3.00	3.00
<b>Charges taken from the sub-fund over a year (maximum %)</b>		
<b>Management</b>	1.04	0.48
<b>Operation</b>	0.25	0.25
<b>Performance fee (maximum; charged as a % of outperformance)</b>		
<b>Performance</b>	25	25

**Reference for performance fee** 3-month Libor Index in CHF + 3.5% for class CHF; 3-month Euribor Index + 3.5% for class EUR; 3-month Libor Index in GBP + 3.5% for class GBP; 3-month Libor Index in USD + 3.5% for class USD.

See "Notes on Sub-Fund Costs" immediately following the last sub-fund description for a fuller explanation of these fees, including the performance fee. For a current and complete listing of available share classes, go to [la-francaise.com](http://la-francaise.com).



# Protectaux

## INVESTMENT OBJECTIVE AND POLICY

**Objective** To achieve a positive performance over a 2-year period, in an environment of rising 10-year interest rates within the Eurozone. Specifically, the sub-fund seeks to correlate its return with long-term interest rates.

**Reference benchmark (for context purposes only)** Lyxor Bund Daily (-1x) Inverse UCITS ETF – Acc (Bloomberg BUNS FP).

**Investment policy** The sub-fund invests mainly in top-rated government bonds that are denominated in EUR and are issued either in France or in other OECD countries.

Specifically, the sub-fund invests in fixed debt securities and negotiable debt instruments that are issued or guaranteed by the French state or an OECD member state. At the time of investment, these securities are rated AAA by Standard & Poor's or judged equivalent by the investment manager; however, if they subsequently decline in quality, the sub-fund may continue to hold them. However, the sub-fund will not allow more than 10% of net assets to be invested in securities that have declined to below investment grade levels.

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

- corporate bonds: 20%
- other UCITS/UCIs: 10%

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

The sub-fund's modified duration may vary from -10 to 2.

**Derivatives and techniques** The sub-fund may use derivatives as a substitute for direct investment, for hedging and for efficient portfolio management.

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

**Strategy** The investment manager actively manages short positions on futures and forward contracts to take advantage of potential interest rate rises.

**Investment manager(s)** La Française Asset Management, Paris.

**Base currency** EUR.

## MAIN RISKS

See "Risk Descriptions" for more information.

### Risks typically associated with ordinary market conditions

- Credit
- Derivatives
- Interest rate
- Investment fund
- Management
- Market

### Risks typically associated with unusual market conditions

- Counterparty
- Liquidity
- Operational

**Risk management method** Commitment.

## PLANNING YOUR INVESTMENT

**Suitability** Designed for investors who understand the risks of the sub-fund and plan to invest for at least 2 years.

The sub-fund may appeal to investors who:

- are interested in a bond investment that offers potential protection against interest rate risk
- are interested in a core investment portfolio

**Subscription, redemption and switch orders** Requests received and accepted by the transfer agent by 11:00 AM CET any day on which banks are normally open in Luxembourg and France are ordinarily processed the *same* business day.

### Costs and minimum investments for major share classes

	I	-
<b>Minimum initial investment</b>		
Currency	EUR	–
Amount	100,000	–
<b>One-off charges taken before or after you invest (maximum %)</b>		
Subscription	3.00	–
<b>Charges taken from the sub-fund over a year (maximum %)</b>		
Management	0.39	–
Operation	0.20	–
<b>Performance fee (maximum; charged as a % of outperformance)</b>		
Performance	None	–

See "Notes on Sub-Fund Costs" immediately following the last sub-fund description for a fuller explanation of these fees, including the performance fee. For a current and complete listing of available share classes, go to [la-francaise.com](http://la-francaise.com).

# GTS Réactif

## INVESTMENT OBJECTIVE AND POLICY

**Objective** To achieve long-term capital growth.

**Investment policy** The sub-fund invests mainly in equities and bonds from anywhere in the world, including emerging markets, directly or indirectly through investments in other funds.

Specifically, the sub-fund invests in equities and in floating rate, fixed rate or inflation-indexed debt securities and negotiable debt instruments. Although the fund has no minimum or maximum requirements as to sectors, countries or regions, at any given time it may have heavy exposure to specific types of investments.

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

- UCITS/UCIs: 60%
- equities: 50%
- contingent convertible bonds (coco bonds): 10%

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

**Derivatives and techniques** The sub-fund may use derivatives as a substitute for direct investment, for hedging and for efficient portfolio management.

**Strategy** The investment uses an active management approach (stock picking), selecting from a universe of listed equities and funds while limiting equity risk exposure. The investment manager also uses a short-or-long directional strategy.

**Investment manager(s)** La Française Asset Management, Paris.

**Base currency** EUR.

## MAIN RISKS

See "Risk Descriptions" for more information.

### Risks typically associated with ordinary market conditions

- Coco bonds
- Credit
- Emerging markets
- Equity
- Interest rate
- Investment fund
- Management
- Market

### Risks typically associated with unusual market conditions

- Default
- Liquidity
- Operational

**Risk management method** Commitment.

## PLANNING YOUR INVESTMENT

**Suitability** Designed for investors who understand the risks of the sub-fund and plan to invest for at least 5 years.

The sub-fund may appeal to investors who:

- are looking for exposure to a global asset mix
- are interested in diversifying a core investment portfolio

**Subscription, redemption and switch orders** Requests received and accepted by the transfer agent by 11:00 AM CET any day on which banks are normally open in Luxembourg and France are ordinarily processed the *following* business day.

### Costs and minimum investments for major share classes

	R	I
<b>Minimum initial investment</b>		
Currency	EUR	EUR
Amount	None	50,000
<b>One-off charges taken before or after you invest (maximum %)</b>		
Subscription	3.00	3.00
<b>Charges taken from the sub-fund over a year (maximum %)</b>		
Management	2.00	0.60
Operation	0.50	0.50
<b>Performance fee (maximum; charged as a % of outperformance)</b>		
Performance	None	None

The maximum management charge applied by the targeted UCITS/UCIs is 1.80%.

See "Notes on Sub-Fund Costs" immediately following the last sub-fund description for a fuller explanation of these fees, including the performance fee. For a current and complete listing of available share classes, go to [la-francaise.com](http://la-francaise.com).

# Multi-Asset Income

## INVESTMENT OBJECTIVE AND POLICY

**Objective** To achieve regular income and capital growth (total return) over the medium to long term.

The sub-fund intends to distribute income of at least 3% each year (rate defined at the beginning of each calendar year). These payments may reduce the sub-fund's capital.

**Investment policy** The sub-fund invests mainly in equities, bonds and real estate securities from anywhere in the world, including emerging markets.

Specifically, the sub-fund invests up to 100% of net assets in equities and/or floating rate, fixed rate or inflation-indexed debt securities and negotiable debt instruments. The sub-fund may invest substantially in issuers that are rated at least BBB- by Standard & Poor's or judged equivalent by the investment manager at the time of the purchase. Although the fund has no minimum or maximum requirements as to sectors, countries or regions, at any given time it may have heavy exposure to specific types of investments.

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

- equities: 100% (including exposure from convertible bonds up to 10%)
- real estate investment trusts (REITs) that qualify as transferable securities under the 2010 Law and related regulations, publically traded real estate preferred equities and debt securities, and equity-related securities of real estate operating companies: 40%
- convertible bonds: 30%
- contingent convertible bonds (coco bonds): 10%
- other UCITS/UCIs: 10%

The sub-fund may hold cash and cash equivalents on an ancillary basis. These may include monetary UCIs or UCIs whose investments' overall weighted maturity or rate reset frequency does not exceed 12 months. Net exposure to non-EUR currencies may be up to 100% of net assets.

The sub-fund's modified duration may vary from 0 to 15.

**Derivatives and techniques** The sub-fund may use derivatives as a substitute for direct investment, for hedging, for efficient portfolio management and to create leverage.

In addition to core derivatives (defined in "How the Sub-Funds Use Derivatives and Techniques"), the sub-fund may use credit default swaps and total return swaps based on emerging market government debt, corporate bonds and equities.

**Strategy** The investment manager uses a dynamic and flexible allocation process across selected asset classes.

**Investment manager(s)** La Française Asset Management, Paris.

**Sub-investment manager(s)** La Française Forum Securities (SG) Pte Limited, Singapore (real estate investments only).

**Base currency** EUR.

## MAIN RISKS

See "Risk Descriptions" for more information.

### Risks typically associated with ordinary market conditions

- Coco bonds
- Credit
- Convertible securities
- Currency
- Derivatives
- Emerging markets
- Equity
- Illiquid securities
- Interest rate
- Investment fund
- Leverage
- Management
- Market
- Real estate investments

### Risks typically associated with unusual market conditions

- Counterparty
- Default
- Liquidity
- Operational

**Risk management method** Absolute VaR.

**Expected maximum gross level of leverage** 500%.

To understand what the leverage metrics do and do not mean, see "Management and monitoring of derivatives risk".

## PLANNING YOUR INVESTMENT

**Suitability** Designed for investors who understand the risks of the sub-fund and plan to invest for at least 3 years.

The sub-fund may appeal to investors who:

- are looking for exposure to a global asset mix
- are interested in diversifying a core investment portfolio

**Subscription, redemption and switch orders** Requests received and accepted by the transfer agent by 11:00 AM CET any day on which banks are normally open in Luxembourg and France are ordinarily processed the *same* business day.

### Costs and minimum investments for major share classes

	R	I
Currency and minimum initial investment		
Currency	EUR, USD	EUR, USD
Amount	None	100,000
One-off charges taken before or after you invest (maximum %)		
Subscription	3.00	3.00
Charges taken from the sub-fund over a year (maximum %)		
Management	1.60	0.80
Operation	0.30	0.30
Performance fee (maximum; charged as a % of outperformance)		
Performance	None	None

See "Notes on Sub-Fund Costs" immediately following the last sub-fund description for a fuller explanation of these fees, including the performance fee. For a current and complete listing of available share classes, go to [la-francaise.com](http://la-francaise.com).

# NOTES ON SUB-FUND COSTS

These notes apply only to the share class tables in "Sub-Fund Descriptions".

## GENERAL

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The charges you pay as an investor in the sub-fund go to cover sub-fund operating costs, including marketing and distribution costs. These ongoing charges reduce the performance of your investment.

## CHARGES TAKEN FROM THE SUB-FUND OVER A YEAR

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These charges are the same for all shareholders of a given share class.

The management fee is payable to the management company to cover the charges from the investment manager(s) and any sub-investment managers and investment advisors.

The operation fee includes, among others, the fees payable to the depositary bank, administrator and transfer agent.

## PERFORMANCE FEE

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**General description** A performance fee is charged only on certain sub-funds and share classes, and only when a share class of a sub-fund outperforms its performance standard (a measure of relevant market performance) as stated in "Sub-Fund Descriptions".

**Measurement period** The cycle for performance fee measurement periods is the calendar year. For Euro Inflation and Multistrategies Obligataires, the measurement period resets yearly, whether any performance fee has been paid or not. For all other sub-funds, the measurement period resets only when a performance fee is payable at the end of a cycle. If no performance fee is payable, the measurement period is extended for another cycle. These extensions will continue until there is a payable performance fee as of the end of a cycle.

If a sub-fund or share class that carries a performance fee is launched during the course of a cycle, its first measurement period will extend from the launch date until the end of the calendar year. The same is true for any sub-fund or share class to which a performance fee is added.

**Performance standard** For each applicable sub-fund and share class, the performance standard is a hypothetical sub-fund that has all the same daily subscriptions and redemptions as the real sub-fund and class, but whose investment performance is that of a stated benchmark (such as an index, blend of indexes, or a rate).

**How the fee is calculated** At the beginning of each performance period, the fee is zero. On every day that is a business day for a sub-fund, we subtract the performance of the applicable performance standard from the performance of the actual sub-fund and share class.

When this number is positive, the share class has outperformed its performance standard, and the amount of this outperformance is the basis for any performance fees accrued that day. When this number is zero or negative, the share class has failed to outperform its performance standard, and no performance fee is payable.

The performance fee amount per share is the performance fee percentage (as stated in "Sub-Fund Descriptions") multiplied by the amount of outperformance.

**Fee caps** Regardless of results of any performance fee calculations, no sub-fund is permitted to pay out more than 2.50% of its assets in aggregate performance fees, with the following exceptions:

- Global Credit Duration Hedged: 2.00%
- Multistrategies Obligataires: no fee cap

**High water mark** Regardless of results of any performance fee calculations, the following will pay no performance fee if the NAV as of the time of fee crystallisation is no higher than the highest NAV ever previously achieved:

- Multistrategies Obligataires: Class I Distribution

**Crystallisation** A performance fee crystallises (becomes payable) under any of the following circumstances:

- on the last business day of a cycle
- when any shares are switched or redeemed (for those shares only)
- when any sub-fund is merged or liquidated

Once crystallised, a performance fee becomes non-refundable and is paid out to the management company. Performance fees are paid out of sub-fund assets (or, in the case of fees on redemptions or switches, deducted from the shares in question before the transaction is processed).

Because different share classes of a given sub-fund may have different NAVs, the actual performance fees paid may vary by share class. For distributing shares, any distributions paid out are counted as part of performance for purposes of performance fee calculation. Swing pricing or other adjustments intended to mitigate the effects of transaction volumes or costs are not counted in performance fee calculations.

## FEES FOR OTHER AVAILABLE CLASSES

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Fee information for classes R and I appears in "Sub-Fund Descriptions". The list below shows, for each fund, any other available share classes, followed by the applicable costs for each of these classes.

