LA FRANÇAISE

UCITS
under Directive 2009/65/EC

PROSPECTUS
La Française Trésorerie ISR
Mutual Fund

1. General features

1.1 Legal form of the UCITS

Name:
La Française Trésorerie ISR

Legal form and Member State in which the UCITS has been incorporated:
Fonds Commun de Placement (mutual fund) under French law

Launch date and scheduled duration:
07/02/2003 - 99 years

Date of approval by the Financial Markets Authority:
21/01/2003

Summary of the management offer

Type of unit	*ISIN code*	*Original net asset value*	*Sub-funds*	*Allocation of income*	*Allocation of gains*	*Denomination currency*	*Target subscribers*	*Minimum initial subscription value*
T C units	FR0013289022	EUR 100	No	Capitalisation	Capitalisation	EUR	All investors without payment of retrocession fees to distributors	None
R units	FR0000991390	EUR 70,000	No	Capitalisation	Capitalisation	EUR	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	EUR 100
E units	FR0011006360	EUR 100,000	No	Capitalisation	Capitalisation	EUR	All subscribers, and more particularly intended for foreign professional clients within the meaning of the Markets in Financial Instruments Directive (MiFID)	EUR 500,000
B units	FR0011361229	EUR 100	No	Capitalisation	Capitalisation	EUR	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services, more particularly investors from Benelux and CMNE clients	EUR 100
I units	FR0010609115	EUR 100,000	No	Capitalisation	Capitalisation	EUR	Reserved for professional clients within the meaning of MiFID	EUR 500,000

The minimum initial subscription value does not apply to the management company or entities in the La Française Group.

Location where the latest annual report and the latest interim report may be obtained:
The latest annual reports and the composition of assets will be sent within eight working days, upon written request by the unitholder to:

LA FRANÇAISE ASSET MANAGEMENT
Marketing department
128, boulevard Raspail
75006 Paris

Tel.: +33 (0) 1 44 56 10 00
E-mail: contact-valeursmobilieres@la-francaise.com

For further information, please contact the Marketing Department of the management company via the following e-mail address: contact-valeursmobilieres@la-francaise.com.

1.2 Stakeholders

Management company:
LA FRANÇAISE ASSET MANAGEMENT
Simplified joint stock company, registered in the Paris Trade and Companies Register under number 314 024 019
Management company approved by the French Financial Markets Authority on 1 July 1997, under number GP 97-76,
Head office: 128, boulevard Raspail – 75006 Paris

Depositary and registrar:

Identity of the UCITS Depositary
The Depositary of the UCITS is BNP Paribas Securities Services SCA, a subsidiary of the BNP PARIBAS SA group located at 9, rue du Débarcadère 93500 PANTIN (the "Depositary"). BNP PARIBAS SECURITIES SERVICES, a partnership limited by shares, registered in the Trade and Companies Register under number 552 108 011, is an institution approved by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the French Financial Markets Authority (Autorité des Marchés Financiers – AMF), whose registered office is located at 3, rue d'Antin, 75002 Paris, France.

Description of the responsibilities of the Depositary and potential conflicts of interest
The Depositary carries out three types of responsibilities: checking the legality of the decisions of the management company (as defined in Article 22(3) of the UCITS V Directive), monitoring the UCITS cash flow (as defined in Article 22(4)) and holding UCITS assets (as defined in Article 22(5)).
The main objective of the Depositary is to protect the interests of unitholders/investors in the UCITS. This will always take precedence over commercial interests.
Potential conflicts of interest may be identified, especially in the case where the management company has a commercial relationship with BNP Paribas Securities Services SCA alongside its appointment as Depositary (which may be the case where BNP Paribas Securities Services, by delegation from the Management Company, calculates the net asset value of the UCITS while BNP Paribas Securities Services is the Depositary or where a group connection exists between the Management Company and the Depositary).
In order to manage situations such as this, the Depositary has implemented and regularly updates a conflict of interest management policy, with the aim of:
- identifying and analysing potential conflicts of interest;
- recording, managing and monitoring conflicts of interest:
o based on the permanent measures put in place in order to manage conflicts of interest, such as the distribution of tasks, the separation of hierarchical and operational lines, the monitoring of internal lists of insiders and dedicated IT environments;
o On a case-by-case basis:
- by implementing appropriate preventive measures such as the creation of an ad hoc monitoring list and new Chinese walls, or by verifying that transactions are properly processed and/or by keeping the relevant clients informed,
- or by refusing to manage activities which could lead to conflicts of interest.

Description of any safekeeping functions delegated by the Depositary, list of delegates and sub-delegates and identification of conflicts of interest likely to result in such a delegation.
The Depositary of the UCITS, BNP Paribas Securities Services SCA, is responsible for the safekeeping of the assets (as defined in Article 22(5) of the Directive 2009/65/CE amended by Directive 2014/91/UE). In order to offer services related to the custody of assets in a large number of countries, allowing the UCITS to achieve their investment objectives, BNP Paribas Securities Services SCA has appointed sub-depositaries in the countries where BNP Paribas Securities SCA Services has not established a local presence. These entities are listed on the following website:
http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-and-trustee-serv.html
The appointment and monitoring process for sub-depositaries adheres to the highest quality standards, including the management of potential conflicts of interest which may arise as a result of these appointments.
Up-to-date information relating to the abovementioned points will be sent to the investor upon request.

Statutory auditor:
DELOITTE et Associés

6 place de la Pyramide 92908 Paris-La Défense cedex
Represented by Ms Virginie GAITTE

Marketers:
LA FRANÇAISE AM FINANCE SERVICES
Customer relations department
128, boulevard Raspail – 75006 PARIS

CMNE
4 place Richebé 59800 LILLE

Delegated entities:

Appointed account manager:
BNP Paribas Securities Services, SCA
With its registered office at 3 rue d'Antin - 75002 PARIS
With its postal address at Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin

Advisors:
None

Centralising agent:
LA FRANÇAISE ASSET MANAGEMENT
Simplified joint stock company, registered in the Paris Trade and Companies Register under number 314 024 019
Management company approved by the French Financial Markets Authority on 1 July 1997, under number GP 97-76,
Head office: 128, boulevard Raspail – 75006 Paris

Institution responsible for the receipt of subscription and redemption orders:
- **for bearer units to be registered or registered with Euroclear**:
LA FRANÇAISE AM FINANCE SERVICES
Customer relations department
128, boulevard Raspail – 75006 PARIS

- **for registered units yet be listed or already listed in the IZNES Shared Electronic Registration System (DEEP)**:
IZNES
Service Operations
20-22, rue Vernier - 75017 PARIS

2. Terms of operation and management

2.1 General features

Unit features:

- Nature of right attached to each unit category: Each unitholder has a right of co-ownership to the fund assets in proportion to the number of units held.
- Liabilities management provided by BNP Paribas Securities Services for units yet to be registered or already registered in bearer form within Euroclear, and by IZNES for units yet to be registered or already registered in pure registered form within the IZNES Shared Electronic Registration System (DEEP) .
- Bearer units listed with EUROCLEAR France: **R, B, E, TC, I units**
- Registered units administered within IZNES DEEP: **I units**
- Voting rights: the units do not carry any voting rights; decisions are taken by the management company.
- Form of the units: FCP units are bearer listed with Euroclear or registered in IZNES DEEP.
- Decimalisation: each unit can be divided into one hundred thousandths of a unit (R, I and T C), into ten thousandths of a unit (B unit) and into thousandths of a unit (E units).

