

Paris, 30 June 2021

LETTER TO UNITHOLDERS OF THE "La Française Rendement Global 2022*" MUTUAL FUND

Re: Merger-absorption operation of the "La Française Rendement Global 2022*" mutual fund by the "La Française Rendement Global 2028"* sub-fund of the "La Française" SICAV

Dear Sir/Madam,

As a unitholder in the La Française Rendement Global 2022 mutual fund, we would like to thank you for the trust you have placed in us.

1. Operation

We wish to inform you that La Française Asset Management, the management company of the La Française Rendement Global 2022 mutual fund, has decided to merge the La Française Rendement Global 2022 mutual fund (hereinafter the "**Absorbed Fund**") into the "La Française Rendement Global 2028"* sub-fund of the "La Française" SICAV (hereinafter the "**Absorbing UCI**").

La Française Asset Management would like to offer you the possibility of taking a position in the Absorbing UCI, whose management is based on a similar strategy but with a longer maturity and a broader investment universe. The issues have a maturity of five years or more and refinancing at less than five years is almost non-existent. The Absorbed Fund has experienced a significant number of early redemptions ("callables"), and further portfolio acquisitions have been rendered difficult in the context of a reduced primary market. Moreover, reinvestment conditions do not allow for optimal fund performance.

Furthermore, we consider that a traditional carry strategy would not be in the interests of investors insofar as a significant part of the expected performance over the recommended investment period has already been achieved. As such, the estimated residual return is low. As a reminder, the objective of the Absorbed Fund* is, over the recommended investment period of eight years from the launch date until 31 December 2022, to outperform (net of fees) bonds issued by the French Government denominated in euro and maturing in 2022.

As an example, the estimated net return of the R unit on 2 June 2021 until the maturity of the Absorbed Fund* will be 0% after deducting the estimated running costs (1.16%) and hedging costs (0.43%). The outstanding amount of the Absorbed Fund* on 2 June 2021 is 126,493,115.12 euros.

As a result, the merger-absorption into the Absorbing UCI would enable you to gain new market opportunities before the 2022 maturity.

However, you are currently a holder of the Absorbed Fund* which is currently exposed to a decreasing interest rate sensitivity over time and which is now low. The Absorbing Fund has a longer maturity and a higher interest rate exposure with a sensitivity of 0 to 9.

**The fund /sub-fund is not registered in the United Arab Emirates*

The Absorbed Fund* will be merged into the Absorbing UCI* under the following conditions:

- The I unit (FR0012020659)*** of the Absorbed Fund will be absorbed by the IC EUR share class (FR0013439478) ** of the Absorbing UCI;
- The I D EUR unit (FR0013238516)*** of the Absorbed Fund will be absorbed by the I D EUR share class (FR0013439502) ** of the Absorbing UCI;
- The T D EUR unit (FR0013286994)*** of the Absorbed Fund will be absorbed by the T D EUR share class (FR0013439528) ** of the Absorbing UCI;
- The D USD H unit (FR0013183597)*** of the Absorbed Fund will be absorbed by the R D USD H share class (FR0013439460) ** of the Absorbing UCI;
- The I C USD H unit (FR0013055894)*** of the Absorbed Fund will be absorbed by the I C USD H share class (FR0013439486) ** of the Absorbing UCI;
- The I C CHF H unit (FR0013048303)*** of the Absorbed Fund will be absorbed by the I C CHF H share class (FR0013439494) of the Absorbing UCI;
- The R unit (FR0012020675) of the Absorbed Fund will be absorbed by the R C EUR share class (FR0013439403) ** of the Absorbing UCI;
- The T C EUR unit (FR0013287000)*** of the Absorbed Fund will be absorbed by the T C EUR share class (FR0013439510) ** of the Absorbing UCI;
- The D unit (FR0012020667) of the Absorbed Fund will be absorbed by the R D EUR share class (FR0013439452) ** of the Absorbing UCI;
- The T C USD H unit (FR0013287638)*** of the Absorbed Fund will be absorbed by the T D USD H share class (FR0013439536) **.

**The share class of the absorbing sub-fund is not registered in the United Arab Emirates

***The unit class of the absorbed fund is not registered in the United Arab Emirates

However, you may subsequently choose to subscribe for another class of shares if you wish, subject to the minimum investment or authorised investor rules for each share class.

The structure of a SICAV offers the investor, who will become a shareholder, enhanced governance compared to a mutual fund (FCP); the shareholders, who have voting rights proportional to the assets held, and the Board of Directors are stakeholders in the strategic decisions of the SICAV and, in this respect, exercise a right of control over its corporate life.