Figures for subscription and for all types of management fees are maximum charges. There are no switch or redemption fees for any sub-fund, nor are there performance, master fund management, or target fund management fees except where listed. Fees are the same for accumulation and distribution shares.

Sub-fund	Class	Subscription (%)	Management (%)	Operation (%)	Performance (%)
Forum Global Real Estate Securities	F	None	0.65	0.25	None
	J	5.00	1.03	0.45	None
	LatAm	5.00	2.00	0.45	None
	T	5.00	1.30	0.45	None
Inflection Point Carbon Impact Euro	F	None	None	0.50	None
Inflection Point Gonet Swiss Equity	S	None	0.80	0.30	None
Inflection Point Carbon Impact Global	S	3.00	1.00	0.30	None
	X	3.00	None	0.16	None
	T	None	1.00	0.30	None
Sustainable Real Estate Securities	S	None	0.40	0.36	None
Absolute Emerging Debt	F	None	None	0.06	None
	T	None	0.56	0.25	20
Euro Inflation	F	None	0.38	0.21	None
	T	None	0.68	0.21	20
Global Credit Duration Hedged	T	None	0.41	0.36	20
Global High Yield	S	3.00	0.35	0.375	None
	T	None	0.50	0.375	None
JKC Asia Bond	D	3.00	1.50	0.40	None
Multistratégies Obligataires	F	None	None	0.13	None
	T	None	0.48	0.25	25
Protectaux	F	None	None	0.06	None
GTS Réactif	B	3.00	1.25; targeted UCITS/ UCIs: 1.80	0.50	None
Multi-Asset Income	F	None	None	0.30	None
	T	None	0.80	0.30	None



# RISK DESCRIPTIONS

All investments involve risk. The risks of some of these sub-funds may be comparatively high.

The risk descriptions below correspond to the main risk factors listed for each sub-fund. A sub-fund could potentially be affected by risks beyond those listed for it or described here, nor are these risk descriptions themselves intended as exhaustive. Each risk is described as if for an individual sub-fund.

Any of these risks could cause a sub-fund or a share class to lose money, to perform less well than similar investments or a benchmark, to experience high volatility (ups and downs in NAV), or to fail to meet its objective over any period of time.

## RISKS TYPICALLY ASSOCIATED WITH ORDINARY MARKET CONDITIONS

*Risks included in this section are generally present to a material degree in ordinary market conditions, but also tend to be present – and more potent – in unusual market conditions.*

**ABS/MBS/TBA risk** Mortgage-backed and asset-backed securities (MBSs and ABSs) typically carry prepayment and extension risk and can carry above-average liquidity risk.

MBSs (a category that includes collateralised mortgage obligations, or CMOs) and ABSs represent an interest in a pool of debt, such as credit card receivables, auto loans, student loans, equipment leases, home mortgages and home equity loans.

MBSs and ABSs also tend to be of lower credit quality than many other types of debt securities. To the extent that the debts underlying an MBS or ABS go into default or become noncollectable, the securities based on those debts will lose some or all of their value.

To-be-announced (TBA) securities, which are MBSs or ABSs that are purchased sight unseen 48 hours before they are issued, can fall in value between the time the sub-fund commits to the purchase and the time of delivery.

**Coco bonds risk** Contingent convertible securities (coco bonds) are comparatively untested, their income payments may be cancelled or suspended, they are more vulnerable to losses than equities and they can become highly volatile and less liquid.

Additional Tier 1 securities – often referred to as contingent convertible notes – are perpetual subordinated instruments issued by banks globally, notably in Europe, to meet specific post-financial crisis regulatory requirements. They are structured such that they absorb losses at a time of stress. A stress event is defined as either a) a breach of a pre-determined core regulatory capital ratio (ie common equity Tier 1 capital-to-risk weighted assets falling below either 5.125%, 7% or in a few cases higher levels, depending on the domicile of the issuer) or b) at the bequest of the regulator should (higher) required capital levels no longer be met (a so-called "point of non-viability" event). Conversion

is either into equity (at a price ostensibly fixed at issue) or via a writedown mechanism (again, depending on structure or the jurisdiction of the issuer). Additional Tier 1 securities were first issued in the second quarter of 2013 and there are currently c80 liquid issues outstanding from c40 (largely European bank) issuers. To date no security has been triggered and all notes remain current. Issuers of such securities may tend to be those that are vulnerable to weakness in the financial markets. Because conversion occurs after a specified event, conversion may occur when the share price of the underlying equity is less than when the security was issued or purchased, resulting in greater potential compared to conventional convertible securities for capital loss.

The investments in contingent convertible securities may also entail the following risks (non-exhaustive list):

- **Coupon cancellation:** for some contingent convertible securities, coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time.
- **Yield:** investors have been drawn to the instruments as a result of the coco's often attractive yield which may be viewed as a complexity premium.
- **Valuation and write-down risks:** the value of contingent convertible securities may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets. Therefore, a sub-fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment.
- **Call extension risk:** some contingent convertible securities are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.
- **Capital structure inversion risk:** contrary to classical capital hierarchy, contingent convertible securities' investors may suffer a loss of capital when equity holders do not.
- **Conversion risk:** it might be difficult for the investment manager of the relevant sub-fund to assess how the securities will behave upon conversion. In case of conversion into equity, the investment manager might be forced to sell these new equity shares since the investment policy of the relevant sub-fund does not allow equity in its portfolio. This forced sale may itself lead to liquidity issue for these shares.
- **Unknown risk:** the structure of contingent convertible securities is innovative yet untested
- **Industry concentration risk:** investment in contingent convertible securities may lead to an increased industry concentration risk as such securities are issued by a limited number of banks.
- **Trigger level risk:** trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the investment manager of the relevant sub-fund to anticipate the triggering events that would require the debt to convert into equity.

**Concentration risk** To the extent that the sub-fund invests a large portion of its assets in a limited number of industries, sectors, or issuers, or within a limited geographical area, it can be more risky than a sub-fund that invests more broadly.

Focusing on any company, industry, sector, country, region, type of stock, type of economy, etc. makes the sub-fund more sensitive to the factors that determine market value for the area of focus. These factors may include economic, financial or market conditions as well as social, political, economic, environmental or other conditions. The result can be both higher volatility and a greater risk of loss.

**Country risk – China** All investments in China are subject to emerging market risks. In addition, the legal rights of investors in China are uncertain, government intervention is common, and some trading and custody systems are unproven.

**Convertible securities risk** Because convertible securities are structured as bonds that typically can, or must, be repaid with a predetermined quantity of equity shares, rather than cash, they carry both equity risk and the credit and default risks typical of bonds.

**Credit risk** A bond or money market security could lose value if the issuer's financial health deteriorates. This risk is greater the lower the credit quality of the debt, and the greater the sub-fund's exposure to below investment grade bonds.

If the financial health of the issuer of a bond or money market security weakens, or if the market believes it may weaken, the value of the bond or money market security may fall or become more volatile, and it may become illiquid.

Below investment grade bonds are considered speculative. Compared to investment grade bonds, the prices and yields of below investment grade bonds are more sensitive to economic events and more volatile, and the bonds are less liquid.

Debt issued by governments and government-owned or -controlled entities can be subject to many risks, especially in cases where the government is reliant on payments or extensions of credit from external sources, is unable to institute necessary systemic reforms or control domestic sentiment, or is unusually vulnerable to changes in geopolitical or economic sentiment.

**Currency risk** Changes in currency exchange rates could reduce investment gains or increase investment losses, in some cases significantly.

Exchange rates can change rapidly and unpredictably, and it may be difficult for the sub-fund to unwind its exposure to a given currency in time to avoid losses. Intervention by a central bank, such as aggressive buying or selling of currencies, changes in interest rates, restrictions on capital movements or a "de-pegging" of one currency to another, could cause abrupt and/or long-term changes in relative currency values.

**Derivatives risk** Certain derivatives could behave unexpectedly or could expose the sub-fund to losses that are significantly greater than the cost of the derivative.

Derivatives in general are highly volatile and do not carry any voting rights. The pricing and volatility of many derivatives (especially credit default swaps) may diverge from strictly reflecting the pricing or volatility of their underlying reference(s). In difficult market conditions, it may be impossible or unfeasible to place orders that would limit or offset the market exposure or financial losses created by certain derivatives.

Using derivatives involves costs that the sub-fund would not otherwise incur.

Changes in tax, accounting, or securities laws could cause the value of a derivative to fall or could force the sub-fund to terminate a derivative position under disadvantageous circumstances.

**OTC derivatives** Because OTC derivatives are in essence private agreements between a sub-fund and one or more counterparties, they are less highly regulated than market-traded securities. OTC derivatives carry greater counterparty risk and liquidity risk, and it may be more difficult to force a counterparty to honor its obligations to a sub-fund. If a counterparty ceases to offer a derivative that a sub-fund had been planning on using, the sub-fund may not be able to find a comparable derivative elsewhere and may miss an opportunity for gain or find itself unexpectedly exposed to risks or losses, including losses from a derivative position for which it was unable to buy an offsetting derivative.

Because it is generally impractical for the SICAV to divide its OTC derivative transactions among a wide variety of counterparties, a decline in the financial health of any one counterparty could cause significant losses. Conversely, if any sub-fund experiences any financial weakness or fails to meet an obligation, counterparties could become unwilling to do business with the SICAV, which could leave the SICAV unable to operate efficiently and competitively.

**Exchange-traded derivatives** While exchange-traded derivatives are generally considered lower-risk than OTC derivatives, there is still the risk that a suspension of trading in derivatives or in their underlying assets could make it impossible for a sub-fund to realize gains or avoid losses, which in turn could cause a delay in handling redemptions of shares. There is also a risk that settlement of exchange-traded derivatives through a transfer system may not happen when or as expected.

**Emerging markets risk** Emerging markets are less established, and more volatile, than developed markets and involve higher risks, particularly market, liquidity and currency risks.

Reasons for this higher risk include:

- political, economic, or social instability
- economies that are heavily reliant on particular industries, commodities, or trading partners
- high or capricious tariffs or other forms of protectionism

- regulations, laws, or practices that place outside investors at a disadvantage
- failure to enforce laws or regulations, to provide fair or functioning mechanisms for resolving disputes or pursuing recourse, or to otherwise recognise the rights of investors as understood in developed markets
- excessive fees, trading costs, taxation, or outright seizure of assets
- inadequate reserves to cover issuer or counterparty defaults
- incomplete, misleading, or inaccurate information about securities and their issuers
- lack of uniform accounting, auditing and financial reporting standards
- manipulation of market prices by large investors
- arbitrary delays and market closures
- market infrastructure that is unable to handle peak trading volumes
- fraud, corruption and error

In certain countries, securities markets may also suffer from impaired efficiency and liquidity, which may worsen price volatility and market disruptions.

To the extent that emerging markets are in different time zones from Luxembourg, the sub-fund might not be able to react in a timely fashion to price movements that occur during hours when the sub-fund is not open for business.

For purposes of risk, the category of emerging markets includes markets that are less developed, such as most countries in Asia, Africa, South America and Eastern Europe, as well as countries such as China, Russia and India that have successful economies but may not offer the highest levels of investor protection.

**Equity risk** Equities can lose value rapidly, and typically involve higher risks than bonds or money market instruments.

If a company goes through bankruptcy or a similar financial restructuring, its equities may lose most or all of their value.

**Hedging risk** Any attempts to reduce or eliminate certain risks may not work as intended, and to the extent that they do work, they will generally eliminate potentials for gain along with risks of loss.

Any measures that the fund takes that are designed to offset changes in currencies or interest rates, or any other risk, may work imperfectly, may not be feasible at times, or may fail completely. The fund may use hedging within its portfolio, and, with respect to any designated share classes, to hedge the currency exposure of the class. Hedging involves costs, which reduce investment performance.

**Illiquid securities risk** Certain securities may, by nature, be hard to value or sell at a desired time and price, especially in any quantity.

This may include securities that are labelled as illiquid, such as Rule 144A securities, as well as a security of any type that represents a small issue, trades infrequently, or is traded on markets that are comparatively small or that have long settlement times.

**Inflation risk** If inflation falls or remains low, the yields on short-term inflation-linked securities will fall or remain low.

**Interest rate risk** When interest rates rise, bond values generally fall. This risk is generally greater the longer the maturity of a bond investment is.

**Investment fund risk** As with any investment fund, investing in the sub-fund involves certain risks an investor would not face if investing in markets directly:

- the actions of other investors, in particular sudden large outflows of cash, could interfere with orderly management of the sub-fund and cause its NAV to fall
- the investor cannot direct or influence how money is invested while it is in the sub-fund
- the sub-fund's buying and selling of investments may not be optimal for the tax efficiency of any given investor
- the sub-fund is subject to various investment laws and regulations that limit the use of certain securities and investment techniques that might improve performance; to the extent that the sub-fund decides to register in jurisdictions that impose narrower limits, this decision could further limit its investment activities
- because the sub-fund is based in Luxembourg, any protections that would have been provided by other regulators (including, for investors outside Luxembourg, those of their home regulator) may not apply
- because sub-fund shares are not publicly traded, the only option for liquidation of shares is generally redemption, which could be subject to any redemption policies set by the sub-fund
- to the extent that the sub-fund invests in other UCITS/UCIs, it may incur a second layer of investment fees, which will further erode any investment gains
- because of how performance fees are calculated, it is possible that in some cases an investor could end up paying a performance fee even though their actual performance is negative
- the SICAV may not be able to hold a service provider fully responsible for any losses or lost opportunities arising from the service provider's misconduct; for instance, the depositary bank is only liable for negligence and willful default on the part of itself and any local agent
- to the extent that the SICAV conducts business with affiliates of La Française, and these affiliates (and affiliates of other service providers) do business with each other on behalf of the SICAV, conflicts of interest may be created (although to mitigate these, all such business dealings must be conducted on an "arm's length" basis, and all entities, and the individuals associated with them, are subject to strict "fair dealing" policies that prohibit profiting from inside information and showing favoritism)
- changes in taxes or regulations could cause the sub-fund to incur costs, inefficiencies or losses, and could limit its investment management options or impair its ability to pursue its objective

- the use of collateral, whether in connection with derivatives, securities lending or reverse repurchase agreements, could fail to fully cover any losses, and could involve liquidity risks
- because there is no segregation of liability between share classes within a sub-fund, investors in a share class may be negatively affected by techniques and transactions carried out in other share classes of the same sub-fund. A list of share classes with a risk of share class contagion can be obtained from the management company upon request.