Closing date:
- End of accounting period: last trading day in September
- End of the first financial year: 30 September 2003

Tax system:
Please note: Depending on your tax system, any capital gains and income associated with holding units in the UCITS could be subject to taxation. If the unitholder is uncertain about his tax situation, he must consult the UCITS marketer or his financial adviser for more information.

2.2 Specific provisions

ISIN code:

T C units	FR0013289022
R units	FR0000991390
E units	FR0011006360
B units	FR0011361229
I units	FR0010609115

Classification:
standard money market fund with variable net asset value (VNAV)
MMF approval date: 01/02/2019

Management objective:
The Fund's management objective is to seek market opportunities on short-term maturities in order to offer the same performance as the capitalised €STR (Euro Short-Term Rate) +0.085%, less management fees, by investing in a portfolio of issuers screened in advance according to Environmental, Social and Governance criteria.
In the event of very low money market interest rates, the yield generated by the UCITS could be negative.

Benchmark index:
The benchmark index representative of the management strategy is the €STR capitalised +0.085%.
The €STR (Euro Short Term Rate) [Bloomberg ticker: OISESTR INDEX] reflects the overnight euro unsecured borrowing costs for banks in the eurozone. The rate is published by the ECB at 8am (Central European Time) every opening day of TARGET 2.

Index administrator: Bloomberg Index Services Limited.

As at the date of the latest update to this prospectus, the administrator is no longer listed in the register of administrators and benchmark indices managed by the ESMA.
Further information on the benchmark index is available on the administrator's website: www.bloomberg.com/professional/product/indices

The benchmark index is used solely for comparison purposes. The manager is free to decide whether or not to invest in the securities that make up the benchmark index. They are therefore free to choose the securities that make up the portfolio in accordance with the management strategy and investment restrictions.

Investment strategy:
Sensitivity range: between 0 and 0.5
1- Strategy used
The Fund limits its investment to financial instruments with a maximum residual maturity of 2 years or less in the case of floating or adjustable rate instruments, and with a maximum maturity of 397 days for fixed rate instruments.
For financial instruments with floating or adjustable rates, the reference must be made on the basis of a money market interest rate or index. The portfolio is made up of at least 75% European fixed-rate, floating-rate or adjustable bonds, treasury bills, short- or medium-term negotiable debt securities and, on an ancillary basis, cash assets.
The portfolio will invest in signatures rated at least A-2 or P2 (according to rating agencies Standard & Poor's, Moody's or equivalent), or deemed equivalent on the basis of an analysis undertaken by the Management Company. The management company will therefore not exclusively or systematically use external ratings. It shall carry out its own credit analysis to establish the creditworthiness of assets at the time of investment or, in the event of a decline in said assets, to decide whether to sell or maintain them.
In accordance with Regulation (EU) 2017/1131, all issuers in the portfolio, their creditworthiness and their ESG rating must receive a positive internal assessment by the management company. This is a prerequisite for IMM investment (excluding governments, central banks, etc.), ABCP, securitisations and for assets received through reverse repurchase transactions. The credit evaluation methodology is reviewed *at least* once a year to ensure its suitability. It must be validated by the General Management at a ratings committee. Its approval will be formalised in a statement from the internal ratings committee.
In order to better assess liquidity ratios in particular, our methodology may be changed under certain conditions:
- Regulatory change (e.g. new capital requirements for banks or standards for an industrial sector)
- New market conditions (e.g. consequences of central bank monetary policy and impact on bank liquidity/refinancing)

- The emergence of new risks (sovereign, climate, terrorism, etc.)
- A change in accounting standards

The purpose of the MMF Internal Ratings Committee is to provide a non-financial analysis based on elements submitted by the research centre belonging to the La Française Group known as "LF Sustainable Investment Research", a quantitative and qualitative financial analysis and an opinion on the creditworthiness of the issuer as part of a monetary investment.

Three types of analysis sheets are published:

- Non-financial corporates
- Banks
- Insurance

The investment process therefore combines a non-financial analysis and a financial analysis (qualitative and quantitative), which are described below.

Non-financial analysis:

The initial hedged investment universe is made up of private or public issuers from OECD member countries which are present on the money or bond market as described in point 1 above ("Strategy used") and are analysed by "LF Sustainable Investment Research", and is focused on responsible investment criteria. The Environmental, Social and Governance criteria are analysed by "LF Sustainable Investment Research", which has developed a proprietary ESG model and allows us to have a selectivity approach in relation to the investable universe.

This automated tool uses raw data from various data providers to calculate KPIs (Key Performance Indicators).

The ESG rating process is structured across five steps which can be described as follows:

1. Periodic update of raw data from different sources
2. Calculation of KPIs (46 in total)
3. When aggregated and supplemented with recent information collected and deemed relevant by the ESG analyst, they produce scores in three areas (environmental sustainability, human capital and organisational capital)
4. Calculation of weightings for these three areas, which may differ by sector
5. Calculation of the ESG score, on the basis of the three areas and specific sector weightings

For example, the criteria used to analyse issuers are:

- Environmental: carbon intensity and waste management, etc.
- Social: staff training, labour relations, etc.
- Governance: management structure and relationship with shareholders, remuneration policy, etc.

Once the rating process is complete, each issuer is assigned a rating from zero (worst) to 10 (best). This rating reflects investment opportunities or, conversely, non-financial risks.

The proportion of the portfolio made up by issuers analysed under these ESG criteria is greater than 90% of the securities in the portfolio (as a percentage of the Fund's net assets excluding bonds and other debt securities issued by public or quasi-public issuers, excluding cash assets held on an ancillary basis and excluding social impact assets).

This first step of the non-financial analysis identifies issuers to be ruled out solely due to ESG criteria.

The following issuers are therefore automatically excluded under the La Française Group's exclusion policy:

- issuers involved in controversial weapons; and
- companies located in countries appearing on the black list and the red list of sensitive countries requiring approval, on a case-by-case basis, from LFAM's Compliance Department.

These lists, which are maintained and updated by LFAM's Compliance Department, are drawn up with regard to international sanctions and the implications for terrorism and corruption.

Next, the 20% of issuers with the lowest ESG scores in the initial investment universe are excluded.

All of these excluded issuers represent the ESG exclusion list. This list is drawn up on a monthly basis and identifies a minimum ESG score threshold below which the Fund cannot invest. Issuers whose ESG score falls below the exclusion threshold cannot be part of the investable universe.

The second step of the non-financial analysis identifies issuers who are best placed to meet the challenges of responsible investment and are positively committed to a sustainable future.

As such, the management company selects issuers on the basis of these ESG criteria and a financial analysis as detailed below.

The portfolio's average ESG rating is calculated on a daily basis and is designed to be above the exclusion threshold of the initial investment universe.

The methodology adopted by our management company to take account of non-financial criteria may have two main constraints:

- the underlying UCITS managed by other management companies in which the Fund invests may approach the inclusion of non-financial criteria in a different way, which may lead to differences in the choice of issuers;
- the analyses carried out by our research centre depend on the quality of the information collected and the transparency of issuers.