Below is a table showing the different yields to maturity of the Absorbed Fund* and the OAT (Obligations Assimilables au Trésor or fungible treasury bonds) maturing in 2022:

Fund	Date	Estimated return to maturity	Cumulative performance since the launch of the fund	Annualised return achieved since the launch of the fund	The actuarial yield on the OAT ¹ maturing in 2022 (management objective of the Absorbed Fund*)	Cumulative performance of the OAT since the launch of the Absorbed Fund*	Annualised performance of the OAT since the launch of the Absorbed Fund*
La Française Rendement Global 2022 - D unit***	04/06/2021	-0.47%	16.39%	2.48%	-0.68%	2.49%	0.40%
La Française Rendement Global 2022 - D USD H unit***	04/06/2021	0.29%	21.68%	4.15%	-0.68%	-1.02%	-0.21%
La Française Rendement Global 2022 - I unit***	04/06/2021	-0.01%	19.81%	2.97%	-0.68%	2.49%	0.40%
La Française Rendement Global 2022 - I D EUR unit***	04/06/2021	-0.01%	6.72%	1.53%	-0.68%	1.95%	0.45%

¹ The actuarial yield (yield to maturity) is equivalent to the expected yield on the bond if it were held to maturity

La Française Rendement Global 2022 - IC CHF H unit***	04/06/2021	-0.23%	17.93%	3.02%	-0.68%	2.67%	0.48%
La Française Rendement Global 2022 - IC USD H unit***	04/06/2021	0.69%	33.48%	5.36%	-0.68%	2.59%	0.46%
La Française Rendement Global 2022 - R unit	04/06/2021	-0.50%	16.41%	2.49%	-0.68%	2.49%	0.40%
La Française Rendement Global 2022 - TC EUR unit***	04/06/2021	-0.01%	2.96%	0.82%	-0.68%	-0.35%	-0.10%
La Française Rendement Global 2022 - T D EUR unit***	04/06/2021	-0.01%	2.40%	0.70%	-0.68%	0.74%	0.22%

***The unit class of the absorbed fund is not registered in the United Arab Emirates

This merger-absorption operation received the approval of the French Financial Markets Authority (AMF) on 25 June 2021 and will come into effect on 3 September 2021 on the net asset value of 2 September 2021.

As a result of the merger-absorption, you will hold shares in the Absorbing UCI in exchange for the units of the Absorbed Fund* that you currently hold.

The methods for calculating the number of shares of the Absorbing UCI that you will hold at the end of the operation are specified in [Appendix 2](#), along with details of the corresponding unit levels.

If you accept these terms of this merger-absorption operation, no particular action is required on your part. If, however, you do not agree with these changes, you can redeem your units at any time at no cost². The Absorbed Fund* will not apply any redemption fees.

We hereby inform you that, in order to ensure that the merger-absorption operation runs smoothly, subscription and redemption orders for the Absorbed Fund* **will be suspended from 31 August 2021 at 11.00am until the date on which the operation is completed.**

As from 3 September 2021, the day of the merger, you will be able to exercise your rights as a shareholder of the Absorbing UCI. As such, any order placed thereafter will be executed on the Absorbing UCI according to the subscription/redemption terms and conditions stated in the Key Investor Information Document (KIID) and its prospectus.

2. Changes brought about by the operation

- Risk profile

- Change to the risk/return profile: YES
- Increase in the risk/return profile: YES

The Absorbed Fund* is currently exposed to a decreasing interest rate sensitivity over time, which is now low, whereas the Absorbing UCI has a longer maturity and a higher interest rate exposure with a sensitivity of 0 to 9, which has the effect of increasing the yield/risk profile.

² The amount of any capital gains made as a result of this redemption will be subject to the taxation applicable on the date of the transaction.

- Increase in fees: YES

The financial management fees remain the same for the R and D units of the Absorbed Fund* and the R and D-B share classes of the Absorbing UCI**, i.e. 1.051% maximum rate (including tax).

Holder of the D USD H unit of the Absorbed Fund* with financial management fees of 0.94% maximum rate (including tax) will be offered the R D USD H share class of the Absorbing UCI** with financial management fees of 1.051% maximum rate (including tax).

Finally, the I and T units of the Absorbed Fund* have slightly lower financial management fees than the I and T share classes of the Absorbing UCI, 0.54% maximum rate (including tax) versus 0.59% maximum rate (including tax).

The scale of turnover fees also differs between the Absorbed Fund* and the Absorbing UCI*. The increase in the assets of the Absorbing UCI as a result of this merger-absorption operation will eventually dilute the turnover fees charged and thus reduce the running costs of the Absorbing UCI*.

- Comparative table of fees charged:

Sections	La Française Rendement Global 2022* (Absorbed Fund)	La Française Rendement Global 2028* (Absorbing UCI)
Financial management fees	D and R units***: 1.051% (including tax) Maximum rate D USD H*** units: 0.940% (including tax) Maximum rate I*** and T*** units: 0.540% (including tax) Maximum rate	R and D-B shares**: 1.051% maximum rate (including tax) I and T shares**: 0.59% maximum rate (including tax) B share**: 1.69% maximum rate (including tax)
Administrative costs external to the management company	I***, D USD H*** and T*** units: 0.06% including tax Maximum rate R units: 0.07% maximum rate (including tax) D units: 0.12% maximum rate (including tax)	All shares**: 0.06% maximum rate (including tax)
Turnover fees	Shares: 0.40% (with a minimum of €120) Convertible bonds < 5 years: 0.06% Convertible bonds > 5 years: 0.24% Other bonds: 0.024% (with a minimum of €100) Monetary instruments: 0.012% (with a minimum of €100) Swaps: €300 Forward exchange: €150 Spot exchange: €50 UCITS: €15 Futures: €6 / Options: €2.50	Shares: 0.10% (with a minimum of €120) Convertible bonds: 0.05% (with a minimum of €100) Other bonds: 0.035% (with a minimum of €100) Monetary instruments: 0.0120% (with a minimum of €100) Swaps: 0.010% (with a minimum of €150 and a maximum of €600) Forward exchange: 0.010% (with a minimum of €75 and a maximum of €300) Spot exchange: 0.010% (with a minimum of €25 and a maximum of €100) UCI: €15 Futures: €1 Options: €1
Outperformance fees	None	None
Running costs	I unit: 0.67%*** I D EUR unit: 0.67%*** T D EUR unit: 0.67%*** D USD H: 1.07%***	I C CHF H share**: 1.11% I C EUR share**: 1.11% B share**: 2.21% T D EUR share** :1.11%