**Leverage risk** The sub-fund's high net exposure to certain investments could make its share price more volatile.

To the extent that the sub-fund uses derivatives or securities lending to increase its net exposure to any market, rate, basket of securities or other financial reference source, fluctuations in the price of the reference source will be amplified at the sub-fund level.

**Management risk** The sub-fund's management team may be wrong in its analysis, assumptions, or projections.

This includes projections concerning industry, market, economic, demographic, or other trends. It also includes the analysis the management team uses to determine arbitrage positions (positions that seek to exploit price differences for the same or similar investment exposures in different markets).

**Market risk** Prices and yields of many securities can change frequently, and can fall based on a wide variety of factors.

Examples of these factors include:

- political and economic news
- government policy
- changes in technology and business practices
- changes in demographics, cultures and populations
- natural or human-caused disasters
- weather and climate patterns
- scientific or investigative discoveries
- costs and availability of energy, commodities and natural resources

The effects of market risk can be immediate or gradual, short-term or long-term, narrow or broad.

**Real estate investments risk** Real estate and related investments can be hurt by any factor that makes an area or individual property less valuable.

Specifically, investments in real estate holdings or related businesses or securities (including interests in mortgages) can be hurt by natural disasters, economic declines, overbuilding, zoning changes, tax increases, population or lifestyle trends, environmental contamination, defaults on mortgages, failures of management and other factors that may affect the market value or cash flow of the investment.

Many issuers of real estate related securities are highly leveraged, which can make their securities more volatile. The value of real estate-related securities does not necessarily track the value of the underlying assets.

**Securities handling risk** Some countries may restrict securities ownership by outsiders or may have less regulated custody practices.

These practices may leave the sub-fund more vulnerable to fraud, error, ownership disputes, and other sources of financial loss unrelated to market declines.

#### RISKS TYPICALLY ASSOCIATED WITH UNUSUAL MARKET CONDITIONS

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*Risks included in this section are generally not present to a material degree in normal market conditions (although they may be present to a limited degree). During unusual market conditions, however, these risks can be among the most serious.*

**Counterparty risk** An entity with which the sub-fund does business could become unwilling or unable to meet its obligations to the sub-fund.

**Default risk** The issuers of certain bonds could become unable to make payments on their bonds.

Bonds that are in default may become illiquid or worthless.

**Liquidity risk** Any security could become hard to value or to sell at a desired time and price.

Liquidity risk could affect the sub-fund's ability to repay repurchase agreement proceeds by the agreed deadline.

**Operational risk** In any country, but especially in emerging markets, there could be losses due to errors, service disruptions or other failures, as well as fraud, corruption, electronic crime, instability, terrorism or other irregular events.

Operational risks may subject the sub-fund to errors affecting valuation, pricing, accounting, tax reporting, financial reporting, custody and trading, among other things. Operational risks may go undetected for long periods of time, and even if they are detected it may prove impractical to recover prompt or adequate compensation from those responsible.

**Standard practices risk** Investment management practices that have worked well in normal market conditions could prove ineffective or detrimental at other times.



# GENERAL INVESTMENT POWERS AND RESTRICTIONS

Each sub-fund, and the SICAV itself, must comply with all applicable EU and Luxembourg laws and regulations, as well as certain circulars, technical standards and other requirements. This section presents, in tabular form, the portfolio management requirements of the 2010 law (the main law governing the operation of a UCITS) as well as the ESMA requirements for risk monitoring and management. In case of any discrepancy the law itself (in the original French) would prevail.

In the case of any detected violation of the 2010 law by a sub-fund, the investment manager must make compliance with the relevant policies a priority in its securities trades and management decisions for the sub-fund, taking due account of the interests of shareholders.

Except where noted, all percentages and restrictions apply to each sub-fund individually, and all asset percentages are measured as a percentage of total net assets of the relevant sub-fund.

## PERMITTED ASSETS, TECHNIQUES AND TRANSACTIONS

The table below describes what is allowable to the SICAV and the sub-funds. The sub-funds may set limits that are more restrictive in one way or another, based on their investment objectives and policies as more fully described in "Sub-Fund Descriptions". A sub-fund's usage of any asset, technique or transaction must be consistent with its investment policies and restrictions.

No sub-fund can acquire assets that come with unlimited liability attached, underwrite securities of other issuers, or issue warrants or other rights to subscribe for their shares.

Security/Transaction	Requirements	
<b>1. Transferable securities and money market instruments</b>	Must be listed or traded on an official stock exchange in an eligible state, or on a regulated market in an eligible state (a market that operates regularly, is recognised and is open to the public).	Recently issued securities must include in their terms of issue a commitment to apply for official listing on a regulated market and such admission must be received within 12 months of issue.
<b>2. Money market instruments that do not meet the requirements in row 1</b>	Must be subject (at the securities or issuer level) to regulation aimed at protecting investors and savings and must meet one of the following: <ul style="list-style-type: none"> <li>be issued or guaranteed by a central, regional or local authority, or a central bank of an EU Member State, the European Central Bank, the European Investment Bank, the EU, a public international body to which at least one EU Member State belongs, a sovereign nation, or a member state of a federation</li> <li>be issued by an undertaking of any securities that qualify under row 1 (with exception of recently issued securities)</li> <li>be issued or guaranteed by an institution that is subject to, and complies with, EU prudential supervision rules or other rules the CSSF considers to be at least as stringent</li> </ul>	Can also qualify if the issuer belongs to a category approved by the CSSF, is subject to investor protections that are equivalent to those described directly at left, and meets one of the following criteria: <ul style="list-style-type: none"> <li>is issued by a company with at least EUR 10 million in capital and reserves that publishes annual accounts consistent with fourth Directive 78/660/EEC</li> <li>is issued by an entity dedicated to financing a group of companies at least one of which is publicly listed</li> <li>is issued by an entity dedicated to financing securitisation vehicles that benefit from a banking liquidity line</li> </ul>
<b>3. Transferable securities and money market instruments that do not meet the requirements in rows 1 and 2</b>	Limited to 10% of Sub-Fund assets.	
<b>4. Units of UCITS or other UCIs that are not linked to the SICAV*</b>	Must be limited by constitutional documents to investing no more than 10% of assets in aggregate in other UCITS or other UCIs. If the target investment is an "other UCI", it must: <ul style="list-style-type: none"> <li>invest in UCITS-allowable investments</li> <li>be authorised by an EU member state or by a state the CSSF considers to have equivalent laws on supervision, with adequate cooperation between authorities sufficiently ensured that enable an assessment of assets, liabilities, income and operations over the reporting period</li> </ul>	<ul style="list-style-type: none"> <li>offer investor protections that are equivalent to those of a UCITS, in particular as to the rules on asset segregation, borrowing, lending and uncovered sales</li> </ul>
<b>5. Units of UCITS or other UCIs that are linked to the SICAV*</b>	Must meet all requirements in row 4. The Fund's annual report must state the total annual management and advisory fees charged both to the Sub-Fund and to the UCITS/other UCIs in which the Sub-Fund has invested during the relevant period.	The underlying UCITS/UCI cannot charge a Sub-Fund any fees for buying or redeeming shares.
<b>6. Shares of other sub-funds of the SICAV</b>	Must meet all requirements in rows 4 and 5. The target sub-fund cannot invest, in turn, in the acquiring sub-fund (reciprocal ownership). The acquiring sub-fund surrenders all voting rights in shares it acquires.	The shares do not count as assets of the acquiring sub-fund for purposes of minimum asset thresholds imposed by the 2010 Law.
<b>7. Real estate and commodities, including precious metals</b>	Direct ownership of precious metals and other commodities, or certificates representing them, is prohibited. Indirect investment exposure is allowed through permitted investments outlined in this table and compliant with the 2010 law.	The SICAV may only directly purchase real estate or other tangible property that is directly necessary to its business.

\* A UCITS/UCI is considered to be linked to the SICAV if both are managed or controlled by the same management company or another affiliated entity.



<b>8. Deposits with credit institutions</b>	Must be repayable or withdrawable on demand, and any maturity date must be no more than 12 months.	The credit institutions either must either have a registered office in an EU member state or, if not, be subject to prudential supervision rules the CSSF consider to be at least as stringent as EU rules.
<b>9. Cash and cash equivalent</b>	Allowed on an ancillary basis.	
<b>10. Derivatives and equivalent cash-settled instruments</b>	Underlying assets must be those described in rows 1, 2, 4, 5, 6 and 8 or must be eligible financial indices (compliant with article 9 of the grand-ducal regulation of 8 Feb 2008), interest rates, foreign exchange rates or currencies consistent with sub-fund investment objectives and policies.  All usage must be adequately captured by the risk management process described in "Management and Monitoring of Derivatives Risk" below.	OTC derivatives must meet all of the following criteria: <ul style="list-style-type: none"> <li>• be subject to reliable and verifiable independent daily valuations</li> <li>• be able to be sold, liquidated or closed by an offsetting transaction at their fair value at any time at the SICAV's initiative</li> <li>• be with counterparties that are institutions subject to prudential supervision and that belong to categories approved by the CSSF</li> </ul> <i>See also "How the Sub-Funds Use Instruments and Techniques".</i>
<b>11. Securities lending, repurchase transactions and reverse repurchase transactions</b>	Must be used for efficient portfolio management only.  The volume of transactions must not interfere with a Sub-fund's pursuit of its investment policy or its ability to meet redemptions. With loans of securities and with repurchase transactions, the sub-fund must ensure that it has sufficient assets to settle the transaction.  All counterparties must be subject to EU prudential supervision rules or to rules the CSSF consider to be at least as stringent.  A sub-fund may lend securities: <ul style="list-style-type: none"> <li>• directly to a counterparty</li> <li>• through a lending system organised by a financial institution that specialises in this type of transaction</li> <li>• through a standardised lending system organised by a recognised clearing institution</li> </ul>	For each transaction, the sub-fund must receive and hold collateral that is at least equivalent, at all times during the lifetime of the transactions, to the full current value of the securities lent.  The sub-fund must have the right to terminate any of these transactions at any time and to recall the securities that have been lent or are subject to the repurchase agreement.  <i>See also "How the Sub-Funds Use Instruments and Techniques".</i>
<b>12. Borrowing</b>	The SICAV is not allowed to borrow in principle except if it is on a temporary basis and represents no more of 10% of a sub-fund's assets.	The SICAV may however acquire foreign currency by means of back-to-back loans.
<b>13. Short sales</b>	Direct short sales are prohibited.	Short positions may be acquired only through derivatives.

## LIMITS TO PREVENT SIGNIFICANT CONCENTRATION OF OWNERSHIP

These limits are intended to prevent the SICAV or a sub-fund from the risks that could arise (for itself or an issuer) if it were to own a significant percentage of a given security or issuer. A sub-fund does not need to comply with the investment limits described in this table when exercising subscription rights attaching to transferable securities or money market instruments that form part of its assets, so long as any violations of the investment restrictions resulting from the exercise of subscription rights are corrected as described above.

Category of securities	Maximum ownership, as a % of the total value of the securities issued	
<b>Securities carrying voting rights</b>	Less than would enable the SICAV to exercise significant influence over the management of an issuer.	<p>These limits can be disregarded at purchase if at that time the gross amount of bonds or money market instruments, or the net amount of the instruments in issue, cannot be calculated.</p> <p>These rules do not apply to:</p> <ul style="list-style-type: none"> <li>• securities described in row A of the table above</li> <li>• shares of a non-EU company that invests mainly in its home country and represents the only way to invest in that country in accordance with the 2010 Law</li> <li>• shares of subsidiaries that provide management, advice or marketing in their country, when done as a way of effecting repurchase transactions for shareholders in accordance with the 2010 Law</li> </ul>
<b>Non-voting securities of any one issuer</b>	10%	
<b>Debt securities of any one issuer</b>	10%	
<b>Money market securities of any one issuer</b>	10%	
<b>Shares of any UCITS or other UCI</b>	25%	

## DIVERSIFICATION REQUIREMENTS

To ensure diversification, a sub-fund cannot invest more than a certain percentage of its assets in one issuer or single body, as defined below. These diversification rules do not apply during the first six months of a sub-fund's operation, but the sub-fund must observe the principle of risk spreading.

For purposes of this table, companies that share consolidated accounts, in accordance with Directive 2013/341/EU or with recognised international accounting rules, are considered to be a single issuer.