The Fund may also invest in green bonds. The proportion of green bonds in the Fund will depend on market trends and the size of the target market. As such, this proportion can represent up to 10% of the Fund. These green bonds must also respect the four key "*green bond principles*", namely: the use of funds, the project selection and evaluation process, the fund management and the reporting principles. Lastly, the issuers of these bonds have to pass the non-financial analysis, the qualitative financial analysis and the quantitative financial analysis.

Additional information on the management company's non-financial analysis, including ESG criteria, is presented in the La Française Group transparency code available on the La Française website at www.la-francaise.com.

Qualitative financial analysis:

All issuers having undergone a non-financial analysis and not added to the ESG exclusion list are analysed under the various criteria listed below.

• The type of issuer (national, regional or local governments, financial and non-financial corporations) and general data on the company and its equity and credit profile

• Shareholding of the issuer

• The company's business and its positioning in its market

• The main figures (balance sheet, profit and loss account, key ratios) and latest published results, as well as an analysis of liabilities (debts), cash and equivalents, financing possibilities (funding table, covenants, etc.), in particular:

o Non-financial corporates:

- Liquidity ratio
- FFO/net debt
- EBIT/net interest expense
- Net debt /EBITDA

o Banks:

- Common equity Tier 1 ratio
- NPL/Total loans
- Loans/deposits

o Insurance:

- Solvency margin

• Main strengths/weaknesses in relation to the macroeconomic situation and the financial markets (SWOT)

• For financial companies : evaluation of a credit score including the regulatory requirements and an evaluation of the related margins

• - For non-financial corporates: debt structure and analysis

• A review of the relative quality of the issuer compared with its sector and region

• The type of asset class of the instrument (including short-term character)

• For structured instruments, the operational and counterparty risks inherent in the investment structure; and - in the case of securitisation exposure - the credit risk of the issuer, the structure of the securitisation and the credit risk of the underlying assets.

Qualitative financial analysis:

All issuers having undergone a non-financial analysis and not added to the ESG exclusion list are analysed under the various criteria listed below.

• Evaluation of credit risk and default risk (risk monitoring on spread variations, CDS, short-term margins)

• Evaluation of the liquidity of the instruments and their daily monitoring.

The evaluation procedure must be adequate in all circumstances. To this end, it may be adapted as necessary to maintain its quality. The procedure as described may therefore temporarily fail to precisely reflect the procedure in place.

The creditworthiness analyses are conducted by the credit management unit, an independent unit of the monetary division. Money managers are not involved in the internal creditworthiness evaluation; they merely use the result of the credit analysis.

This dual analysis (non-financial and financial) produces a positive or negative assessment of each issuer in the initial investment universe, which is confirmed or rejected by the MMF Internal Ratings Committee.

MMF Internal Ratings Committee:

The MMF Internal Ratings Committee meets in the following cases :

- Entry of a new issuer
- Review of a rating (at least annually)
- Risk management alert:
    - o Major variation of the risk premium in absolute or relative terms
    - o Divergence between the development of the risk premium and the conclusions of the credit analysis
- Credit event or event likely to lower the issuer's ESG rating
- Publication of results

The MMF Internal Ratings Committee is subject to a committee report listing the ratings reviewed and their due dates as well as the issuers selected.

The Internal Ratings Committee consists of the analyst in charge of the relevant case, their team manager, the money manager, the risk control officer, an "LF Sustainable Investment Research" analyst and the CEO of LFAM.

The committee confirms or rejects the proposed rating as directed by the head of the Credit Unit and without the intervention of the money manager.

Ultimately, the CEO of LFAM systematically verifies the assessment put forward.

Each credit evaluation concludes with a positive or negative opinion from the perspective of a monetary investment, on the understanding that the following evaluation criteria will receive special attention :

• The issuer's ESG score

• The level of liquidity of the issuing entity

• Its access to the market

• Its net debt level/EBITDA and development in relation to the sector, for non-financial corporates

• The trends in the entity's or sector's operations

• Interest hedging

• Transparency and access to accounts depending on whether or not the company is listed

• The governance of the issuing company

A negative evaluation of one or more of the above criteria by the management company would rule out any investment in the issuer or lead to the sale of its securities.

Money market funds may only invest in money market issues given a positive rating following these analyses.

The person responsible for the internal creditworthiness evaluation procedure is the LFAM CEO.

In the event of exceptional market conditions, specifically market instability, money market fund managers may override the result of a negative internal creditworthiness assessment . These entries are reported in the minutes of the internal MMF ratings committee with the following details:

- The name of the person responsible for taking the decision
- The objective reasoning behind this decision
- Its period of validity

The Weighted Average Maturity of the portfolio until the date of maturity is at most 6 months.

The Weighted Average Life of the portfolio until the expiry date of the financial instruments – calculated as the average of the final maturities of the financial instruments – is at most 12 months.

At least 7.5% of the Fund assets have daily maturities or involve a reverse repurchase agreement, which may be terminated with one business day's notice, or cash, which may be withdrawn with one business day's prior written notice.

The Fund will refrain from acquiring any other non-daily assets when doing so would reduce its investment in daily maturing assets to less than 7.5%.

At least 15% of the Fund assets have weekly maturities or involve a reverse repurchase agreement, which may be terminated with five business days' notice, or cash, which may be withdrawn with five business days' prior written notice.

The portfolio may hold money market instruments issued or guaranteed by a local, regional or central authority of a Member State, the central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank and rated "investment grade".

Investors should note that the Fund may invest more than 5% of its assets in money market instruments issued by:

- the European Bank for Reconstruction and Development ,
- the Council of Europe Development Bank,
- the International Bank for Reconstruction and Development ,
- the International Monetary Fund,
- the European Financial Stability Facility,
- the European stability mechanism,
- the European Investment Fund,
- the European Investment Bank,
- the European Central Bank,
- European supranational and public issuers (explicit or implicit guarantee of the government in which the public issuer is domiciled), Eurosystem banks (ECB, European Central Bank and NCB, National Central Banks).

Residents of France or any of the eurozone countries are not exposed to currency risk.

The Fund may also invest up to 10% in the units or shares of French or European money market funds and/or in French money market AIFs meeting the criteria of Article R214-13 of the French Monetary and Financial Code.

2- Assets (excluding embedded derivatives)

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

a. Money market instruments

i. Negotiable debt securities, including NEU CP and NEU MTN : yes

ii. Bonds: yes

iii. Treasury bills: yes

vi. Asset-backed Commercial Paper (ABCP) and securitisations: yes

with the following characteristics:

- all sectors
- the securities selected will be invested in both the private and public sectors
- envisaged credit level: securities eligible for the portfolio should have a high credit rating, meaning that they should have a rating of at least A-2 or P2 (according to ratings agencies Standard & Poor's, Moody's or equivalent), or deemed equivalent according to an analysis by the Management Company.

b. equities: no

c. UCITS/AIF: yes, up to a limit of 10% of net assets in units or shares of "money market" funds/AIFs

The Fund may invest in UCITS/AIF of the Management Company or an affiliated company.