	IC USD H: 0.67%*** IC CHF H: 0,67%*** R unit: 1.16%*** T C EUR unit: 0.67%*** D unit: 1.13%*** T C USD H unit: 0.68%***	R C CHF H share**: 1.58% I D EUR share**: 1.11% T C EUR share**: 1.11% R C USD H share**: 1.58% T D USD H share**: 1.11 % R D USD H share**: 1.58% D B EUR share**: 1.58% I C USD H share**: 1.11% R D EUR share**: 1.58% R C EUR share**: 1.58%
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**The share class of the absorbing sub-fund is not registered in the United Arab Emirates

***The unit class of the absorbed fund is not registered in the United Arab Emirates

The main changes in your investment are described below and explained in detail in [Appendix 1](#).

Sections	La Française Rendement Global 2022* (Absorbed Fund)	La Française Rendement Global 2028* (Absorbing UCI)
ISIN codes	I unit FR0012020659*** I D EUR unit FR0013238516*** T D EUR unit FR0013286994*** D USD H FR0013183597*** IC USD H FR0013055894*** IC CHF H FR0013048303*** R unit FR0012020675*** T C EUR unit FR0013287000*** D unit FR0012020667*** T C USD H unit FR0013287638***	I C CHF H share FR0013439494** I C EUR share FR0013439478** B share FR0013463593** T D EUR share FR0013439528** R C CHF H share FR0013439445** I D EUR share FR0013439502** T C EUR share FR0013439510** R C USD H share FR0013439429** T D USD H share FR0013439536** R D USD H share FR0013439460** D B EUR share FR0013439544** I C USD H share FR0013439486** R D EUR share FR0013439452** R C EUR share FR0013439403**
	For this merger-absorption operation, the allocation of default share categories of the Absorbing UCI to holders of the Absorbed Fund* is specified on page 1 of this letter.	
Recommended investment period	until 31 December 2022	Investors in this fund are seeking a diversified bond investment over a recommended investment period until 31 December 2028
Date of the end of the financial year	last trading day in December	last trading day in June
Management objective	<p>The management objective is, over the recommended investment period of 8 years from the launch date of the Fund until 31 December 2022, to outperform (net of fees) bonds issued by the French Government denominated in euro and maturing in 2022.</p> <p>The profitability of the Fund comes from the value of the accrued coupons of the bonds in the portfolio and the variations in capital due to the fluctuation in interest rates and credit spreads.</p>	<p>The fund's objective is to achieve, over the recommended investment period of 9 years from the fund's launch date until 31 December 2028, a net return which is greater than the performance of the 2028 maturity-based bonds issued by French Government and denominated in EUR (OAT 0.75% at maturity on 25 May 2028 - ISIN code FR0013286192).</p> <p>The potential profitability of the Fund comes from the value of the accrued coupons of the bonds in the portfolio and the variations in capital due to the fluctuation in interest rates and credit spreads.</p> <p>The management objective of the Fund is based on the realisation of market assumptions set by the Management Company.</p> <p>It is not a guarantee of Fund return or performance. Investors should note that the performance indicated in the management objective of the Fund takes account of the estimate of the risk of default or downgrading of the rating of one or more issuers in the portfolio, the cost of currency hedging and the management fees payable to the Management Company.</p>

<p>Benchmark index</p>	<p>The Fund is not linked to a benchmark index.</p> <p>The average time to maturity of the bond portfolio is around eight years from the date it was launched. The average time to maturity drops each year to reach that of a monetary investment in 2022.</p> <p>The mutual fund is neither an index fund nor an index benchmark and is exposed to credit risk but, for post-hoc comparison purposes, the unitholder can refer to:</p> <ul style="list-style-type: none"> - for shares denominated in EUR: - the performance of the OAT 2.25% October 2022 [FR0011337880]. <p>For information purposes: actuarial yield rate at 17 June 2014: 1.43%</p> <p>The OAT (Obligation Assimilable du Trésor, or fungible Treasury bond) is the instrument which has been used since 1985 by the French State for borrowing over periods ranging from 7 to 30 years, whether fixed rate or indexed rate, with a bullet repayment.</p> <ul style="list-style-type: none"> - for shares denominated in USD: the performance of the U.S. Treasury Bill 1.625% November 2022 [US912828TY62] <p>For information purposes: the average actuarial yield as at 26 November 2015 is: 2.01%</p> <p>U.S. Treasury Bills are fixed-rate bond securities issued by the U.S. Treasury with a maturity of between 2 and 10 years and which are repaid upon maturity.</p> <ul style="list-style-type: none"> - for shares denominated in CHF: the performance of the Emprunt Fédéral de la Confédération suisse 4% February 2023 [CH0008435569] <p>For information purposes: the average actuarial yield as at 19 November 2015 is: -0.57%</p> <p>Emprunts fédéraux de la Confédération suisse (bonds issued by the Swiss government) are securities issued by the Banque Nationale Suisse (BNS) with a maturity of between 10 and 50 years and which are repaid upon maturity.</p> <p>The fund is managed actively and on a discretionary basis. The fund is not managed with reference to an index.</p>	<p>The Fund is not linked to a benchmark index.</p> <p>The fund is managed actively and on a discretionary basis. The fund is not managed with reference to an index.</p>
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***The share class of the absorbing sub-fund is not registered in the United Arab Emirates*