Category of securities	Maximum investment, as a % of sub-fund net assets (except where noted)			
	In any one issuer	In aggregate	Other	Exceptions
<b>A. Transferable securities and money market instruments issued or guaranteed by a sovereign nation, any EU public local authority, or any public international body to which one or more EU member states belongs</b>	35%	35%		A sub-fund may invest up to 100% of its assets in as few as six issues if it is investing in accordance with the principle of risk spreading and meets both of the following criteria: <ul style="list-style-type: none"> <li>it invests no more than 30% in any one issue</li> <li>the securities are issued by an EU member state, its local authorities or agencies, a member state of the OECD or of the G20, Singapore or by a public international body of which one or more EU member state belongs</li> </ul> The exception described for row C applies to this row as well.
<b>B. Bonds issued by a credit institution whose registered office is in an EU member state and which is subject by law to special public supervision designed to protect bondholders*.</b>	25%		80% in any issuer in whose bonds a sub-fund has invested more than 5% of assets.	
<b>C. Any transferable securities and money market instruments other than those described in rows A and B above.</b>	10%	20%	20% in transferable securities and money market instruments within the same group. 40% in aggregate in all issuers in which a sub-fund has invested more than 5% of its assets (does not include deposits and OTC derivative contracts with financial institutions subject to prudential supervision and securities referred to under rows A and B).	For index-tracking sub-funds, the 10% increases to 20% in the case of a published, sufficiently diversified index that is adequate as a benchmark for its market and is recognised by the CSSF. This 20% increases to 35% (but for one issuer only) in exceptional circumstances, such as when the security is highly dominant in the regulated market in which it trades.
<b>D. Deposits with credit institutions.</b>	20%			
<b>E. OTC derivatives with a counterparty that is a credit institution as defined in row 8 above (first table in section).</b>	Max risk exposure 10%			
<b>F. OTC derivatives with any other counterparty.</b>	Max risk exposure 5%			
<b>G. Units of UCITS or UCIs as defined in rows 4 and 5 above (first table in section).</b>	With no specific statement in the sub-fund's objective and policies, 10% in aggregate in one or more UCITS or other UCIs. With a specific statement: <ul style="list-style-type: none"> <li>20% in any one UCITS or UCI</li> <li>30% in aggregate in all UCIs other than UCITS</li> <li>100% in aggregate in all UCITS</li> </ul>		Target sub-funds of an umbrella structure whose assets and liabilities are segregated are considered as a separate UCITS or other UCI.  Assets held by the UCITS or other UCIs do not count for purposes of complying with rows A - F of this table.	

\* In particular, all sums deriving from their issuance must be invested in accordance with the law in assets that, for the life of the bonds, are capable of covering all claims attaching to the bonds and in case of issuer bankruptcy would be used, on a priority basis, to reimburse principal and accrued interest.

The SICAV can create one or more sub-funds that qualify as a master fund or a feeder fund, or can designate any existing sub-fund a master fund or a feeder fund. The rules below apply to any sub-fund that is a feeder fund.

Security	Investment Requirements	Other Terms and Requirements
<b>Units of the master UCITS</b>	At least 85% of assets.	The master UCITS cannot charge any fees for buying or redeeming shares/units.
<b>Derivatives, ancillary cash and cash equivalents</b>	Up to 15% of assets.	Derivatives must only be used for hedging. In measuring derivatives exposure, the feeder fund must combine its own direct exposure with the exposure of the master UCITS.

## MANAGEMENT AND MONITORING OF DERIVATIVES RISK

The management company uses a risk management process, approved and supervised by its board, to monitor and measure at any time the overall risk profile of each sub-fund, including the risk of each OTC derivatives position.

Risk exposure assessments are calculated every trading day, and encompass numerous factors, including coverage for contingent liabilities created by derivative positions, counterparty risk, foreseeable market movements and the time available to liquidate positions.

Any derivatives embedded in transferable securities or money market instruments count as derivatives held by the sub-fund, and any exposure to transferable securities or money market instruments gained through derivatives (except index-based derivatives) counts as investment in those securities or instruments.

**Risk monitoring approaches** There are three possible risk measurement approaches, as described below. The management company chooses which approach each sub-fund will use, based on the sub-fund's investment strategy. Where a sub-fund's use of derivatives is mostly for hedging and efficient portfolio management purposes, the commitment method is usually used. Where a sub-fund may use derivatives extensively, Absolute VaR is usually used, unless the sub-fund is managed with respect to a benchmark, in which case Relative VaR is used.

The board can require a sub-fund to use an additional approach but (for reference only, not for compliance purposes), and can change the approach if it believes the current method is no longer appropriate.

Approach	Description
<b>Absolute Value-at-Risk (Absolute VaR)</b>	The sub-fund seeks to estimate the maximum potential loss it could experience in a month (20 trading days) under normal market conditions. The estimate is based on the previous 12 months (250 business days) of the sub-fund's performance, and requires that 99% of the time, the sub-fund's worst outcome is no worse than a 20% decline in net asset value.
<b>Relative Value-at-Risk (Relative VaR)</b>	The same as Absolute VaR, except that the worst-outcome estimate is an estimate of how much the sub-fund could underperform a stated benchmark. The VaR of the sub-fund cannot exceed twice the VaR of the benchmark.
<b>Commitment</b>	The sub-fund calculates its global exposure by taking into account either the market value of an equivalent position in the underlying asset or the derivative's notional value, as appropriate. This approach allows the sub-fund to reduce its global exposure by taking into account the effects of any hedging or offsetting positions. Note that with the commitment approach, certain types of risk-free transactions, leverage-free transactions and non-leveraged swaps can be excluded from the calculation. A sub-fund using this approach must ensure that its overall market exposure from derivatives commitments does not exceed 100% of its net assets.

**Gross leverage** Any sub-fund that uses the Absolute or Relative VaR approaches must also calculate its expected gross level of leverage, which is stated in "Sub-Fund Descriptions". A sub-fund's expected level of leverage is an indicative level, not a regulatory limit, and the actual level may exceed the expected level from time to time. However, a sub-fund's use of derivatives will remain consistent with its investment objective and policies and risk profile and will comply with its VaR limit.

Gross leverage is a measure of total exposure of all derivatives and is calculated as the "sum of the notionals" without any netting of opposing positions. As the leverage calculation considers neither sensitivity to market movements nor whether it increases or decreases the overall sub-fund risk, it may not be representative of the actual investment risk level within a sub-fund.

# HOW THE SUB-FUNDS USE DERIVATIVES AND TECHNIQUES

## LEGAL AND REGULATORY FRAMEWORK

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A sub-fund may use the following instruments and techniques for the purposes of efficient portfolio management (as described above) to the extent allowed by and within the limits set forth in the Grand Ducal regulation of 8 February 2008, CSSF Circulars 08/356 and 14/592, and any other applicable law and regulation.

## WHAT THE SUB-FUNDS MAY USE DERIVATIVES FOR

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A sub-fund may use derivatives for any of the following purposes, consistent with what is described in "Sub-Fund Descriptions".

**Hedging** Hedging is taking a market position that is in the opposite direction from the position created by other portfolio investments, for the purpose of reducing or canceling out exposure to price fluctuations or certain factors that contribute to them.

- **Currency hedging** Typically done using currency forwards. The goal is to hedge against currency risk. Can be done at the sub-fund level and at the share class level (for share classes that are hedged to a different currency than the sub-fund's base currency). A sub-fund may engage in direct hedging (same currency, opposite position) and in cross-hedging (reducing exposure to one currency while increasing exposure to another). When a sub-fund holds assets denominated in multiple currencies, there is a greater risk that currency risk will not be fully hedged.
- **Duration hedging** Typically done using interest rate futures. The goal is to adjust the effective duration of the portfolio either higher or lower in order to reduce the impact of interest rate movements.
- **Interest rate hedging** Typically done using interest rate futures, interest rate swaps, selling call options on interest rates or buying put options on interest rates. The goal is to hedge against interest rate risk.
- **Credit hedging** Typically done using credit default swaps. The goal is to hedge against credit risk. This includes hedges against the risks of specific assets or issuers as well as proxy hedges (hedges against securities to which the sub-fund is not directly exposed but which are expected to behave similarly to securities to which it is directly exposed).
- **Equity hedging** Typically done using futures and options. The goal is to hedge against investment risk.

**Investment exposure** A sub-fund may use any allowable derivative as a substitute for permissible direct investment.

**Leverage** A sub-fund may use any allowable derivative to increase its total investment exposure beyond what would be possible through direct investment (leverage). A leveraged portfolio is typically more volatile than an unleveraged one.

**Short exposure** Taking a short position (position that moves in the opposite direction of a long, or ownership, position) on a security, index, rate or other reference asset.

**Efficient portfolio management** Reducing risks or costs or generating additional capital or income.

## DERIVATIVES THE SUB-FUNDS MAY USE

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A derivative is a financial contract whose value depends on the performance of one or more reference assets (such as a security or basket of securities, an index or an interest rate).

The following are the most common derivatives (though not necessarily all derivatives) used by the sub-funds:

*Core Derivatives – may be used by any sub-fund, consistent with its investment policy*

- financial futures
- options, such as options on equities, interest rates, indices, bonds, currencies or commodity indices
- warrants
- forwards, such as foreign exchange contracts, and including non-deliverable forwards
- swaps (contracts where two parties exchange the returns from two different reference assets, such as foreign exchange or interest rate swaps, but NOT including total return, credit default, commodity index, volatility or variance swaps)

*Additional Derivatives – any intent to use will be disclosed in "Sub-Fund Descriptions"*

- total return swaps (contracts that transfer to another party the total performance of a reference asset, including all interest, fee income, market gains or losses, and credit losses)
- contracts for difference (contracts whose value is based on the difference between two reference assets)
- credit derivatives, such as credit default swaps (contracts where a bankruptcy, default or other "credit event" triggers a payment from one party to the other)
- TBA derivatives (forward contracts on a generic pool of mortgages)
- structured financial derivatives, such as credit-linked and equity-linked securities

Futures are generally exchange-traded. All other types of derivatives are generally OTC (over the counter, meaning they are in effect private contracts between a sub-fund and a counterparty).

For any index-linked derivatives, the index provider determines the rebalancing frequency and there is no cost to the relevant sub-fund when the index itself rebalances.

## INSTRUMENTS AND TECHNIQUES THE SUB-FUNDS MAY USE

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A sub-fund may use the following instruments and techniques for the purposes of efficient portfolio management (as described above):

**Securities lending** The lending of any transferable securities or money market instruments. A Sub-Fund holds. All securities lent will be held in custody by the depositary (or a sub-depositary bank acting on the depositary's behalf) in a registered account designated

for that purpose. The generally low levels of counterparty risk and market risk associated with securities lending are further mitigated by, respectively, counterparty default protection from the lending agent and the receipt of collateral as described below.

#### **Reverse repurchase and repurchase agreement transactions**

Under these transactions, the sub-fund respectively buys or sells securities and has either the right or the obligation to sell back or buy back (respectively) the securities at a later date and a specific (and typically higher) price. All securities held by the sub-fund may be subject to these transactions.

### **DISCLOSURES OF USE**

**Current use** The following are disclosed in "Sub-Fund Descriptions" for any sub-fund that uses them:

- for total return swaps, contracts for difference and similar derivatives: the underlying assets and investment strategies to which exposure will be gained

The following are disclosed in "Usage Levels" below:

- for total return swaps, contracts for difference and similar derivatives: the expected and maximum proportion of assets on which exposure will be gained (calculated as a sum of notionals)
- for securities lending: the expected and maximum proportion of assets that can be lent out
- for repurchase and reverse repurchase transactions: the expected and maximum proportion of assets subject to the transaction

**Future use** If currently not used and above disclosure does not appear in "Sub-Fund Descriptions":

- for total return swaps, contracts for difference and similar derivatives: the sub-fund description in the prospectus must be updated to comply with "Current use" above before the sub-fund can start using these derivatives
- for securities lending: with no prior change to the prospectus, a sub-fund can lend securities up to 20% of total assets; the prospectus must then be updated to comply with "Current use" above at the next opportunity
- for repurchase and reverse repurchase transactions: with no prior change to the prospectus, a sub-fund can commit up to 100% of total assets in these transactions; the prospectus must then be updated to comply with "Current use" above at the next opportunity

### **COUNTERPARTIES TO DERIVATIVES AND TECHNIQUES**

The investment manager must approve counterparties before they can serve as such for the SICAV. To be approved a counterparty must meet all of the following criteria:

- undergo analysis applicable to the counterparty's intended activity, which can include a review of such aspects as company management, liquidity, profitability, corporate structure, capital adequacy, and asset quality, as well as the regulatory framework in the relevant jurisdiction; legal status and geographic criteria are typically considered as well

- be considered creditworthy by the management company
- typically have a public credit rating of at least A-

No counterparty to a derivative can serve as an investment manager of a sub-fund or otherwise have any control or approval over the composition or management of a sub-fund's investments or transactions or over the assets underlying a derivative.

The identity of counterparties is detailed in the annual report of the SICAV. None of the counterparties is a related party to the management company or the investment manager.

### **COLLATERAL POLICIES**

**Acceptable collateral** The sub-funds will accept only cash collateral denominated in their respective base currencies. The sub-funds have no haircut policy, meaning that a sub-fund does not discount the value of collateral it holds (which would limit the risk of a decline in collateral value or liquidity).

**Reinvestment of cash collateral** Collateral must be placed on deposit, or reinvested in high-quality government bonds, short-term money market funds or used for the purpose of reverse repurchase transactions in accordance with CSSF Circulars 08/356 and 14/592.

**Custody and enforcement** Collateral transferred to the sub-fund is held by the depositary bank or by a third party depositary bank registered in the OECD (or in countries subject to similar prudential supervision) and is unrelated to the collateral provider.

Collateral must be capable of being fully enforced by the sub-fund at any time without notice to or approval from the counterparty.