3- Derivative instruments

The Fund may use futures or options that are conditional on underlying interest rates, currencies or indices representative of one of these categories for the purpose of hedging interest rate and currency risks.

These transactions will be performed up to a maximum of 100% of the Fund assets.

Type of markets used:
- regulated: yes
- organised: yes
- OTC: yes

The Fund will preferably use organised markets but reserves the right to enter into OTC contracts where these contracts are better suited to the management objective or offer lower trading costs.
The Fund reserves the right to trade on all European and international markets.

Risks on which the manager seeks to act:
- equities: no
- interest rates: yes
- foreign exchange: yes
- credit: no
- indices: yes, interest rate and exchange rate

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

Nature of the instruments used:
- futures: yes
- options: yes
- swaps: yes
- forward exchange: yes
- credit derivatives: no
- other: no

4- Securities with embedded derivatives

In order to achieve the management objective, the manager may take positions to hedge the portfolio against risks:
- equities: no
- interest rates: yes
- foreign exchange: yes
- credit: no

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

Type of instruments used:
- EMTN
- BMTN
- Callable, puttable

5- Deposits: the Fund reserves the right to make deposits of up to 10% in order to manage its cash flow. These deposits can be disposed of at any time.

6- Cash borrowings: the Fund may not use cash borrowings.

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

• **Type of activities and operations used**:

The temporary purchase or sale of securities (only repurchase and reverse repurchase) will be carried out in accordance with the Regulation on money market funds. They will be carried out as part of liquidity management.
These transactions will involve repurchasing and reverse repurchasing all assets eligible for the portfolio. Instruments involved in transactions of this type shall be bonds and other negotiable debt securities.

• **Envisaged level of use**:
Repurchasing and reverse repurchasing transactions may be carried out up to a maximum of 10% of the UCI's assets.
The expected proportion of assets under management that will be involved in such transactions may represent 10% of assets.

8. Information on financial guarantees (temporary purchase and sale of securities and/or OTC derivatives)
• **Nature of financial guarantees**:
Within the framework of transactions for the temporary purchase or sale of securities and/or OTC derivatives, the UCI may receive cash in its reference currency as collateral. Guarantees are held by the Depositary of the UCI.
• **Reinvestment policy for guarantees received**:
Financial guarantees received in cash are reinvested in accordance with the applicable rules.
Financial guarantees received must be able to be fully enforced by the UCI at any time and without consulting or obtaining the approval of the counterparty. Financial guarantees received in cash may be:
- placed in deposit;
- invested in high-quality government bonds;
Securities received as collateral cannot be sold, reinvested or pledged as a guarantee.
• **Selection of counterparties**:
The Management Company follows a specific selection process for financial intermediaries, also used for intermediaries designated for transactions for the temporary purchase or sale of securities. These intermediaries are selected based on their research quality, the cash assets that they offer, and their speed and reliability with regard to how they process orders and the quality they provide in doing so.
At the end of this rigorous and regulated process, subject to a grade, the counterparties selected for transactions for the temporary purchase or sale of securities are credit institutions authorised by the Management Company which have their registered office in a Member State of the European Union.

• **Remuneration**:
No remuneration is paid to the Depositary (within the framework of his capacity as Depositary) or to the Management Company for transactions for the temporary purchase or sale of securities. All income from these transactions is paid in full to the UCI.
The costs/fees relating to transactions for the temporary purchase and sale of securities are not invoiced to the Fund. These costs/fees are borne in full by the Management Company.
Furthermore, the management company does not receive any commission in kind on these transactions.

• **Risks**:
There is no correlation policy to the extent that guarantees received in cash in the reference currency of the UCI do not present an exchange risk or valuation risk due to fluctuating financial markets. Therefore, there is no discount policy applied to the guarantee received.
The audit teams in charge of the Fund shall respect all the limits described under the heading “Envisaged level of use”. The policy of financial guarantees limited to cash does not require a specific risk procedure for monitoring collateral and associated discounts.
The recourse to the purchase and/or sale transactions of securities may result in legal risks, in particular relating to contracts.

Risk profile:
"Your money will be invested in financial instruments selected by the management company. These instruments will be exposed to market trends and risks".
The risks described below are not exhaustive: investors should analyse the risks inherent to each investment and make their own decisions. Through the Fund, subscribers are exposed to the following risks:
ESG investment risk: The fund uses ESG criteria and may underperform the market in general or other funds that do not use ESG criteria when selecting investments. ESG investments are selected, or excluded on the basis of financial and non-financial criteria. The fund may sell a security for reasons relating to ESG, rather than for purely financial considerations.
Discretionary risk:
The discretionary management style applied to the mutual fund is based on the selection of portfolio assets and/or market expectations. There is a risk that the mutual fund may not be invested in the best-performing assets or markets at all times. The Fund's performance may therefore be lower than the management objective. In addition, the net asset value of the fund may have a negative performance.

Interest rate risk:
This is the risk of a decrease in interest rate instruments due to interest rate fluctuations, which may cause a decline in the net asset value of the Fund.

Credit risk: This is a risk that risk may arise from a downgrading of the credit rating of an issuer of debt securities or the default of an issuer. If an issuer's credit rating is downgraded, the value of its assets falls. Accordingly, this may cause the net asset value of the Fund to fall.

Risk of capital loss:
Investors are advised that their capital is not guaranteed and may therefore not be returned to them.

Counterparty risk:

This relates to entering into financial futures contracts traded on OTC markets and from repos and reverse repos of securities: It is the risk that a counterparty may default on payment. If a counterparty defaults on payment, therefore, the net asset value may drop.

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

Target subscribers:

T C units	All subscribers without payment of retrocession fees to distributors
R units	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services
E units	All subscribers, and more particularly intended for foreign professional clients within the meaning of the Markets in Financial Instruments Directive (MiFID)
B units	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services, more particularly investors from Benelux and CMNE clients
I units	Reserved for professional clients within the meaning of MiFID

Investors subscribing to this Fund wish to gain exposure to the money market through the use of a responsible investment process.

T units subscription terms:
Subscriptions for T units (net units) are reserved:
- for investors subscribing through distributors or intermediaries:

- subject to national legislation prohibiting all retrocession fees to distributors,
- providing:
  - independent advice within the meaning of European regulation MiFID II,
  - individual portfolio management under mandate

- funds of funds

All arbitrage of Fund units towards T units shall benefit from the MIF2 tax ruling until 31 December 2017 (DGFIP (Public Finances Directorate General) letter No. 2016/00012908, dated 16 March 2017; www.la-francaise.com), provided that subscriptions for T units are immediately preceded by a redemption of R and B units by the same unitholder on the same net asset value date.

US investors
Units have not been and will not be registered under the US Securities Act of 1933 (hereinafter the “Act of 1933”) or any other law applicable in a US state. Units may also not be directly or indirectly transferred, offered or sold in the United States of America (including its territories and possessions) to any US Person (hereinafter "U.S. Person"), as defined in the American Regulation 'Regulation S' of the Act of 1933 as adopted by the Securities and Exchange Commission ("SEC") unless (i) the units have been registered or (ii) an exemption applies (with the prior agreement of the management company's governing body).
The Fund has not been and will not be registered under the US Investment Company Act of 1940. Any re-sale or transfer of units in the United States of America or to a U.S. Person may be in breach of U.S. law and requires the written agreement of the Management Company of the Fund. Those wishing to acquire or purchase units will have to certify in writing that they are not a "U.S. Person".