****The unit class of the absorbed fund is not registered in the United Arab Emirates*

3. Key elements for the investor to remember

Please note, it is important to read the Key Investor Information Documents (KIID) and the prospectus of the Absorbing UCI. The KIIDs and its prospectus are available:

- on the website: www.la-francaise.com or from: LA FRANÇAISE ASSET MANAGEMENT – Département Marketing – 128 boulevard Raspail – 75006 PARIS –or via e-mail: contact-valeursmobilieres@la-francaise.com.

The latest report of the auditor of the Absorbing UCI is also available via the above-mentioned address. This report has been drafted by an independent auditor responsible for auditing and certifying the accounts of this fund.

Appendix 3³ is provided for information purposes only. It sets out in detail the tax aspects applicable to holders domiciled or established in France.

The following options are available to you:

- **You are satisfied with the changes:** no action is required on your part,
- **You are not satisfied with the changes:** you can withdraw free of charge (the Absorbed Fund* does not charge a redemption fee).
- **You have no opinion on the operation:** please contact your usual advisor or distributor.

Yours faithfully,

Jean-Luc HIVERT
Chairman
La Française Asset Management

³ This should not be considered as an exhaustive and comprehensive source of information.

Annex 1

Comparative table of the Absorbing UCI "La Française Rendement Global 2028*" and the Absorbed Fund "La Française Rendement Global 2022*"

Sections	Absorbed Fund La Française Rendement Global 2022*	Absorbing UCI La Française Rendement Global 2028*
ISIN codes	I unit FR0012020659*** I D EUR unit FR0013238516*** T D EUR unit FR0013286994*** D USD H FR0013183597*** IC USD H FR0013055894*** IC CHF H FR0013048303*** R unit FR0012020675*** T C EUR unit FR0013287000*** D unit FR0012020667*** T C USD H unit FR0013287638***	I C CHF H share FR0013439494** I C EUR share FR0013439478** B share FR0013463593** T D EUR share FR0013439528** R C CHF H share FR0013439445** I D EUR share FR0013439502** T C EUR share FR0013439510** R C USD H share FR0013439429** T D USD H share FR0013439536** R D USD H share FR0013439460** D B EUR share FR0013439544** I C USD H share FR0013439486** R D EUR share FR0013439452** R C EUR share FR0013439403**
	For this merger-absorption operation, the allocation of default share categories of the Absorbing UCI* to holders of the Absorbed Fund* is set out on page 1 of this letter.	
Recommended investment period	until 31 December 2022	until 31 December 2028
Classification	International bonds and other debt securities	International bonds and other debt securities
Date of the end of the financial year	last trading day in December	last trading day in June
Statutory auditor	DELOITTE et Associés	DELOITTE et Associés
Management objective	The management objective is, over the recommended investment period of 8 years from the launch date of the Fund until 31 December 2022, to outperform (net of fees) bonds issued by the French Government denominated in euro and maturing in 2022.	The fund's objective is to achieve, over the recommended investment period of 9 years from the fund's launch date until 31 December 2028, a net return which is greater than the performance of the 2028 maturity-based bonds issued by French Government and denominated in EUR (OAT 0.75% at maturity on 25 May 2028 - ISIN code FR0013286192).