### **REVENUES PAID TO THE SUB-FUNDS**

Any net revenues from the use of derivatives and techniques will be paid to the applicable sub-fund, in particular:

- from total return swaps: all revenues
- from reverse repurchase agreement transactions: all revenues (reduced by any transaction fees)
- from securities lending: the lending agent is authorised to receive 15% of the gross revenues. The remainder of the gross revenue is received by the relevant Sub-Fund (i.e. 85% of the gross revenue)

Collateral management fees may apply to the services relating to tri-party service arrangements entered into between the SICAV, the counterparties and the collateral manager and which are required to ensure optimal transfer of collateral between the SICAV and its counterparties. The collateral management fees (if any) are part of the Operating and Administrative Expenses.

The revenue received by the sub-funds arising from securities lending and reverse repurchase transactions is disclosed in the shareholder reports.

**Repurchase agreements and securities lending**

All sub-funds: expected level 25%, maximum 50%.

**Total return swaps and contracts for difference**

Forum Global Real Estate Securities: expected level 20%-60%, maximum 80%. All other sub-funds entering into TRS transactions: expected level 10%, maximum 50%.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE INDICATORS

Where a sub-fund uses ESG Indicators, the research of La Française applies the following 5-factor model:

- environmental sustainability factors, such as dependence on commodities, carbon footprint management, energy efficiency and management of pollution, waste and water
- human capital factors, such as labour right, employee development, knowledge and training sessions, and corporate governance
- organisational capital factors, such as relations with regulatory bodies, suppliers/supply chain, local communities and customers
- innovation capacity factors, such as innovation culture, internal structures dedicated to innovation, R&D and new products

- adaptability and responsiveness factors, such as management structures, capacity to gather and organise news, strategic agility and public relations

This model is complemented by an assessment of a company's exposure to the global challenges or "mega trends" (demographics, diminishing natural resources, urbanisation, etc.) that shape the company's economic and competitive environment. This includes an evaluation of the company's ability (or inability) to benefit from these underlying trends, examined from the viewpoint of the company's businesses, products and strategies as well as its geographic coverage.



# INVESTING IN THE SUB-FUNDS

## SHARE CLASSES

Within each sub-fund, the SICAV can create and issue share classes. All share classes within a sub-fund invest in commonly in the same portfolio of securities but may have different characteristics and investor eligibility requirements.

Each share class is identified first by one of the base share class labels (described in the table below) and then by any applicable supplemental labels (described following the table). Within any given share class of any sub-fund, all shares have equal rights of ownership.

### BASE SHARE CLASS DESIGNATIONS

Base Class	Available to	Capitalisation	Distribution	Rebate	Minimum initial investment
<b>B</b>	Institutional investors.	•	•		GTS Réactif: EUR 1 million All other sub-funds: none
<b>D</b>	All eligible investors, including those who are investing through intermediaries that provide non-independent advice (as defined in MiFID).	•	•	•	None
<b>F</b>	Entities of the La Française group and investment funds managed by them.	•			None
<b>I</b>	Institutional and professional investors (as defined in MiFID).	•	•		Forum Global Real Estate Securities: EUR/USD 50,000, SEK 500,000 Global Credit Duration Hedged and Global High Yield: EUR/USD 500,000 Multistratégies Obligataires (classe I Distribution): EUR 25 million Sustainable Real Estate Securities and GTS Réactif: EUR/USD 50,000 All other sub-funds: CHF/EUR/USD 100,000
<b>J</b>	Institutional investors located in Japan.	•	•		JPY 500 million, USD 4 million
<b>LatAm</b>	Institutional investors located in South America.	•	•		None
<b>R</b>	All eligible investors including those who are investing through intermediaries that provide non-independent advice (as defined in MiFID).	•	•	•	JKC Asia Bond 2023: EUR 1,000 All other sub-funds: none
<b>S</b>	Large institutional investors.	•	•		Global High Yield: EUR 15 million Inflection Point Carbon Impact Global: EUR 5 million Inflection Point Gonet Swiss Equity: CHF 1 million Sustainable Real Estate Securities: EUR 20 million All other sub-funds: not currently available
<b>T</b>	1. All eligible investors investing through intermediaries in the EU who: – are not allowed, either by local laws, or by their fee-based agreements with their clients, to receive or retain any fees or benefits of any type – provide portfolio management or investment advice on an independent basis (as defined in MiFID) 2. All eligible investors, investing directly or through intermediaries, outside the EU. 3. Funds of funds.	•	•		Forum Global Real Estate Securities: GBP 5 million All other sub-funds: none
<b>X</b>	Institutional investors approved by the board and investment funds managed by La Française group.	•			EUR 30 million

### SHARE CLASS SUPPLEMENTAL LABELS

Suffixes are added to the base share class designation to indicate certain characteristics.

**Currency codes** Each share class that is not denominated in the base currency (the currency in which the sub-fund maintains its financial records) carries the standard 3-letter code for the currency in which it is denominated.

If no currency is indicated, the share class currency is the same as the base currency.

**Capitalisation, Distribution** Indicates whether income received is retained over time or distributed to shareholders (see “Dividend Policy” below).

**H** Indicates that the shares are currency hedged shares, and are denominated in a different currency than the base currency. If the letter “H” does not appear, the shares are not hedged and the investor is exposed to any fluctuations in exchange rates between the share class currency and base currency.

Hedged shares seek to eliminate the effect of foreign exchange rate fluctuations between the share class currency and the base currency. However, in practice it is unlikely that the hedging will eliminate 100% of the difference, because sub-fund cash flows, foreign exchange rates, and market prices are all in constant flux.

For more on currency hedging, see “How the Sub-Funds Use Derivatives and Techniques”.

#### AVAILABLE CLASSES

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The information above describes all currently existing base share classes and suffixes. In practice, not all base share classes and share class configurations are available in all sub-funds. Some share classes (and sub-funds) that are available in certain jurisdictions may not be available in others. For the most current information on available share classes, go to [la-francaise.com](http://la-francaise.com) or request a list free of charge from the registered office (see “The SICAV”).

## SHARE CLASS POLICIES

#### ISSUANCE AND OWNERSHIP

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**Forms in which shares are issued** We issue shares in registered form only. With these shares, the owner’s name is recorded in the SICAV’s register of shareholders and the owner receives a confirmation of purchase. Ownership can only be transferred by notifying the registrar of a change of ownership. Forms for this purpose are available from the SICAV and the depositary bank.

**Investing through a nominee vs. directly with the SICAV** If you invest through an entity that holds your shares under its own name (a nominee account), that entity is recorded in the register of shareholders and is legally entitled to exercise certain rights associated with your shares, such as voting rights. If you want to retain all shareholder rights, you may invest directly with the SICAV or, if you already have an account with a nominee, you may request your nominee to transfer the account to the SICAV and re-register it in your name.

#### DIVIDEND POLICY

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**Distribution shares** When a dividend is declared, the NAV of the relevant class is reduced by the amount of the dividend.

If a sub-fund ends up distributing as dividends more money than it actually earned, you could be receiving as taxable income some of your original investment or your capital gains (realised or unrealised). Such payments could reduce the sub-fund’s share price and make it more volatile than other classes of the same sub-fund.

Dividends are distributed only on shares that were owned as of the record date (the date on which dividends are assigned to the holders of distribution shares). Dividends are distributed at least annually, and only on shares that were owned as of the record date (the date on which dividends are assigned to the holders of distribution shares).

They will normally be paid in the currency of the share class using the bank account details we have on file for your account. To receive dividends in a different currency, see “Currency conversions” below. Note that the board reserves the right to pay dividends in sub-fund shares rather than cash.

Unclaimed dividend payments will be returned to the sub-fund after five years. No sub-fund will make a dividend payment if the assets of the sub-fund are below the minimum capital requirement, or if paying the dividend would cause that situation to occur.

**Capitalisation shares** These shares retain all net investment income in the share price and generally do not distribute any dividends.

#### OTHER POLICIES

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Shares are issued to one 1,000th of a share (three decimal places) unless otherwise noted in “Sub-Fund Descriptions”. Fractional shares receive their pro rata portion of any dividends, reinvestments and liquidation proceeds.

Shares carry no preferential or preemptive rights. No sub-fund is required to give existing shareholders any special rights or terms for buying new shares. All shares must be fully paid up.

## BUYING, SWITCHING, REDEEMING AND TRANSFERRING SHARES

*The instructions in this section are generally intended for financial intermediaries and for investors conducting business directly with the SICAV. If you are investing through a financial advisor or other intermediary, you may use these instructions, but in general we recommend that you place all transaction orders through your intermediary unless there is reason not to.*

#### INFORMATION THAT APPLIES TO ALL TRANSACTIONS EXCEPT TRANSFERS

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**Placing requests** You can place requests to buy, switch or redeem (sell back to the SICAV) shares at any time by fax or letter to the transfer agent (see “The Management Company”). Phone requests are accepted only with pre-approval and must be confirmed in writing. Fax requests by nature are subject to transmission errors, and we

cannot be responsible for fax orders that do not reach us, are not legible, or become garbled in transmission.

When placing any request, you must include all necessary identifying information and instructions as to the exact identity and exact address of the person applying for the redemption, the number of shares, sub-fund, share class, account, reference currency, and size and type of transaction (purchasing, switching or redeeming). You may indicate the value of a request as a currency amount or a share amount.

No request will be accepted or processed in any way that is inconsistent with this prospectus.

**Cutoff times and processing schedule** These are indicated for each sub-fund in "Sub-Fund Descriptions". Except during suspensions in share transactions, requests that have been received and accepted by the transfer agent will be processed at the next cutoff time to occur after the day and hour at which the request is received and accepted.

A confirmation notice will be sent by mail or fax to the registered account holder or the account holder's agent as soon as practicable. These notices will include information about how much of the share price represents income, capital gains or a return of capital.

**Pricing** Shares are priced at the NAV for the relevant share class and are quoted (and processed) in the currency of that share class. The price will be the NAV that is calculated on the first calculation date following receipt and acceptance of the application.

**Currency conversions** We can accept and make payments in most freely convertible currencies. If the currency you request is one that the sub-fund uses, there is typically no currency conversion charge. In other cases you will be typically charged applicable currency conversion costs, and also you may experience a delay in your investment or the receipt of redemption proceeds. In all cases, we convert currencies at the mid-market exchange rate in effect at the time the conversion is processed.

Contact the transfer agent (see "The Management Company") before requesting any transaction in a currency that is different from that of the share class. In some cases, you may be asked to transmit payment earlier than would normally be required.

**Fees** Any purchase, switch or redemption may involve fees. For the maximum fees charged by each basic share class, see the applicable sub-fund description. To find out the actual purchase, switch or redemption fee for a transaction, contact your financial adviser or the transfer agent (see "The Management Company"). Other parties involved in the transaction, such as a bank, financial intermediary, or paying agent may charge their own fees. Some transactions may generate tax liabilities. You are responsible for all costs and taxes associated with each request you place.

**Late or missing payments to shareholders** The payment of a dividend or redemption proceeds to any shareholder may be delayed, reduced, or withheld if required by foreign exchange rules or other rules imposed by the

shareholder's home jurisdiction. In such cases we cannot accept responsibility.

**Changes to account information** You must promptly inform us of any changes in personal or bank information. We will require adequate proof of authenticity for any request to change the bank account associated with your sub-fund investment.

**BUYING SHARES** Also see "Information that Applies to All Transactions Except Transfers" above.

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To make an initial investment, submit a completed application form and all account opening documentation (such as all required tax and anti-money laundering information) to a distributor or the transfer agent (see "The Management Company"). Note that some distributors may have their own account opening requirements. If you place your request by fax, you must follow up by mailing a paper copy to the transfer agent (see "The Management Company"). Once an account has been opened, you can place additional orders by fax or letter.

Unless stated otherwise in "Sub-Fund Descriptions", payment for your shares should be received within 2 business days after the day on which your purchase was processed. The 2 days will be extended to 3 only if 1 of those 2 days is not a banking day in the principal financial center for the currency in which you are making payment.

For optimal processing of investments, send money via bank transfer (net of any bank charges) in the currency denomination of the shares you want to buy. For some share classes you may also pay in the Dealing Currency. You can find transfer instructions on the application form or get them from your distributor.

**SWITCHING SHARES** Also see "Information that Applies to All Transactions Except Transfers" above.

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You can switch (convert) shares of any sub-fund into the same class of shares in any other sub-fund in the SICAV. You can also switch into a different share class, either within the same sub-fund or as part of a switch to a different sub-fund; in this case, you must indicate your desired share class on your request. We will inform you if the change of share class is not permissible in accordance with this prospectus.

All switches are subject to the following conditions:

- you must meet all eligibility requirements for the share class into which you are requesting to switch
- for any money you switch into shares with a higher purchase fee than what you paid, you will be charged the difference
- any necessary currency conversion will be processed on the day the switch occurs, at that day's applicable rate
- you can only switch into a sub-fund and share class that is available in your country of residence
- the switch must not violate any particular restrictions of either sub-fund involved (as stated in "Sub-Fund Descriptions")

We process all switches of shares on a value-for-value basis, using the NAVs of the two investments (and, if applicable, any currency exchange rates) that are in effect as at the time we process the switch.

Any fractional shares resulting from a switch will be redeemed, with the proceeds being sent to the bank account on file or, if amounting to less than EUR10, credited back to the sub-fund.

Once you have placed a request to redeem shares, you can withdraw it only if there is a suspension of trading in shares for the relevant sub-fund.