The appropriate amount to invest in the mutual fund depends on your personal financial situation. To determine this, you must take into account your personal assets, current needs as well as your risk appetite or, on the contrary, your preference for a prudent investment. You are also strongly advised to diversify your investments so that they are not exposed solely to the risks of this fund.

Recommended investment period:

> 3 months and < 6 months.

Methods for determining and allocating distributable amounts:

T C units	Capitalisation
R units	Capitalisation
E units	Capitalisation
B units	Capitalisation
I units	Capitalisation

The distributable amounts consist of:

1. The net result, which corresponds to the amount of interest, arrears, dividends, bonuses and lots, directors' fees and all income relating to the securities making up the fund portfolio, plus income from sums temporarily held as liquid assets, minus management fees and borrowing costs, plus retained earnings, plus or minus the balance of the income adjustment account;

2) the realised capital gains, net of costs, minus the realised capital losses, net of costs, during the financial year, plus the similar net capital gains realised during the previous financial years which were not subject to distribution or capitalisation, minus or plus the balance of accrued capital gains.

Accounting currency:

EUR

Subscription and redemption terms:

<u>R, B, E, TC, I units:</u>

Subscription requests (in value or as a number of units) and redemption requests (as a number of units) on units yet to be listed or already listed as bearer will be accepted by your usual financial intermediary at any time. They are processed by La Française AM Finance Services at 12 p.m. on the net asset value calculation dates (if the Stock Exchange is open in Paris or the next trading day, except for statutory holidays in France) and are executed on the basis of the last-known net asset value.

<u>I units: FR0010609115:</u>

Subscription orders (in value or as a number of units) and redemption orders (as a number of units) on units yet to be listed or already listed as pure registered in the IZNES Shared Electronic Registration System (DEEP) will be accepted by IZNES at any time and centralised with IZNES each net asset value calculation day at 12pm (if the Stock Exchange is open in Paris, or the next trading day, except for public holidays in France) and are executed on the basis of the last known net asset value.

Related payments are made on the net asset value calculation date.

However, subscription and redemption requests processed before 12 p.m. on the day after a holiday period (days when the Paris Stock Exchange is normally closed) are executed on the basis of the net asset value calculated using the stock prices of the last trading day preceding the holiday period, plus interest accrued during the holiday period on interest-bearing assets (liquid assets, bonds, treasury bills and similar assets), less expenses over said period.

The Fund's net asset value used for executing the subscription and redemption orders may be recalculated between the time the orders are placed and their execution, in order to take into account any exceptional market event that may have occurred in the meantime.

Processing of subscription orders	Centralisation of redemption orders	Execution of the order	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions
D before 12 p.m.	D before 12 p.m.	D	Day D	Day D	Day D

Liquidity risk management policy:

The management of the UCI's liquidity risk is carried out within the framework of an analysis and monitoring system based on internal tools and methodologies set up within the management company. This system revolves around two axes:

- monitoring of the portfolio's liquidity profile, based on the assessment of the liquidity of assets with regard to current market conditions;
- monitoring of the fund's ability to cope with significant redemption scenarios under current or degraded market conditions.

Minimum value of initial subscription:

T C units	None
R units	EUR 100
E units	EUR 500,000
B units	EUR 100
I units	EUR 500,000

Minimum subsequent subscription value:

T C units	None
R units	None
E units	None
B units	None
I units	None

Date and frequency of the net asset value:

The net asset value is calculated on each trading day of the Paris Stock Exchange, excluding legal holidays in France.

Original net asset value:

T C units	EUR 100
R units	EUR 70,000
E units	EUR 100,000
B units	EUR 100
I units	EUR 100,000

Location where the net asset value is published:

the management company's premises and the website: www.la-francaise.com

Costs and fees:

Subscription and redemption fees:

Subscription and redemption fees increase the subscription price paid by the investor or decrease the redemption price. The fees received by the UCITS offset the charges it incurs in investing or divesting the assets entrusted to it. Fees that are not paid to it revert to the management company, marketer, etc.

Costs payable by the investor, levied at the time of subscription and redemption	Base	Rate/scale
Subscription fee not paid to the UCITS	Net asset value x Number of units	**T C units:** None **R units:** None **E units:** None **B units:** None **I units:** None
Sales fee paid to to the UCITS	Net asset value x Number of units	**T C units:** None **R units:** None **E units:** None **B units:** None **I units:** None
Redemption fee not paid to the UCITS	Net asset value x Number of units	**T C units:** None **R units:** None **E units:** None **B units:** None **I units:** None
Redemption fee paid to the UCITS	Net asset value x Number of units	**T C units:** None **R units:** None **E units:** None **B units:** None **I units:** None

Operating and management charges:

These cover all costs charged directly to the UCITS, apart from transaction fees. Transaction costs include intermediation charges (brokerage, stamp duties, etc.) and any turnover fees charged in particular by the depositary and the management company.

In addition to operating and management charges, there may also be:

- outperformance fees. These are paid to the management company when the UCITS has exceeded its objectives. They are therefore charged to the UCITS;

- turnover fees are charged to the UCITS.

	Costs invoiced to the UCITS	**Base**	**Rate/scale**
1	Financial management fees	Net assets	**I units:**0.078% maximum rate (including tax) **R units:**0.278% maximum rate (including

			tax) **E units:**0.098% maximum rate (including tax) **B units:**0.728% maximum rate (including tax) **T units:**0.078% maximum rate (including tax)
2	Administrative costs external to the management company	Net assets	**I units:**0.022% maximum rate (including tax) **R units:**0.022% maximum rate (including tax) **E units:** 0.022% maximum rate (including tax) **B units:** 0.022% maximum rate (including tax) **T units:** 0.022% maximum rate (including tax)
3	Maximum indirect costs	Net assets	None
4	Turnover fees	Deducted from each transaction	**Bonds:** €200 **Swaps:** €300 **Futures:**EUR 6 contract; EUR 2.50 **UCI:**EUR 15 (MMF)
5	Outperformance fee	Net assets	none

Other costs invoiced to the UCITS:
- contributions due to the UCITS management pursuant to Article L621-5-3 (II)(3)(d) of the Monetary and Financial Code;
-taxes, duties, licence fees and government fees (relating to the UCITS), both extraordinary and non-recurring;
-extraordinary and non-recurring costs relating to debt recovery or a procedure for asserting a right (e.g. class action procedure).
Information concerning these fees is also laid out, ex post, in the UCITS's annual report.

Choice of intermediaries:
Financial intermediaries will be independently selected by the management company based on different criteria: the quality of the service provider, the research, the execution and applied prices, and the quality of the Back Office for clearing and settlement transactions. The management company refrains from placing its orders with a single intermediary.

Unitholders should refer to the annual report of the fund for any further information they may require.