	<p>The profitability of the Fund comes from the value of the accrued coupons of the bonds in the portfolio and the variations in capital due to the fluctuation in interest rates and credit spreads.</p>	<p>The potential profitability of the Fund comes from the value of the accrued coupons of the bonds in the portfolio and the variations in capital due to the fluctuation in interest rates and credit spreads.</p> <p>The management objective of the Fund is based on the realisation of market assumptions set by the Management Company.</p> <p>It is not a guarantee of Fund return or performance. Investors should note that the performance indicated in the management objective of the Fund takes account of the estimate of the risk of default or downgrading of the rating of one or more issuers in the portfolio, the cost of currency hedging and the management fees payable to the Management Company.</p>
Benchmark index	<p>The Fund is not linked to a benchmark index.</p> <p>The average time to maturity of the bond portfolio is around eight years from the date it was launched. The average time to maturity drops each year to reach that of a monetary investment in 2022.</p> <p>The mutual fund is neither an index fund nor an index benchmark and is exposed to credit risk but, for post-hoc comparison purposes, the unitholder can refer to:</p> <ul style="list-style-type: none"> - for shares denominated in EUR: - the performance of the OAT 2.25% October 2022 [FR0011337880]. <p>For information purposes: actuarial yield rate at 17 June 2014: 1.43%</p> <p>The OAT (Obligation Assimilable du Trésor, or fungible Treasury bond) is the instrument which has been used since 1985 by the French State for borrowing over periods ranging from 7 to 30 years, whether fixed rate or indexed rate, with a bullet repayment.</p> <ul style="list-style-type: none"> - for shares denominated in USD: the performance of the U.S. Treasury Bill 1.625% November 2022 [US912828TY62] <p>For information purposes: the average actuarial yield as at 26 November 2015 is: 2.01%</p> <p>U.S. Treasury Bills are fixed-rate bond securities issued by the U.S. Treasury with a maturity of between 2 and 10 years and which are repaid upon maturity.</p> <ul style="list-style-type: none"> - for shares denominated in CHF: the performance of the Emprunt Fédéral de la Confédération suisse 4% February 2023 [CH0008435569] <p>For information purposes: the average actuarial yield as at 19 November 2015 is: -0.57%</p> <p>Emprunts fédéraux de la Confédération suisse (bonds issued by the Swiss government) are securities issued by the Banque Nationale Suisse (BNS) with a maturity of between 10 and 50 years and which are repaid upon maturity.</p> <p>The fund is managed actively and on a discretionary basis. The fund is not managed with reference to an index.</p>	<p>The Fund is not linked to a benchmark index.</p> <p>The fund is managed actively and on a discretionary basis. The fund is not managed with reference to an index.</p>
Investment strategy	<p>The investment strategy involves the discretionary management of a portfolio of bonds issued by private or public bodies, maturing on or before 31 December 2022.</p> <p>The strategy is not limited to bond carrying. The Management Company may use arbitrage in the event of new market opportunities or an increased default risk of one of</p>	<p>The investment strategy involves the discretionary management of a portfolio of bonds issued by private or public bodies. The fund may invest in securities that mature by 31 December 2029, i.e. one year after the fund's maturity. However, the portfolio's average maturity must not go beyond 31 December 2028.</p>