If the sub-fund that you are switching into takes longer to process requests than the sub-fund that you are switching out of, you will remain invested in your original sub-fund until the switch can be completed.

**REDEEMING SHARES** Also see “*Information that Applies to All Transactions Except Transfers*” above.

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Unless stated otherwise in “Sub-Fund Descriptions”, when you redeem (sell) shares, we will send out payment (in the currency of the share class) within 2 business days following the day on which your request is received and accepted.

To have your redemption proceeds converted to a different currency, contact a distributor or the transfer agent prior to placing your request (see “The Management Company”).

We will pay redemption proceeds only to the shareholder(s) identified in the register of shareholders. Proceeds are paid according to the bank account details we have on file for your account unless you give us different instructions. If any required information is missing, your request will be held until it arrives. The SICAV does not pay interest on redemption proceeds whose transfer or receipt is delayed for reasons that is beyond its control.

Once you have placed a request to redeem shares, you can withdraw it only if the right to redeem shares in the relevant sub-fund has been suspended.

Note that we will not pay out any redemption proceeds until we have received all investor documentation from you.

#### TRANSFERRING SHARES

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As an alternative to switching or redemption, you may transfer ownership of your shares to another investor through the transfer agent (see “The Management Company”).

Note that all transfers are subject to any eligibility requirements and holding restrictions that may apply. For example, institutional shares cannot be transferred to non-institutional investors, and no shares of any type can be transferred to a US investor. If a transfer to an ineligible owner occurs, the board will either void the transfer, require a new transfer to an eligible owner, or forcibly liquidate the shares.

## HOW WE CALCULATE NAV

**Timing and formula** Unless indicated otherwise in “Sub-Fund Descriptions”, we calculate the NAV for each share class of each sub-fund on any business day. Each NAV is calculated in the base currency of sub-fund, to at least two decimal points. All NAVs whose pricing involves currency conversion of an underlying NAV are calculated at the mid-market exchange rate in effect at the time the NAV is calculated.

To calculate NAV for each share class of each sub-fund, we use this general formula:

$$\frac{(\text{assets} - \text{liabilities})}{\text{number of outstanding shares}} = \text{NAV}$$

Appropriate provisions will be made to account for the costs, charges and fees attributable to each sub-fund and class as well as accrued income on investments.

## TAXES

### TAXES PAID FROM SUB-FUND ASSETS

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Taxe d’abonnement: The SICAV is subject to a taxe d’abonnement at the following rates:

- R and T share classes: 0.05%
- All other classes: 0.01%

This tax is calculated and payable quarterly, on the aggregate net asset value of the outstanding shares of the SICAV. The SICAV is not currently subject to any Luxembourg stamp tax, withholding tax, municipal business tax, net worth tax, or taxes on income, profits or capital gains.

To the extent that any country in which a sub-fund invests imposes withholding taxes on income or gains earned in that country, these taxes will be deducted before the sub-fund receives its income or proceeds. The effects of these taxes will be factored into sub-fund performance calculations.

While the above tax information is accurate to the best of the board’s knowledge, it is possible that a tax authority may impose new taxes (including retroactive taxes) or that the Luxembourg tax authorities may determine, for example, that any class currently identified as being subject to the 0.01% taxe d’abonnement should be reclassified as being subject to the 0.05% rate. The latter case could happen for an institutional share class of any sub-fund for any period during which an investor not entitled to hold institutional shares was found to have held such shares.

### TAXES YOU ARE RESPONSIBLE FOR PAYING

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**Taxes in your country of tax residence** Luxembourg tax residents are subject to Luxembourg taxes, such as the withholding tax on savings income. Shareholders in other jurisdictions are not subject to Luxembourg taxes. However, an investment in a sub-fund may have tax implication in these jurisdictions.

**Common Reporting Standard** Starting 30 June 2017, the SICAV must annually report to the Luxembourg tax authorities the identification and holdings of, and payments made to, certain investors and controlling persons of certain non-financial entities. The reporting will include certain personal and financial data, including information about transactions made by reportable persons.

Any shareholder who fails to comply with the SICAV's information or documentation requests may be held liable for penalties imposed on the Fund that are attributable to the shareholder's failure to provide the documentation.

**FATCA** The US Foreign Account Tax Compliance Act (FATCA) imposes a 30% withholding tax on certain payments to foreign entities that originate in the US. Any shareholders who do not provide all FATCA-related information requested, or whom we believe are US investors, may be subject to this withholding tax on all or a portion of any redemption or dividend payments paid by any sub-fund. Likewise, we may impose the withholding tax on investments made through any intermediary whom we are not completely satisfied is FATCA-compliant.

To avoid having to deduct the withholding tax, we may prohibit the sale of shares to any Non-Participating FFI (NPFFI), any other investor we believe to be subject to the tax, or any investor investing through an intermediary who may not be FATCA-compliant.

The SICAV is considered a "Reporting FFI Model 1" under FATCA, and intends to comply with the Model I Intergovernmental Agreement between Luxembourg and the United States (IGA). Neither the SICAV nor any sub-fund expects to be subject to any FATCA withholding tax.

FATCA requires the SICAV and the sub-funds to gather certain account information (including ownership details, holdings and distribution information) about certain US investors, US-controlled investors and non-US investors that do not comply with applicable FATCA rules or do not provide all required information under the IGA. In this regard, each shareholder and intermediary agrees in the application form to provide any required information upon request from the SICAV, a sub-fund, or its agent. Under the IGA, this information must be reported to the Luxembourg tax authorities, who in turn may share it with the US Internal Revenue Service or other tax authorities. Shareholders who hold their shares through intermediaries should check the intermediaries' intention to comply with FATCA.

FATCA is comparatively new and its implementation is still developing. While the above information summarises the board's current understanding, that understanding could be incorrect, or the way FATCA is implemented could change in a way that would make some or all investors in the sub-funds subject to the 30% withholding tax.

## RIGHTS WE RESERVE

### SHARE TRANSACTIONS AND OWNERSHIP

We reserve the right to do any of the following at any time:

- **Reject or cancel any request to buy shares, for any reason.** We can reject the entire request or part of it. If a request to buy shares is rejected, monies will be returned at the purchaser's risk within five business days, without interest and minus any incidental expenses.
  - **Declare additional dividends** or change (temporarily or permanently) the method used for calculating dividends.
  - **Require shareholders to prove beneficial ownership of or eligibility to hold shares, or compel an ineligible shareholder to relinquish ownership.** If we believe that shares are being held in whole or in part by or for an owner who is, or appears likely to become, ineligible to own those shares, we may request certain information from the owner to establish eligibility or confirm beneficial ownership. If no information is provided, or if we consider the information provided to be unsatisfactory, we may redeem the shares without the owner's consent, either to ensure the SICAV's compliance with law and regulation, to avoid the adverse financial consequences for the SICAV (such as tax charges), or as otherwise permitted. The SICAV will not be held liable for any gain or loss associated with these redemptions.
  - **Temporarily suspend the calculation of NAVs or transactions in a sub-fund's shares** when any of the following is true, and when a suspension would be consistent with the interests of shareholders:
    - the principal stock exchanges or markets associated with a substantial portion of the sub-fund's investments are closed during a time when they normally would be open, or their trading is restricted or suspended
    - the sub-fund is a feeder sub-fund and its master fund has suspended its NAV calculations or share transactions
    - a disruption of communication systems or other emergency has made it impractical to reliably value or to trade sub-fund assets
    - the board believes that the values of a significant portion of sub-fund holdings has materially changed
    - the sub-fund is unable to repatriate monies needed to pay out redemption proceeds, or is unable to exchange such monies at what the board considers to be a normal currency exchange rate
    - the sub-fund or SICAV is being liquidated or merged, or notice has been given of a shareholder meeting at which it will be decided whether or not to liquidate or merge
    - the suspension avoids a circumstance where the sub-fund or its shareholders might incur a tax liability or other financial disadvantage
    - the CSSF has ordered the suspension
    - any other circumstance out of our control exists that, in the opinion of the board, would justify the suspension for the protection of shareholders
- A suspension could apply to any share class and sub-fund, or to all, and to any type of request (buy, switch, redeem). If your order is delayed in processing because of a suspension, you will be notified promptly in writing. You will also be notified when the suspension ends.



All requests whose processing has been delayed because of a suspension of transactions will be held in queue and executed at the next NAV to be calculated.

- **Implement special procedures during times of peak redemption requests.** If on any business day, a sub-fund receives and accepts redemption requests whose net value exceeds 10% of sub-fund assets, the board may order that all of these requests be processed on a pro rata basis, so as to reduce the total value redeemed on that day to less than 10% of sub-fund assets. The unprocessed portion of each request will be deferred one or more business days, however no request will be deferred more than 30 calendar days.
- **Close a sub-fund to further investment,** in particular when the sub-fund has reached a size where further growth may not be in the best interests of existing shareholders. We will notify shareholders whether the closure applies only to new investors or to further investments from existing shareholders as well.
- **Accept securities as payment for shares, or fulfill redemption payments with securities (in-kind payments).** If you wish to request a purchase or redemption in kind, you must get advance approval from the board. You must pay all costs associated with the in-kind nature of the transaction (valuation of the securities, broker fees, any required auditors' report, etc.). Any securities accepted as a payment in kind for a purchase of shares must be consistent with the sub-fund's investment policy, and acceptance of these securities must not cause the sub-fund to become out of compliance with the 2010 law. If you receive approval for an in-kind redemption, we will seek to provide you with a selection of securities that closely or fully matches the overall composition of the sub-fund's portfolio at the time the transaction is processed. The board may request that you accept securities instead of cash in fulfillment of part or all of a redemption request. If you agree to this, the SICAV may provide an independent valuation report from its auditor and other documentation.
- **Reduce or waive any stated minimum initial investment or sales charge for any sub-fund, investor, or request,** especially for investors who invest using straight-through processing or who are committing to invest a certain amount over time, so long as it is consistent with equal treatment of shareholders. For example, the minimum initial investment for the management company and any entity within the La Française group is the amount necessary to purchase a single share.

## SHARE PRICING

We reserve the right to do any of the following:

- **Impose swing pricing.** On business days when trading in a sub-fund's shares will require net purchases or sales of portfolio investments exceeding a certain percentage of the sub-fund's net assets (as set by the board), the sub-fund's NAV may be adjusted. This adjustment reflects the actual prices of the underlying purchases and sales, taking into account various transaction costs (such as taxes or dealing spreads), and is intended to reduce the impact of these costs on shareholders who are not trading their shares at that time. In general, the NAV will be adjusted upward when there is strong

demand to buy sub-fund shares and downward when there is strong demand to redeem sub-fund shares. Thresholds and adjustment percentages can vary by sub-fund, but the adjustment will not be larger than 2% of NAV for all share classes within a sub-fund. The Board can raise the adjustment percentage limit when necessary to protect the interests of shareholders.

- **Calculate a new NAV and reprocess transactions at that NAV.** If there has been a material change in the market prices affecting a substantial portion of a sub-fund's investments, we may, in order to safeguard the interests of the shareholders and the SICAV, cancel the first valuation and calculate a second one, which will then be applied to all transactions in sub-fund shares for that day. Any transactions that were already processed at the old NAV will be reprocessed at the later NAV.

## MEASURES TO PREVENT IMPROPER AND ILLEGAL BEHAVIOR

### MONEY LAUNDERING, TERRORISM AND FRAUD

To comply with Luxembourg laws, regulations, circulars, etc. aimed at preventing crime and terrorism, including the crime of money laundering, we require investors to provide documentation to prove identity (either before opening an account or at any time afterward). The information we require is based on legal requirements, which may change from time to time, and we may ask for additional documents at any time if we feel it is necessary.

The identification we request typically includes:

- **Natural persons:** An identity card or passport duly certified by a public authority (such as a notary, police official or ambassador) in his or her country of residence.
- **Corporations and other entities investing on their own behalf:** A certified copy of the entity's incorporation documents or other official statutory document, plus, for the entity's owners or other economic beneficiaries, the identification described above for natural persons.
- **Financial intermediaries:** A certified copy of the entity's incorporation documents or other official statutory document, plus certification that the account owner has obtained necessary documentation for all end investors.

We also are required to verify the legitimacy of transfers of money that come to us from financial institutions that are not subject to Luxembourg verification standards or the equivalent. We may delay or deny the opening of your account and any associated transaction requests until we receive, and judge to be satisfactory, all requested documents and/or all incoming cash transfers. We will not be liable for any resulting losses or lost investment opportunities.

### MARKET TIMING AND EXCESSIVE TRADING

The sub-funds are in general designed to be long-term investments and not vehicles for frequent trading or for market timing (defined as short-term intended to take advantage of arbitrage opportunities that may arise from



the interaction of market opening times and the timing of NAV calculations).

These types of trading are not acceptable as they may disrupt portfolio management and drive up sub-fund expenses, to the detriment of other shareholders.

We may therefore take various measures to protect shareholder interests, including rejecting, suspending or cancelling any request we believe represents excessive trading or market timing. We may also forcibly redeem your investment, at your sole cost and risk, if we believe you have engaged in excessive trading or market timing.

To determine the extent to which certain transactions are motivated by short-term trading or market timing considerations and therefore may be subject to the policy of restricting certain transactions, the SICAV considers various criteria, including the Intermediary's assumption to involve certain volumes and frequencies, market norms, historical patterns and the intermediary's asset levels.

#### LATE TRADING

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We take measures to ensure that any request to buy, switch or redeem shares that arrives after the cut-off time for a given NAV will not be processed at that NAV.