3. Sustainability-related information

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability related disclosures in the financial services sector, as amended (“**SFDR** ”), governs the transparency requirements relating to the integration of risks related to sustainable development in the investment decisions, taking into account the negative effects on sustainable development and the publication of environmental, social and governance (“**ESG** ”) information, as well as the publication of information relating to sustainable development.
The occurrence of an ESG event or condition that could potentially or actually cause a negative material impact on the value of an investment of the fund. Sustainability risks can either represent a risk as such, or have an impact on other risks and contribute – by way of correlation – significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks can have an impact on long-term risk-adjusted returns for investors. Assessing sustainability risk is complex and can be based on ESG data that is difficult to obtain and incomplete, believed to be outdated, or otherwise materially inaccurate. Even when identified, there is no guarantee that this data will be properly assessed.
The Management Company has identified two types of climate risk borne by the issuers: physical risks resulting from damage directly caused by meteorological phenomena and transition risks linked to the effects of the implementation of a low-carbon economic model: legal, regulatory and political developments, changes in supply and demand, innovations and technological breakthroughs and customer and stakeholder perception of the contribution to the transition. The risks linked to biodiversity have not been assessed due to a lack of data and established methodology.
The risk of ESG investments means that the fund uses ESG criteria and may underperform the market in general or other funds that do not use ESG criteria when selecting investments. ESG investments are selected, or excluded on the basis of financial and non-financial criteria. The fund may sell a security for reasons relating to ESG, rather than for purely financial considerations.

The ESG investments are to some extent subjective, and there is no guarantee that all investments made by the fund reflect the beliefs or values of a particular investor. Investments in securities considered to be “sustainable” may potentially involve additional or reduced risks.
The Management Company incorporates sustainability risks and opportunities into its research, analysis and investment-decision process in order to improve its ability to manage risks more comprehensively and generate long-term sustainable returns for investors.
The Management Company believes that investors are mostly likely to be affected by transition risks over the short and medium term. If, however, global warming leads to a significant rise in temperatures, the physical risks would become predominant. Transition risks linked to the market or to technology are yet to appear but could materialise very quickly. The legal, economic and political risks, for example linked to the implementation of a carbon tax or a price on carbon, should materialise more gradually.
The intrinsic characteristics of these risks – long-term, difficult to project as a probability and without precedent – are often difficult to reconcile with standard investment processes which are based on probabilities established from the past. The Management Company measures these risks for all portfolios and integrates them from time to time into investment decisions based on its assessment of risk occurrence. Furthermore, in order to limit this risk as a whole, the Management Company has implemented an exclusion policy targeting the sectors most likely to be the source of liability risks linked to environmental factors.
More information on the inclusion of ESG (environmental, social and governance quality) criteria in the investment policy applied by the Management Company, the charter on sustainable investment, the climate and responsible investment strategy report, the engagement and exclusion policy can also be found online on the Management Company's website at the following address: https://www.la-francaise.com/fr/nous-connaitre/nos-expertises/linvestissement-durable.
Therefore, as of the most recent update of this prospectus, the fund is managed using an investment process that incorporates ESG factors and promotes ESG characteristics.

4. Commercial information

1. The Fund units are distributed by LA FRANCAISE AM FINANCE SERVICES, CMNE.

2. Subscription/redemption requests are centralised with LA FRANCAISE AM FINANCE SERVICES for units yet to be registered or already registered in bearer form within Euroclear, and by IZNES for units yet to be registered or already registered in pure registered form within the IZNES Shared Electronic Registration System (DEEP) .

3. Information about the "La Française Trésorerie ISR" fund is available at the Management Company's premises or on the website: www.la-francaise.com.

4. Information regarding the inclusion of ESG (environmental, social and quality of governance) criteria in the investment policy is available on the management company's website: www.la-francaise.com and will appear in the annual report.

5. Notification of the portfolio breakdown: the management company may directly or indirectly inform UCI unitholders with professional investor status of the breakdown of assets of the UCI, solely for the purpose of regulatory obligations as part of the calculation of shareholders' equity. This notification takes place, where applicable, within a period which may not be less than 48 hours after the publication of the net asset value.

5. Investment rules

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

6. Overall risk method

The mutual fund applies the commitment approach.

7. Rules for asset accounting methods and valuation

The Fund abides by the accounting rules laid down under the regulations in force and in particular the accounting rules applicable to UCIs.
All transferable securities in the portfolio are recorded at historical cost, excluding fees.
The rules for determining the net asset value of the money market fund comply with the provisions of Regulation (EU) 2017/1131 of 14 June 2017 on money market funds.
On each net asset value calculation date and balance sheet date, the portfolio is valued on the basis of:
Transferable securities
- Bond debt securities with a maturity of more than 1 year (MTN, bonds, OAT, Treasury bills): at market value – excluding accrued coupons on bonds – closing price. Foreign prices are converted to euros using the closing exchange rates on the valuation day. Transferable securities whose price has not been noted on the valuation day are valued at the last officially published rate or at their probable trading value, under the responsibility of the Management Company. The valuation is made on BID prices. If there is no listing, the spread will be calculated on the basis of the spreads offered on the same issuer's issues in the secondary market over the remaining life of the securities.

- Negotiable debt securities with a maturity of less than 1 year (NEU CP): the valuation is calculated using the margin spread offered by the issuer over the remaining life of the security using an actuarial method. If there is no price or no representative price, without a contribution from the usual sources or in the absence of interest from market counterparties, the formation of the curve prices of the issuer in question will be established using an average price per sector and per rating (issuer's peer group).
- swaps: at market value. If there are no representative prices, an independent counter-valuation established daily by the risk control officer may be used.
- Any temporary securities purchase and sale transactions (repurchase and reverse repurchase will be valued according to the provisions of the contract).
- UCIs: at the last-known net asset value.

Thus, if prices are missing or if the management company does not consider them to be unrepresentative, the management company may decide to force the price on the basis of the above principles, verified by the risk control officer.
The Fund will not use the amortised cost method.

Interest accounting method
Interest on bonds and debt securities is recorded using the accrued interest method.

8. Remuneration

In accordance with Directive 2009/65/EC and Article 314-85-2 of the General Regulations of the Financial Markets Authority, the management company has implemented a remuneration policy for categories of staff whose professional activities have significant repercussions on the risk profile of the management company or of the UCITS. These categories of staff include managers, members of the Board of Directors (including the senior management), risk takers, persons performing auditing tasks, persons in a position to influence employees, and all employees receiving a total remuneration who are in the same remuneration range as the risk takers and the senior management. The remuneration policy is compliant and encourages healthy and effective risk management, and does not encourage risk-taking which would be incompatible with the risk profiles of the management company or with its articles and does not hinder the obligation of the management company to act in the greater interests of the UCITS.
La Française Group has set up a remuneration committee at Group level. The remuneration committee is set up in accordance with the internal regulations and in accordance with the principles laid down in Directive 2009/65/EC and Directive 2011/61/EU. The remuneration policy of the management company is designed to promote good risk management and to discourage risk-taking which would exceed the tolerable level of risk, by taking into account the investment profiles of the funds under management and by implementing measures enabling any conflicts of interests to be avoided. The remuneration policy is reviewed annually.
The remuneration policy of the management company, detailing the way in which remuneration and benefits are calculated, is available free of charge from the registered office of the management company. A summary is available from the website: https://www.la-francaise.com/en/regulatory-information/

MUTUAL FUND REGULATIONS
La Française Trésorerie ISR

SECTION 1: ASSETS AND UNITS

Article 1: Co-ownership units

The rights of the co-owners are expressed in units, each unit corresponding to the same fraction of the fund's assets. Each unitholder has a right of co-ownership to the fund assets in proportion to the number of units held.