<p>the issuers in the portfolio. During the marketing period, the portfolio management will be active in order to manage overall exposure by means of risk management.</p> <p>The management of the Fund is mainly based on the management team's in-depth knowledge of the selected companies' balance sheets and the fundamentals of sovereign debt. To achieve the management objective, up to 100% of the portfolio is invested in fixed-rate or floating-rate bonds, other negotiable debt securities and money market instruments (Treasury bills, Treasury notes, certificates of deposit) from all economic sectors.</p> <p>The manager investing in entities which are:</p> <ul style="list-style-type: none">• Public and/or private from OECD countries [0-100%]• Public from non-OECD countries [0-100%]• Private from non-OECD countries [0-50%] <p>The private debt/public debt allocation is not determined in advance and will be based on market opportunities</p> <p>Up to 100% of the Fund will be invested in issues rated “investment grade” (ratings higher than or equal to BBB- according to Standard & Poor's or Baa3 according to Moody's) and/or speculative (rating less than BBB- or Baa3).</p> <p>Where the issue is not rated, the issuer's rating criterion will be taken into account. If the issuer/security is not rated, the security will not be eligible for the Fund, and will therefore be excluded from the scope of the investment.</p> <p>The management company will therefore not exclusively or systematically use external ratings to determine the securities suitable for investment. It will also carry out an analysis during the investment as part of its management process. This analysis will mainly focus on the company's financial situation, its strategy, growth prospects and its business sector and the inherent regulatory risks.</p> <p>Investment in convertible bonds is limited to maximum of 30% of net assets.</p> <p>The manager invests in securities denominated in EUR and/or USD and/or GBP. Unless the securities are denominated in euros, the manager will systematically hedge the exchange risk. There may however be a residual currency exchange risk due to imperfect hedging. Consequently, the selection of securities focuses on the financial situation, debt structure and cash flow statements of issuers to avoid default situations. Moreover, issuers with high repayment rates and junior subordinated issues are preferred.</p> <p>The mutual fund may invest up to 10% of its assets in units or shares of UCITS established under French or European law in accordance with Directive 2009/65/EC.</p> <p>Taking into account the investment strategy implemented, the Fund's risk profile is strongly tied to the selection of speculative securities which may represent up to 100% of the assets and therefore including default risk. The Fund's risk profile varies over time; the exposure to different risk factors gradually decreases as the investment period approaches its maturity.</p>	<p>The strategy is not limited to bond carrying. The Management Company may use arbitrage in the event of new market opportunities or an increased default risk of one of the issuers in the portfolio.</p> <p>The management of the Fund is mainly based on the management team's in-depth knowledge of the selected companies' balance sheets and the fundamentals of sovereign debt.</p> <p>To achieve the management objective, up to 100% of the portfolio is invested in fixed-rate or floating-rate bonds, other negotiable debt securities and money market instruments (Treasury bills, Treasury notes, certificates of deposit) from all economic sectors.</p> <p>The private debt/public debt allocation is not determined in advance and will be based on market opportunities</p> <p>The fund invests up to 100% in Investment Grade issues (with a rating higher or equal to BBB- at Standard & Poor's or Baa3 at Moody's or the equivalent according to the analysis of the management company) and/or in High Yield issues (speculative) with a rating lower than BBB- or Baa3 or equivalent according to the analysis of the management company.</p> <p>Investment in unrated securities is not permitted.</p> <p>The management company shall not exclusively or automatically rely on external ratings but may, upon the issuance of such a rating, take it into consideration for its credit analysis.</p> <p>Investment in convertible bonds is limited to maximum of 30% of net assets.</p> <p>During the period from the first subscription date until the minimum amount of assets under management reaches the level of 5 (five) million euros, the fund will be invested in money market securities.</p> <p>The manager will invest in securities denominated in EUR and/or USD and/or GBP and/or NOK and/or CHF and/or in SEK and/or in CAD and/or in DKK. Insofar as the securities are not denominated in EUR, the manager will systematically hedge the exchange risk. There may however be a residual currency exchange risk due to imperfect hedging.</p> <p>Consequently, the selection of securities focuses on the financial situation, debt structure and cash flow statements of issuers to avoid default situations. Moreover, issuers with the expectation of high repayment rates and junior subordinated issues are preferred.</p> <p>Up to 10% of the fund may be invested in units or equities of UCITS established under French or European law in accordance with Directive 2009/65/EC. Taking into account the investment strategy implemented, the Fund's risk profile is strongly tied to the selection of speculative securities which may represent up to 100% of the assets and therefore including default risk. On an exceptional and temporary basis in the event of a significant number of redemption requests, the manager may borrow cash up to a limit of 10% of its net assets. The Fund will preferably use derivative instruments on organised futures markets but reserves the right to enter into OTC contracts where these contracts are better suited to the management objective or offer lower trading costs. The Fund reserves the right to trade on all European and international futures markets. The manager may use financial instruments such as futures, forwards, options, interest rate swaps, foreign exchange swaps, forward exchange transactions, Credit Default Swaps (CDS on single underlying asset options and CDS on indices) and Non Deliverable Forwards. They will mainly</p>
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	<p>On an exceptional and temporary basis in the event of a significant number of redemption requests, the manager may borrow cash up to a limit of 10% of its net assets. The mutual fund will preferably use derivative instruments on organised futures markets but reserves the right to enter into OTC contracts where these contracts are better suited to the management objective or offer lower trading costs. The Fund reserves the right to trade on all European and international futures markets.</p> <p>The manager may use financial instruments such as futures, forwards, options, interest rate swaps, foreign exchange swaps, forward exchange transactions, Credit Default Swaps (CDS on single underlying asset options and CDS on indices) and Non Deliverable Forwards.</p> <p>They will mainly act with the aim of hedging and/or exposing the fund to interest rate and/or credit futures markets, and with the aim of hedging future exchange markets. The fund may use Total Return Swaps (TRS) up to a limit of 25% maximum of the net assets. The expected proportion of assets under management that shall be subject to TRS may be 10 %. The assets underlying the TRSs may be credit indices.</p> <p>The investment limit for the fund on derivative instruments shall not exceed 100% of its net assets</p> <p>As the Fund approaches maturity and depending on the prevailing market conditions, the Management Company shall opt either to continue the investment strategy, merge with another UCITS or liquidate the Fund, subject to the AMF's approval.</p>	<p>act with the aim of hedging and/or exposing the fund to interest rate and/or credit futures markets, and with the aim of hedging future exchange markets. The fund may use Total Return Swaps (TRS) up to a limit of 25% maximum of the net assets. The expected proportion of assets under management that shall be subject to TRS may be 5% of the assets. The TRS underlying assets may be corporate bonds and emerging sovereign bonds.</p> <p>The investment limit for the Fund on derivative instruments shall not exceed 100% of its net assets, without seeking overexposure. As the Fund approaches maturity and depending on the prevailing market conditions, the Management Company shall opt either to continue the investment strategy, merge with another UCITS or liquidate the Fund, subject to the AMF's approval.</p>
<p>Assets used (excluding derivatives)</p>	<p>2 - Assets (excluding embedded derivatives)</p> <p>In order to achieve its management objective, the mutual fund will use different types of assets:</p> <p>a) Shares:</p> <p>There is an indirect equity risk due to the exposure to convertible bonds; the Fund may be exposed to equities of all market caps and all economic sectors up to a maximum 10% of the net assets.</p> <p>b) Debt securities and interest rate instruments: i. Negotiable debt securities: yes ii. Bonds (fixed rate, floating rate, indexed): yes iii. Treasury bills: yes iv. Short-term negotiable securities: with the following characteristics: - all economic sectors - the selected securities will be invested in the public and/or private sector.</p> <p>c) UCITS: Up to 10% of the fund may be invested in units or equities of UCITS under French or foreign law in accordance with Directive 2009/65/EC. These UCITS may be managed by the Management Company or an associated company.</p>	<p>In order to achieve its management objective, the fund will use different types of assets.</p> <p>a) Equities: yes The fund may not purchase shares directly but it may be indirectly exposed to equity risk due to the fact that it holds convertible bonds up to a limit of 10% of net assets and may be directly invested in equities up to a limit of 5% of net assets only in the event of a restructuring of a bond, standard or convertible, by the issuer. The equities shall present following characteristics: - all capitalisation - all economic sectors - denominated in USD, GBP, NOK, CHF, SEK, CAD, DKK - in all geographical areas. b) Debt securities and money market instruments: yes i. Negotiable debt securities: yes ii. Bonds (fixed rate, floating rate, indexed): yes iii. Treasury bills: yes iv. Short-term negotiable securities: yes with the following characteristics: - all economic sectors - the selected securities will be invested in the public and/or private sector. c) UCITS:</p>