## PRIVACY OF PERSONAL INFORMATION

We require personal information for various purposes, such as to process requests, provide shareholder services, guard against unauthorised account access, conduct statistical analyses, provide you with information on other products and services, and comply with various laws and regulations.

We may do any of the following with personal information:

- gather, store and use it in physical or electronic form (including making recordings of telephone calls to or from investors or their representatives, as is our general practice)
- share it with external processing centres, the transfer or payment agents, or other third parties as necessary for the purposes we have described; these third parties may or may not be La Française entities
- use it for aggregate data and statistical purposes, and in connection with sending you marketing messages about other La Française products and services
- share it as required by Luxembourg law or regulation

We take reasonable measures to ensure the confidentiality of all personal information, and do not use or disclose it beyond what is described in this section without the shareholder's consent, unless we are required to do so. At the same time, neither the SICAV nor any La Française entity accepts liability for personal information obtained by unauthorised third parties, except in the case of gross negligence or serious misconduct by the SICAV, any La Française entity or any of their employees or officers. Personal information is not kept longer than is needed, unless we are required by law to hold it longer, and will be kept by the transfer agent at least 10 years after you leave the SICAV as an investor.

You have the right to review, correct or request deletion of the personal information we and any service providers have on file for you at any time. To do this, contact the SICAV (see "The SICAV").

You may refuse to communicate personal information. In this case, however, we may reject your request to buy shares.

# THE SICAV

## OPERATIONS AND BUSINESS STRUCTURE

**SICAV name** La Française LUX

**Registered office** 60, Avenue J.F. Kennedy, L-1855 Luxembourg

**Other contact information**

**Website** [la-francaise.com](http://la-francaise.com)

**Email** [contactvaleursmobilieres@lafrancaise-group.com](mailto:contactvaleursmobilieres@lafrancaise-group.com)

**Legal structure** Open-ended investment company organised as a société anonyme and qualifying as a société d'investissement à capital variable (SICAV)

**Legal jurisdiction** Luxembourg

**Incorporated** 28 October 1998 (as "Global Strategy")

**Duration** Indefinite

**Articles of incorporation** Published in the Mémorial, Recueil des Sociétés et Associations on 17 December 1986; latest amendment on 29 February 2016

**Regulatory authority** Commission de Surveillance du Secteur Financier (CSSF), 283, route d'Arlon, L-1150 Luxembourg

**Registration number** B66.785

**Financial year** 1 January to 31 December

**Capital** Sum of the net assets of all of the sub-funds

**Minimum capital (under Luxembourg law)** EUR 1,250,000 or equivalent in any other currency

**Par value of shares** None

**Share capital and reporting currency** EUR

**Qualification as a UCITS** The SICAV qualifies as an Undertaking for Collective Investment in Transferable Securities (UCITS) under Part 1 of the 2010 Law, and is registered on the CSSF's official list of collective investment undertakings.

**Financial independence of the sub-funds** The SICAV functions as an "umbrella fund" under which the sub-funds are created and operate. The assets and liabilities of each sub-fund are segregated from those of other sub-funds; there is no cross-liability, and a creditor of one sub-fund has no recourse to the other sub-funds.

**Resolution of disputes** Queries and complaints should be directed to the SICAV via the contact methods shown above. Any legal disputes involving the SICAV or any shareholder will be settled by arbitration, which will be conducted according to Luxembourg law and within the Luxembourg court system (except that for service providers, the process will be as described in their contracts with the SICAV or the management company). The decision of the arbitrator(s) will be final. The ability

for a shareholder to bring a claim against the SICAV expires five years after the event on which the claim would be based (30 years in the case of claims concerning entitlement to the proceeds of a liquidation).

## BOARD OF DIRECTORS OF THE SICAV

**Isabelle Kintz** (Chairperson)

La Française AM International  
60, Grand-Rue  
L-1660 Luxembourg

**Andrea Bertocchini**

La Française AM International  
60, Grand-Rue  
L-1660 Luxembourg

**Jean-Luc Hivert**

La Française Asset Management  
128 Boulevard Raspail  
F-75006 Paris, France

**Matthew John Kiernan**

Inflection Point by La Française  
78 Brook Street, Level 4,  
London W1K 5EF  
United Kingdom

**Philippe Lestel**

La Française Asset Management  
128 Boulevard Raspail  
F-75006 Paris, France

The board is responsible for the overall investment policy, objectives and management of the SICAV and sub-funds and has broad powers to act on their behalf, including:

- appointing and supervising the management company
- setting investment policy and approving the appointment of any investment manager or sub-manager
- making all determinations regarding the launch, modification, merger or discontinuation of sub-funds and share classes, including such matters as timing, pricing, fees, dividend policy and payment of dividends, liquidation of the SICAV and other conditions
- determining when and how the SICAV will exercise its rights and will distribute or publicise shareholder communications
- ensuring that the management company and the depositary bank are adequately capitalised and that their appointment is consistent with the 2010 Law and any applicable contracts of the SICAV
- determining whether to list any shares on the Luxembourg stock exchange
- determining the availability of any share class to any investor or distributor or in any jurisdiction

The board is responsible for the information in this prospectus and has taken all reasonable care to ensure that it is materially accurate and complete.

Directors serve until their term ends, they resign, or they are revoked, in accordance with the articles of incorporation. Any additional directors will be appointed in accordance with the articles of incorporation and Luxembourg law. Independent directors (directors who are not employees of La Française or any of its affiliates) may receive compensation for serving on the board.

The management company and all professional firms engaged by the SICAV have service agreements that extend for an indefinite period and must provide periodic reports relating to their services. The SICAV may terminate any of these service agreements immediately if it determines that a material breach of contract has occurred. Otherwise, a holder of any of these service agreements can resign or be replaced by the SICAV upon 90 days' notice. Regardless of the circumstances of termination, any professional firm must cooperate fully with a transition of its duties, consistent with its service agreement, its duties under law and the instructions of the board.

## PROFESSIONAL FIRMS ENGAGED BY THE SICAV

### DEPOSITARY BANK, DOMICILIARY AND LISTING AGENT

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#### **BNP Paribas Securities Services, Luxembourg Branch**

60, Avenue J.F. Kennedy  
L-1855 Luxembourg

The domiciliary and listing agent is responsible for all corporate agency duties required by Luxembourg law, in particular the mailing of shareholder documents.

The depositary bank provides such services as:

- maintaining custody of the investments of the SICAV
- ensuring that various activities are carried out in accordance with the board's instructions and, above all, with law, regulation and the articles of incorporation; these activities include the calculation of NAV, the processing of sub-fund shares and the receipt and allocation of income and revenues to each sub-fund and share class, among others

The depositary bank must use reasonable care in exercising its functions and is liable to the SICAV and shareholders for any losses that result from failing to properly perform its duties. It may, with the SICAV's consent, entrust assets to third party banks, financial institutions or clearinghouses but this will not affect its liability. For a list of such delegates and the potential conflict of interest that may arise from such delegation, go to [securities.bnpparibas.com/solutions/depositary-bank-trustee-services.html](https://securities.bnpparibas.com/solutions/depositary-bank-trustee-services.html). Where the law of a third country requires that certain investments be held in custody by a local entity but no local entities satisfy the delegation requirement, the depositary may nevertheless delegate to a local entity so long as investors have been informed and the SICAV has given the local entity appropriate instructions.

The depositary is not allowed to carry out activities with regard to the SICAV that may create conflicts of interest between the SICAV, the shareholders and the depositary itself, unless it has properly identified any such potential conflicts of interest and has functionally and hierarchically

separated the performance of its depositary tasks from its other potentially conflicting tasks.

In order to address any situations of conflicts of interest, the depositary bank has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- identifying and analysing potential situations of conflicts of interest
- recording, managing and monitoring the conflict of interest situations any of the following ways:
  - relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines and insider lists for staff members
  - implementing case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall (i.e. by separating functionally and hierarchically the performance of its depositary bank duties from other activities), making sure that operations are carried out at arm's length and/or informing the affected shareholders of the SICAV, or (ii) refuse to carry out the activity that would give rise to the conflict of interest
  - implementing a new ethics-based policy
  - mapping conflicts of interests to create an inventory of the permanent measures put in place to protect the SICAV's interests
  - setting up internal procedures for identifying and assessing situations that are likely to involve conflicts of interest, such as the appointment of a service provider or the offering of new products or activities by the depositary bank

### AUDITOR

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#### **Deloitte Audit**

20, Boulevard de Kockelscheuer  
L-1821 Luxembourg

The auditor provides independent review of the financial statements of the SICAV and all sub-funds once a year. The auditor also verifies all performance fee calculations.

## EXPENSES

The ongoing expenses of the SICAV, such as management and operation fees, are paid from assets of the sub-funds. The deduction of these expenses is reflected in NAV calculations, and the actual amounts paid are stated in the SICAV's shareholder reports.

Most of these expenses are included in the fees that are described in "Sub-Fund Descriptions". However, certain costs are additional to those fees, such as:

- brokerage fees and commissions
- duties, taxes and transaction costs associated with buying and selling sub-fund assets
- litigation expenses
- any extraordinary or unforeseen charges
- fees for operating hedged share classes
- interest on borrowing and related bank charges
- fees related to registration and maintenance in various countries

- research fees (equity sub-funds)

Each sub-fund and each class pays all costs it incurs directly and also pays its share (based on net asset value) of costs not attributable to a specific sub-fund or class. For each share class whose currency is different from the base currency of the sub-fund, all costs associated with maintaining the separate share class currency (such as currency hedging and foreign exchange costs) will be charged to that share class. Costs of creating a new sub-fund may be amortised over a period of up to 5 years from the formation date.

## ASSET VALUATIONS

In general, we determine the value of each sub-fund's assets as follows:

- **Cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued but not yet received.** Valued at full value, adjusted for any appropriate discount or premium we may apply based on our assessments of any circumstances that make the full payment unlikely.
- **Transferable securities and money market instruments that are listed or traded on an official stock exchange or other regulated market.** Generally valued at the most recent price quoted on the market where they are principally traded. In cases where this price is not representative, valued in good faith at a prudent estimate of their sales price.
- **Non-listed securities, or listed securities for which the price determined according to the above methods not representative of fair market value.** Valued in good faith at a prudent estimate of their sales price.
- **Derivatives that are traded on regulated markets.** Valued at the settlement value most recently quoted for a derivative's primary market(s), adjusted if necessary to allow for settlement on a different day if current-day settlement is not possible.
- **Derivatives that are not traded on regulated markets.** Valued at settlement value, according to policies applied consistently for each given type of derivative.
- **Shares of UCITS or UCIs.** Valued at the most recent NAV reported by the UCITS/UCI, or, if the most recent NAV does not reflect current market realities, at fair value.
- **Swaps.** Valued at market value, with reference to the applicable rate curve, index or other reference indicator.
- **Currencies.** Valued at the applicable foreign exchange rate (applies to currencies held as assets and when translating values of securities denominated in other currencies into the base currency of the sub-fund).
- **All other assets.** Valued in good faith at a prudent estimate of their sales price.

All valuation methodologies are established by the board. For any asset, the board can choose a different valuation method if it believes that method may result in a fairer valuation. For example, the board may authorise the amortised cost method for valuating short-term debt securities. Trades made in a sub-fund's portfolio will be reflected on the business day they are made to the extent practicable.

For complete information on our NAV calculation and asset valuation methods, see the articles of incorporation.

## “FAIR DEALING” POLICIES

### CONFLICTS OF INTEREST AND SELF-DEALING

The management company, investment managers, depositary bank, distributor, and administrator may at times find their obligations to the SICAV or to a sub-fund to be in conflict with other professional obligations they have pledged to honor (although in such cases, all conflicts will be dealt with equitably). To see our conflicts of interest policies, go to [la-francaise.com/fileadmin/docs/corporate/Politique\\_gestion\\_conflits\\_interets\\_Groupe.pdf](http://la-francaise.com/fileadmin/docs/corporate/Politique_gestion_conflits_interets_Groupe.pdf).

### BEST EXECUTION

While the investment managers and sub-managers, consistent with their duty to act in the best interests of shareholders, must place portfolio transactions with the broker-dealer who offers the “best execution”, they have some flexibility in determining what “best execution” means.

For example, the investment managers or sub-managers can choose a particular broker-dealer if they believe, in good faith, that the broker-dealer's commission is reasonable in light of the value of certain goods or services furnished by the broker-dealer. Examples of goods and services may include research, consulting services or information technology.

Details about soft commissions appear in the shareholder reports. For more about our fair dealing policies and other business policies, go to [la-francaise.com/actualites-reglementaires.html](http://la-francaise.com/actualites-reglementaires.html).

## NOTICES AND PUBLICATIONS

The following table shows which material (in its most recent version) is made available through which channels:

Information/document	Sent	Media	Online	Office
KIIDs			•	•
Prospectus			•	•
NAVs (share prices)		•	•	•
Dividend announcements	•			•
Annual/semiannual reports			•	•
Shareholder notices	•		•	•
Statements/confirmations	•			
Articles of incorporation				•
Core service provider agreements				•

### KEY

**Sent** Sent to shareholders at the address of record (physically, electronically, or as an emailed link).

**Media** Published in newspapers or other media (such as newspapers in Luxembourg and other countries where shares are available, or electronic platforms such as Finest and Bloomberg, where daily NAVs are published), as well as, where the law requires, in the Recueil Electronique des Sociétés et Associations.

**Online** Posted online on [la-francaise.com](http://la-francaise.com).

**Office** Available free upon request by calling +33(0)1 44 56 10 00 or emailing [contactvaleursmobilières@lafrancaise-group.com](mailto:contactvaleursmobilières@lafrancaise-group.com). Also available from the registered offices of the SICAV and the management company, and available for inspection at those offices. Except for the last item, also available free on request from the administrator, depositary bank and local distributors.