The duration of the fund is 99 years from its creation except in the case of early dissolution or extension provided for in these regulations.

Unit categories:
The features of the different classes of units and their access conditions are specified in the prospectus of the mutual fund.
The different classes of units may:
- Use different income distribution procedures (distribution or capitalisation or carry forward);
- Be denominated in different currencies;
- Bear different management fees;
- Incur different subscription and redemption fees
- Have different nominal values;
- Be systematically hedged against risk, in part or in full, as defined in the prospectus. This hedging is provided through financial instruments, minimising the impact of hedging on the other classes of units of the mutual fund;
- Be confined to one or more marketing channels.

The units may be divided, grouped or split into tenths, hundredths, thousandths, ten thousandths or hundred thousandths (referred to as "fractional units") at the discretion of the management company.
The provisions of the articles of association governing the issue and redemption of units apply to fractional units, whose value will always be proportional to that of the unit they represent. All other provisions of the regulations relating to units shall apply to fractional units without the need to specify, unless otherwise provided.

Finally, the Executive Board of the management company may decide unilaterally to split units by creating new units to be allocated to the unitholders in exchange for the old units.

Article 2: Minimum volume of assets

Units may not be redeemed if the assets fall below EUR 300,000; if the assets remain below this amount for a period of 30 days, the management company shall make the necessary provisions to liquidate the UCITS in question, or to carry out one of the operations mentioned in Article 411-16 of the General Regulations of the Financial Markets Authority (transfer of the UCITS).

Article 3: Issue and redemption of units

Units may be issued at any time at the request of the holders, based on the net asset value plus any subscription fees, where applicable.
Redemptions and subscriptions are carried out according to the terms and conditions set out in the prospectus.
Mutual fund units may be admitted to listing in accordance with the regulations in force.
Subscriptions must be fully paid on the day on which the net asset value is calculated. They may be paid for in cash and/or through the contribution of financial instruments. The management company has the right to refuse the securities offered and, for this purpose, has a period of seven days from their deposit to make its decision known. In the event of acceptance, the securities offered are valued according to the rules set out in Article 4 and the subscription is carried out on the basis of the first net asset value following acceptance of the securities in question.
Redemptions may be made in cash.
Redemptions may be made in kind. If the redemption in kind corresponds to a representative share of the portfolio assets, then only the written agreement signed by the outgoing unitholder must be obtained by the UCITS or the management company. Where the redemption in kind does not correspond to a representative share of the assets in the portfolio, all unitholders must provide written

approval authorising the outgoing unitholder to obtain the redemption of his/her units against certain specific assets, as explicitly established in the agreement.
By way of derogation from the above, when the fund is an ETF, redemptions on the primary market may, with the agreement of the portfolio management company and in the interest of the unitholders, be carried out in kind according to the conditions established in the prospectus or the fund regulations. The assets are then delivered by the issuing account holder in accordance with the conditions established in the fund's prospectus.
Redeemed assets are generally valued in accordance with the rules set in Article 4, and redemption in kind is carried out on the basis of the first net asset value following the acceptance of the assets in question.
Redemptions are settled by the issuing account holder no later than five days after the valuation of the unit.
However, if, in exceptional circumstances, the redemption requires the prior realisation of assets included in the fund, this period may be extended; it may not exceed 30 days.
Except in the case of inheritance or inter vivos distribution, the sale or transfer of units between unitholders, or from unitholders to a third party, is treated in the same way as a redemption followed by a subscription; in the case of a third party, the amount of the sale or transfer must, where applicable, be supplemented by the beneficiary to reach at least that of the minimum subscription required by the prospectus.
Pursuant to Article L214-8-7 of the Monetary and Financial Code, both the redemption by the mutual fund of its units and the issue of new units may be suspended on a temporary basis by the management company where required by exceptional circumstances and where this is in the interests of the unitholders.
If the net assets of the mutual fund are lower than the amount specified in the regulations, no units may be redeemed.

The UCITS may partially or totally stop issuing units temporarily or definitively pursuant to Article L214-8-7, third paragraph, of the Monetary and Financial Code in objective situations leading to the closure of subscriptions, such as a maximum number of units or equities being issued, a maximum amount of assets being achieved or the expiry of a determined subscription period. Information on this instrument's activation will be issued via any means to all existing unitholders concerned by its activation; it will also include information on the threshold and the objective situation which led to the decision for partial or total closure. In the event of a partial closure, the information issued via any means will clarify in detail the terms under which existing unitholders may continue to subscribe over the period of the partial closure. Unitholders shall also be informed via any means of the decision of the UCITS or of the management company to either end the partial or total closure for subscription (during the passage under the activation threshold) or not to end it (in the event of changes to the threshold or changes in the objective situation which led to the instrument being implemented). Any proposed change to the objective situation or to the instrument activation threshold must always be made in the interests of the unitholders. The information issued via any means will clarify the precise reasons for the changes.
Minimum subscription conditions are possible, according to the terms set out in the prospectus.
If the net assets of the mutual fund are lower than the amount specified in the regulations, no units may be redeemed.

The management company reserves the right to restrict or deny the direct or indirect holding of fund units by any person or entity which is prohibited from holding the fund units (hereinafter "Ineligible Person") as described below:
An "Ineligible Person" is:
- a "U.S. Person" as defined in SEC Regulation S of the Securities and Exchange Commission (SEC) (Part 230 – 17 CFR 230.903); or
- any other person who (a) is directly or indirectly in violation of the laws and regulations of any country or government institution, or (b) may, in the opinion of the management company of the mutual fund, cause damage to the mutual fund, which it would have otherwise not endured or suffered.
To this end, the management company of the mutual fund may:
(i) refuse to issue any units as soon as it becomes evident that such issuance will or may result in the aforementioned units being directly or indirectly held by or for an Ineligible Person;
(ii) demand, at any time, that a person or entity whose name appears on the register of unitholders provide any information, accompanied with a solemn declaration, which it deems necessary in order to establish whether the actual beneficiary of the relevant units is an Ineligible Person or not;
and
(iii) when it is apparent that a person or entity is (i) an Ineligible Person and, (ii) solely or jointly, the effective beneficiary of the units, proceed with the forced redemption of all the units held by a unitholder without delay and, at the latest, within five days.
The forced redemption will take place at the last known net asset value, minus, where applicable, the relevant fees, rights and commissions, which will be charged to the Ineligible Person within five days, during which time the actual beneficiary of the units may present his observations to the competent authority.
This power also covers any person (i) who is in direct or indirect violation of the laws and regulations of any country or government institution, or (ii) may, in the opinion of the management company of the mutual fund, cause damage to the mutual fund, which it would have otherwise not endured or suffered.

Article 4: Calculation of the net asset value

The net asset value of the units is calculated in accordance with the valuation rules set out in the prospectus.