		Up to 10% of the fund may be invested in units or equities of UCITS under French or foreign law in accordance with Directive 2009/65/EC. These UCITS may be managed by the Management Company or an associated company.
Maturity	The investment strategy involves the discretionary management of a portfolio of bonds maturing on or before 31/12/2022.	The fund may invest in securities that mature by 31 December 2029.
Interest rate sensitivity	from 8 to 0 (decreasing over time)	from 9 to 0, decreasing over time
Geographical area of the issuers of securities to which the fund is exposed	OECD countries (all zones): 0 - 100% Non-OECD countries (emerging markets): 0 - 100%	Public and private issuers from OECD countries (all zones): 0 - 100%; Public issuers, excluding OECD countries (emerging markets): 0 -100%; Private issuers, excluding OECD countries (emerging markets) 0-50%
Ratings	Up to 100% of the Fund will be invested in issues rated “investment grade” (ratings higher than or equal to BBB- according to Standard & Poor's or Baa3 according to Moody's) and/or speculative (rating less than BBB- or Baa3).	The fund invests up to 100% in Investment Grade issues (with a rating higher or equal to BBB- at Standard & Poor's or Baa3 at Moody's or the equivalent according to the analysis of the management company) and/or in High Yield issues (speculative) with a rating lower than BBB- or Baa3 or equivalent according to the analysis of the management company. Investment in unrated securities is not permitted.
SRRI (yield/risk indicator)	4	3
Main risks	Risk of capital loss: Discretionary risk: Interest rate risk: Credit risk relating to issuers of debt securities: Default risk relating to issuers of debt securities: Risk linked to investments in "speculative" high yield securities; Risk linked to investments in non-OECD countries (emerging countries) Counterparty risk: Equity risk associated with holding convertible bonds: Exchange rate risk: Risk arising from techniques such as derivatives: Potential risk of a conflict of interests:	Risk of capital loss: Discretionary risk: Interest rate risk: Credit risk relating to issuers of debt securities: Default risk relating to issuers of debt securities: Risk associated with investments in "high-yield" securities (known as speculative securities): Risk arising from investing in emerging markets: Equity risk associated with holding convertible bonds: Counterparty risk: Risk relating to subordinated debt securities: Risk relating to transactions involving the temporary purchase and sale of securities, total return swap contracts (TRS) and the management of financial guarantees: Exchange rate risk: Risk arising from techniques such as derivatives: Potential risk of a conflict of interests: Legal risk:
Significant risks not taken into account by the SRRI	Risk arising from techniques such as derivatives: Credit risk: Counterparty risk:	Credit risk: Counterparty risk: Liquidity risk

Maximum subscription fee	I unit: 3.00% maximum*** I D EUR unit: 3.00% maximum*** T D EUR unit: None*** D USD H: 3.00% maximum*** IC USD H: 3.00% maximum*** IC CHF H: 3.00% maximum*** R unit: 3.00% maximum*** T C EUR unit: None*** D unit: 3.00% maximum*** T C USD H unit: None***	I C CHF H share: 3.00% maximum** I C EUR share: 3.00% maximum** B share: None** T D EUR share: 3.00% maximum** R C CHF H share: 3.00% maximum** I D EUR share: 3.00% maximum** T C EUR share: 3.00% maximum** R C USD H share: 3.00% maximum** T D USD H share: 3.00% maximum** R D USD H share: 3.00% maximum** D B EUR share: 3.00% maximum** I C USD H share: 3.00% maximum** R D EUR share: 3.00% maximum** R C EUR share: 3.00% maximum**
Financial management fees	D and R units: 1.051% (including tax)*** Maximum rate D USD H units: 0.940% (including tax)*** Maximum rate I and T units: 0.540% (including tax)*** Maximum rate	R and D-B shares: 1.051% maximum rate (including tax)** I and T shares: 0.59% maximum rate (including tax)** B share: 1.69% maximum rate (including tax)**
Administrative costs external to the management company	I***, D USD H*** and T*** units: 0.06% including tax Maximum rate R units*: 0.07% maximum rate (including tax) D units*: 0.12% maximum rate (including tax)	All shares: 0.06% maximum rate (including tax)
Turnover fees	Shares: 0.40% (with a minimum of €120) Convertible bonds < 5 years: 0.06% Convertible bonds > 5 years: 0.24% Other bonds: 0.024% (with a minimum of €100) Monetary instruments: 0.012% (with a minimum of €100) Swaps: €300 Forward exchange: €150 Spot exchange: €50 UCITS: €15 Futures: €6 / Options: €2.50	Shares: 0.10% (with a minimum of €120) Convertible bonds: 0.05% (with a minimum of €100) Other bonds: 0.035% (with a minimum of €100) Monetary instruments: 0.0120% (with a minimum of €100) Swaps: 0.010% (with a minimum of €150 and a maximum of €600) Forward exchange: 0.010% (with a minimum of €75 and a maximum of €300) Spot exchange: 0.010% (with a minimum of €25 and a maximum of €100) UCI: €15 Futures: €1 Options: €1
Outperformance fees	None	None
Running costs	I unit: 0.67%*** I D EUR unit: 0.67%*** T D EUR unit: 0.67%***	I C CHF H share: 1.11%** I C EUR share: 1.11%** B share: 2.21%**