Shareholder notices include notice of shareholder meetings (the annual general meeting and any extraordinary meetings) as well as notices of prospectus changes, the mergers or closings of sub-funds or share classes (along with the rationale for the decision), suspension of trading in shares, and all other items for which notice is required.

Statements and confirmations are sent when there are transactions in your account, although they are also sent at minimum every six months. Other items are sent when issued. Audited annual reports are issued within four months of the end of the financial year. Unaudited semi-annual reports are issued within two months of the end of the period they cover.

Information on past performance appears in the KIID for each sub-fund, by share class, and in the shareholder reports.

### INFORMATION ABOUT THE MASTER FUNDS

Each feeder sub-fund has an agreement with its master fund that allows for the mutual access and exchange of information between the two and defines the dealing arrangements concerning shares of the master fund held by the feeder fund.

Information about the potential tax implications of investments into a master fund is available in the relevant master fund's prospectus.

With regard to master and feeder funds, the master fund and each feeder take appropriate measures to coordinate the frequency and timing of NAV calculation and publication in order to prevent market timing and arbitrage opportunities involving their shares.

Other master fund information is available as follows:

Information/document	Sent	Media	Online	Office
KIIDs			•	•
Prospectus			•	•
Annual/semi-annual reports			•	•
Information shared between the master fund and a feeder sub-fund such as the dealing arrangement				•

### KEY

**Online** Posted online on [la-francaise.com](http://la-francaise.com).

**Office** Available free upon request by calling +33(0)1 44 56 10 00 or emailing [contactvaleursmobilières@lafrancaise-group.com](mailto:contactvaleursmobilières@lafrancaise-group.com). Also available free of charge from the registered offices of the SICAV and the management company, and available for inspection at those offices.

## SHAREHOLDER MEETINGS AND VOTING

The annual general meeting is generally held at the SICAV's registered office at 3:30 PM CET on the third Tuesday in May each year, or if that is not a business day (as defined in this prospectus), then the next business day. In exceptional circumstances the board may hold the annual general meeting outside of Luxembourg. Other shareholder meetings may be held at other places and times, with appropriate approval and notification.

The written notices convening annual general meetings, indicating the agenda, the date and time of the meeting and setting out the quorum and majority vote requirements, will be sent at least eight days prior to the meeting to all holders of registered shares at their address listed in the register of shareholders.

Resolutions concerning the interests of all shareholders generally will be taken in a general meeting, and will become effective if approved by two-thirds of the votes cast (whether in person or by proxy).

Among other matters, shareholders will be asked to approve the dividends proposed by the board, with the option of modifying them, within the limits of applicable law, as to the portion of annual net profits for the fiscal period to be included, as well as any portion of net assets. The SICAV's financial statements must reflect the amount of net investment income and of capital in each dividend payment. Approval of a dividend requires the approval of a majority (as defined in the articles of incorporation) of the shareholders of the applicable sub-fund or share class.

Each share gets one vote in all matters brought before a general meeting of shareholders. Fractional shares do not have voting rights. Nominees determine the voting policy for all shares of which they are the owner of record.

If your shares are registered in the name of more than one holder, the unanimous approval of all account holders is required in order to enter a vote for the account, unless the account holders have notified us that they have unanimously approved a representative to vote on behalf of the account.

For information on admission and voting at any meeting, refer to the applicable meeting notice.



## LIQUIDATION OR MERGER

### LIQUIDATION

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The board may decide to liquidate any sub-fund or share class if the board believes either of the following is true:

- the value of the net assets of the sub-fund or share class is so low as to make continued operation problematic
- the liquidation is appropriate as part of an economic rationalisation (such as an overall adjustment of sub-fund offerings)

If neither of these is true, then any liquidation of a sub-fund or share class requires the approval of the shareholders of the sub-fund or share class. Approval may be given by a simple majority of the shares present or represented at a validly held meeting (no quorum required).

Generally, shareholders of the relevant sub-fund or share class may continue to redeem or switch their shares, free of any redemption and switching charges (except disinvestment costs) up to the liquidation date. The prices at which these redemptions and switches are executed will reflect any costs relating to the liquidation. The board can suspend or refuse these redemptions and switches if it believes it is in the best interests of shareholders or is necessary to ensure shareholder equality.

Only the liquidation of the last remaining sub-fund will result in the liquidation of the SICAV. In such a case, once liquidation is decided upon, the SICAV and all sub-funds must cease issuing new shares except for the purpose of liquidation.

The SICAV may itself be dissolved at any time by a resolution of shareholders (for quorum and voting requirements, see the articles of incorporation). In addition, if it is determined that the SICAV's capital has fallen below two-thirds of minimum required capital, shareholders must be given the opportunity to vote on dissolution at a general meeting held within 40 days of the determination. Dissolution will occur if approved by a majority of the shares present and represented at the meeting, or by 25% of the shares present and

represented if the SICAV's capital is below 25% of the minimum (no quorum required). Subject to the same voting requirements, the shareholders may choose (or may authorise the liquidator to choose for them) to transfer the liquidation proceeds to another UCI with similar characteristics as the SICAV, in exchange for shares of that UCI being issued to each shareholder in proportion to the value of their liquidation proceeds.

Should it be voted that the SICAV will liquidate, one or more liquidators appointed by the shareholder meeting will liquidate the SICAV's assets in the best interest of shareholders and will distribute the net proceeds (after deduction of any costs relating to the liquidation) to shareholders in proportion to their holdings.

Amounts from any liquidations that are not claimed promptly by shareholders will be deposited in escrow with the Caisse de Consignation. Amounts still unclaimed after 30 years will be forfeited according to Luxembourg law.

### MERGERS

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Within the limits of the 2010 Law, the board may decide to split any sub-fund into more than one sub-fund or merge it with any other sub-fund, wherever domiciled (whether the other sub-fund is within the SICAV or in a different UCITS).

The SICAV may also merge with another UCITS as permitted by the 2010 Law. The board is authorised to approve mergers of other UCITS into the SICAV. However, a merger of the SICAV into another UCITS must be approved by a majority of votes cast.

Shareholders whose investments are involved in any merger will receive at least one month's advance notice of the merger, during which they will be able to redeem or switch their shares free of any redemption and switching charges. At the end of the notice period, shareholders who still own shares in a sub-fund and class that is being merged out of existence and who have not expressly indicated their willingness to participate in the merger will receive shares of the receiving sub-fund of the merger.



# THE MANAGEMENT COMPANY

## OPERATIONS AND BUSINESS STRUCTURE

**Management company name** La Française Asset Management

**Registered office** 128, boulevard Raspail – 75006 Paris, France

**Legal form of company** Simplified Joint Stock Company

**Incorporated** 13 October 1978; authorised to act as a fund management company since 1 July 1997 under number GP 97-76

**Regulatory authority** Autorité des Marchés Financiers, 17, place de la Bourse, 75017 Paris, France

**Registration number** 314 024 019 RCS Paris

**Capital** EUR 17,696,676

**Other funds managed** List available upon request

## RESPONSIBILITIES

The management company is responsible for, among other things:

- investment management with respect to all sub-funds
- administration
- marketing

With the consent of the SICAV and the regulatory authority, the management company has the option of delegating to qualified third parties some or all of its responsibilities. For example, so long as it retains supervision, implements appropriate controls and procedures, and updates the prospectus in advance, the management company can appoint one or more investment managers to handle the day-to-day management of sub-fund assets, or to provide investment information, recommendations and research concerning prospective and existing investments.

The management company must require any delegated entity to comply with the provisions of the prospectus, articles of incorporation and other applicable provisions. Also, regardless of the nature and extent of its delegations, the management company remains fully liable for the actions of its delegates.

The management company can also appoint various service providers, including distributors, to market and distribute sub-fund shares in any jurisdiction where the shares are approved for sale.

The management company is entitled to receive a management company fee as indicated for each sub-fund in "Sub-Fund Descriptions". The management company may decide to waive some or all of its fee in order to reduce the impact on performance. These waivers may be applied to any sub-fund or share class, for any

amount of time and to any extent, as determined by the management company.

The investment managers, investment advisors and all service providers engaged by the management company have agreements to serve for an indefinite period and must provide periodic reports relating to their services. The management company may terminate any of these agreements immediately if it determines that a material breach of contract has occurred. Otherwise, a holder of any of these agreements can resign or be replaced by the management company upon 90 days' notice.

## REMUNERATION POLICY

The management company has designed and implemented a remuneration policy that is consistent with, and promotes, sound and effective risk management and does not encourage risk taking that is inconsistent with the risk profile of the sub-funds. The management company has identified those of its staff members whose professional activity has a material impact on the risk profiles of the sub-funds, and will ensure that these staff members comply with the remuneration policy.

The remuneration policy integrates governance, a pay structure that is balanced between fixed and variable components, and risk and long-term performance alignment rules. These alignment rules are designed to be consistent with the interests of the management company, the SICAV and the shareholders, with respect to such considerations as business strategy, objectives, values and interests, and include measures to avoid conflicts of interest. The management company ensures that the calculation of any performance-based remuneration is based on the applicable multi-year performance figures of the SICAV and that the actual payment of such remuneration is spread over the same period.

For details of the current remuneration policy of the management company, such as a description of how remuneration and benefits are calculated and the identity of the persons responsible for awarding the remuneration and benefits, go to <http://lfgrou.pe/MnDZx7>, or you can request a free paper copy from the registered office of the management company.

## SUPERVISORY BOARD OF THE MANAGEMENT COMPANY

### **Xavier Lépine** (Chairperson)

La Française Group  
128, Boulevard Raspail  
F-75006 Paris, France

### **Pascale Auclair**

La Française Group  
128, Boulevard Raspail  
F-75006 Paris, France

### **Pierre Lasserre**

La Française Group  
128, Boulevard Raspail  
F-75006 Paris, France

### **Caisse Fédérale Du Crédit Mutuel Nord Europe**

4, place Richebé  
F-59800 Lille, France

## MANAGEMENT BOARD OF THE MANAGEMENT COMPANY (DIRECTOIRE)

### **Patrick Rivière** (Chairperson)

La Française Group  
128, Boulevard Raspail  
F-75006 Paris, France

### **Jean-Luc Hivert**

Managing Director  
La Française Asset Management  
128, Boulevard Raspail  
F-75006 Paris, France

### **Laurent Jacquier-Laforge**

Managing Director  
La Française Asset Management  
128, Boulevard Raspail  
F-75006 Paris, France

### **Philippe Lecomte**

La Française Asset Management  
128, Boulevard Raspail  
F-75006 Paris, France

### **Philippe Lestel**

La Française Asset Management  
128, Boulevard Raspail  
F-75006 Paris, France

### **Franck Meyer**

La Française Asset Management  
128, Boulevard Raspail  
F-75006 Paris, France

## INVESTMENT MANAGERS

### **JK Capital Management Limited**

Suite 1101, Chinachem Tower  
34-37 Connaught Road Central  
Hong Kong

### **La Française Asset Management** *also an investment advisor*

128, Boulevard Raspail  
F-75006 Paris, France

### **Gonet & Cie SA, Geneva**

Boulevard du Théâtre 6  
1204 Geneva, Switzerland

### **La Française Forum Securities (SG) Pte Limited** *also a sub-investment manager*

One Raffles Quay #25-36 North Tower  
Singapore 048583

## INVESTMENT ADVISORS

### **Inflection Point by La Française**

78 Brook Street  
London, W1K 5EF United Kingdom

### **La Française Forum Securities (UK) Limited, London**

78 Brook Street  
London, W1K 5EF United Kingdom

## BENCHMARK ADMINISTRATORS

As per the Benchmark Regulation (EU 2016/1011), the management company may use benchmarks in the EU (for purposes such as portfolio tracking and performance fee calculation) if the administrators of these benchmarks are registered with ESMA by no later than 1 January 2020.

Benchmark administrators located in the EU whose indices are used by the management company benefit from the transitional provisions.

ESMA-registered benchmark administrators whose indices are used by the management company:

- MSCI Limited, UK (MSCI Emerging Markets Index Daily Net Total Return in EUR).

The management company has produced and maintains robust written plans setting out the actions that it will take if a benchmark materially changes or ceases to be provided, or if the benchmark's administrator loses its registration with ESMA. These plans are available from the registered offices of the management company.

## SERVICE PROVIDERS ENGAGED BY THE MANAGEMENT COMPANY

### ADMINISTRATOR; REGISTRAR; TRANSFER AGENT

### **BNP Paribas Securities Services, Luxembourg Branch**

60, Avenue J.F. Kennedy  
L-1855 Luxembourg

The administrator handles the administrative work required by law and the articles of incorporation, such as calculating NAVs, supervising notices to shareholders and keeping the books and records of the sub-funds and the SICAV.

The registrar provides such services as maintaining the SICAV's register of shareholders.

The transfer agent provides such services as opening and closing accounts, processing transactions in sub-fund shares and providing documentation of these transactions to shareholders.

## LEGAL ADVISERS

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### **Elvinger Hoss Prussen, société anonyme**

2, Place Winston Churchill

L-1340 Luxembourg

## LOCAL DISTRIBUTORS AND AGENTS

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The management company may engage local distributors or other agents in certain countries or markets. In some countries, use of an agent is mandatory, and the agent may not merely facilitate transactions but may hold shares in its own name on behalf of investors.



**LA FRANÇAISE**

[la-francaise.com](http://la-francaise.com)