Contributions in kind may only consist of securities, transferable securities or contracts in which UCIs are authorised to invest, such contributions shall be valued pursuant to the valuation rules used to calculate the net asset value.

SECTION 2: FUND OPERATION

Article 5: The management company

The fund is managed by the management company in accordance with the strategy set out for the fund.
The management company shall act under all circumstances in the exclusive interests of the unitholders and may alone exercise the voting rights attached to the securities in the fund.

Article 5a: Operating rules

The instruments and deposits in which the Fund may invest are specified in the prospectus.
The sub-fund reserves the right to invest more than 5% of its assets in money market instruments issued by:
the European Bank for Reconstruction and Development, the International Bank for Reconstruction and Development, the International Monetary Fund, the European Financial Stability Facility, the European Stability Mechanism, the European Investment Fund, the European Investment Bank, European supranational and public issuers (explicit or implicit guarantee of the government where the public issuer is domiciled), Eurosystem banks (ECB, European Central Bank and national central banks – NCBs)
In accordance with Regulation (EU) 2017/1131, all issuers in the portfolio and their creditworthiness must receive a positive internal assessment by the management company. This is a prerequisite for IMM investment (excluding government, central banks, etc.), ABCP, securitisations and for assets received through reverse repurchase transactions.
The internal credit quality evaluation procedure is set out in the prospectus and must be suitable in all circumstances. To this end, it may be adapted as necessary to maintain its quality. The procedure as described in the prospectus may therefore temporarily fail to precisely reflect the procedure in place.

Article 5b: Admission for trading on a regulated market and/or a multilateral trading system

The units may be admitted to trading on a regulated market and/or a multilateral trading system in accordance with the regulations in force. If the mutual fund whose units are admitted for trading on a regulated market has a management objective linked to an index, the fund must have a mechanism in place to ensure that the price of its units does not deviate substantially from its net asset value.

Article 6: The depositary

The depositary shall perform the duties incumbent upon it pursuant to the laws and regulations in force as well as those contractually entrusted to it by the management company. In particular, it must ensure the legality of decisions taken by the management company of the portfolio. Where necessary, it must take all the precautionary measures that it deems to be necessary. In the event of any dispute with the management company, it will inform the Financial Markets Authority.

Article 7: The statutory auditor

A statutory auditor shall be designated for six financial years, after agreement with the Financial Markets Authority, by the governing body of the management company.
It certifies the legality and accuracy of the accounts.
The statutory auditor’s term of office may be renewed.
The statutory auditor is required to notify the Financial Markets Authority as quickly as possible of any fact or ruling regarding the UCITS of which it becomes aware over the course of its assignment, of a nature that may:
1. constitute a breach of the legislative or regulatory provisions applicable to this body or be liable to have significant effects on the financial situation, profits or the assets;
2. adversely affect the conditions or the continuity of its operation;
3. lead to the issuance of reserves or the refusal to certify the accounts.
The statutory auditor shall supervise asset valuations and the calculation of the exchange parity in conversion, merger or demerger transactions.
It assesses any contribution or redemption in kind under its responsibility, except in the context of redemptions in kind for an ETF on the primary market.
It shall monitor the composition of the assets and other items prior to publication.
The statutory auditor's fees are determined by mutual agreement between the auditor and the executive board of the management company on the basis of a work schedule specifying the duties considered necessary.

The auditor shall certify the situations on the basis of which interim distributions are made.

Article 8: Financial statements and management report

At the end of each financial year, the management company prepares summary documents and draws up a report on the management of the fund during the past financial year.
The management company establishes, at least semi-annually and under the supervision of the depositary, an inventory of the assets of the UCI.
The management company shall make these documents available to the unitholders within four months of the end of the financial year and shall inform them of the amount of income they have the right to: these documents are either sent by post at the express request of the unitholders, or made available at the management company.

SECTION 3: ALLOCATION PROCEDURES OF DISTRIBUTABLE AMOUNTS

Article 9: Procedures for allocating income and distributable amounts

The distributable amounts consist of:
1) the net profit plus the amount carried forward, plus or minus the balance of prepayments and accrued income;
2) The capital gains made, net of costs, minus the capital losses made, net of costs, during the financial year, plus the similar net capital gains made during the previous financial years which were not subject to distribution or capitalisation and minus or plus the balance of the net capital gains of the pre-payment account.
The amounts stated in 1) and 2) may be distributed, in whole or in part, independently of each other.
The payment of the distributable amounts shall be performed within a maximum period of five months following the end of the financial year.
The mutual fund's net income is equal to the amount of interest, arrears, bonuses and lots, dividends, directors' fees and all other income relating to the securities making up the fund's portfolio, plus income from sums temporarily available, minus management fees and borrowing costs.
The management company shall decide how distributable amounts will be distributed.
For each equity category, as applicable, the mutual fund may opt for one of the following formulae for each of the amounts detailed in 1) and 2):
pure capitalisation: the distributable amounts are fully capitalised, with the exception of those that are subject to mandatory distribution by law;
pure distribution: the amounts are fully distributed, rounded to the nearest number;
For mutual funds seeking to maintain the freedom to capitalise and/or distribute and/or carry forward distributable amounts, the management company shall decide on the allocation of each of the amounts detailed in 1) and 2) each year.
During the course of the financial year, the management company may decide to make one or more prepayments not exceeding the net income of each of the amounts stated in points 1 and 2, recorded at the date of the decision.
The exact methods for the allocation of income are set out in the prospectus.

Article 10: Merger – Split

The management company may either make a total or partial contribution of the assets comprising the fund to another UCITS, or may split the fund into two or more mutual funds.
Unitholders must be notified before any such merger or demerger takes place. The transactions will lead to a new certificate being issued, specifying the number of shares held by each unitholder.

Article 11: Dissolution – Extension

If the assets in the fund remain below the amount specified above in Article 2 for thirty days, then the management company shall advise the Financial Markets Authority and dissolve the fund, unless there is a merger operation with another mutual fund.
The management company may dissolve the fund early; it shall inform the unitholders of its decision, and no subscription or redemption orders will be accepted after this date.
The management company shall also dissolve the fund in the event of a redemption order for all of the units, or where the depositary is relieved of its responsibilities and no other depositary has been appointed, or on expiry of the term of the fund, if it has not been extended.
The management company shall inform the Financial Markets Authority by post of the date and of the selected procedure for dissolution. Subsequently, the management company shall send the statutory auditor’s report to the Financial Markets Authority.
The management company may, by agreement with the depositary, decide to extend a fund's term. Its decision must be taken at least three months prior to expiry of the fund's term, and must be notified to the unitholders and the Financial Markets Authority.

Article 12: Liquidation

In the event of dissolution, the management company shall act as liquidator, failing which a liquidator shall be appointed by the court at the request of any interested party. To this end, the liquidator is vested with the most extensive powers for liquidating assets, paying creditors and distributing the available balance to unitholders in cash or securities.
The statutory auditor and the depositary shall continue to carry out their duties until the liquidation operations have been completed.

Article 13: Jurisdiction – Choice of domicile

Any disputes concerning the mutual fund arising during its existence or upon its liquidation, whether among unitholders or between unitholders and the management company or the depositary, shall be subject to the jurisdiction of the competent courts.