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	D USD H: 1.07%*** IC USD H: 0.67%*** IC CHF H: 0.67%*** R unit: 1.16% T C EUR unit: 0.67%*** D unit: 1.13% T C USD H unit: 0.68%***	T D EUR share: 1.11%** R C CHF H share: 1.58%** I D EUR share: 1.11%** T C EUR share: 1.11%** R C USD H share: 1.58%** T D USD H share: 1.11%** R D USD H share: 1.58%** D B EUR share: 1.58%** I C USD H share: 1.11%** R D EUR share: 1.58%** R C EUR share: 1.58%**
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**The fund /sub-fund is not registered in the United Arab Emirates*

***The share class of the absorbing sub-fund is not registered in the United Arab Emirates*

****The unit class of the absorbed fund is not registered in the United Arab Emirates*

APPENDIX 2

Calculation of the exchange ratio

Schedule of operations:

- Suspension of subscriptions and redemptions of units of the Absorbed Fund* from 31 August 2021 at 11.00am until the day of the operation;
- Date of the net asset values used to determine the exchange ratios on 2 September 2021;
- Completion of the merger-absorption operation: 3 September

You can redeem your units in the Absorbed Fund* until 31 August 2021 before 11.00am.

The number of shares classes denominated in euros of the Absorbing UCI* to be allocated will be determined, under the supervision of the Statutory Auditors, based on the following calculation:

		Number of units of the mutual fund	X	Net asset value of the mutual fund
Number of units of the La Française Rendement Global 2028 fund	=	La Française Rendement Global 2022*		La Française Rendement Global 2022*
		Net asset value of the unit of the La Française Rendement Global 2028 *mutual fund		

The share classes of the Absorbing UCI** are decimalised into thousandths of units.

The exchange of units may (where applicable) be accompanied by the payment of a balance.

Unitholders of the Absorbed Fund* who, in view of the exchange ratio, will not be entitled to a whole number of shares or fraction of shares of the Absorbing UCI** may, where applicable, obtain the reimbursement of the fractional amount or make a cash payment for the additional amount necessary for the allocation of a whole share of the Absorbing UCI**, free of charge, during a period of one month.

As an estimate, as at 5 May 2021, the net asset value of the Absorbed Fund's* I unit and the Absorbing UCI's* IC share was valued on the following respective assets:

	Absorbed Fund*	Absorbing UCI*
	I unit*** (FR0012020659)	I C EUR share **(FR0013439478)
Total net assets	14,577,355.3	3,267,812.19
Total number of units	11,969.353	3,021.304
Net asset value	1,217.89	1,081.59

Calculation of the exchange ratio on 5 May 2021:

Exchange ratio:

NAV of the Absorbed Fund* / NAV of the Absorbing UCI - I unit** of the Absorbed Fund* / I C Share EUR of the Absorbing UCI**

$$1,217.89 / 1,081.59 = 1.126$$

As the shares of the Absorbing UCI** are decimalised into thousandths of shares, you would therefore have received 1.126 shares of the Absorbing UCI** for 1 unit of the Absorbed Fund* respectively, as well as a balance of two (2) euro cents (0.02).

**The fund /sub-fund is not registered in the United Arab Emirates*

***The share class of the absorbing sub-fund is not registered in the United Arab Emirates*

****The unit class of the absorbed fund is not registered in the United Arab Emirates*

APPENDIX 3: Taxation

The applicable tax arrangements are those in force on the date hereof.

Legal entities and natural persons who are unitholders in the Absorbed Fund* are subject to the following tax provisions (subject to change in the tax regulations):

- Holders who are natural persons resident for tax purposes in France: tax deferral (Article 150-O B of the General Tax Code and the tax instruction published in the BOFiP under the reference BOI-RPPM-PVBMI-30-10-20 et seq. in its version in force on 20 December 2019) provided that the balancing payment is less than 10% of the nominal value of the securities received. The tax deferred portion of the capital gain corresponding to the balance is taxed immediately.

The result of the exchange of securities (excluding the share of the capital gain corresponding to the balancing payment) is not taken into account for the determination of income tax for the year of the merger, but rather for the determination of income tax for the year of the sale of the UCI securities received in exchange.

Upon the subsequent sale or redemption of units of the UCI received in exchange, the capital gain is calculated on the basis of the acquisition price of the units of the UCI surrendered in exchange, where applicable. This will be corrected by the amount of the balance not already taxed at the time of the merger (i.e. where the deferred capital gain is lower than the balance)

The gain is subject to income tax and social security payments on gains or losses on sales of securities and corporate rights.

— **Corporate unitholders who pay corporation tax and are domiciled for tax purposes in France:**

The tax deferral is applicable in accordance with the provisions of Article 38-5 bis of the General Tax Code and the tax instruction published in the BOFiP under the reference BOI-BIC-PVMV-30-30-70 in its current version of 25 March 2014 but is subject to the condition that the balancing payment does not exceed either 10% of the nominal value of the securities allocated, or the amount of the capital gain made. However, the profit realised on the merger is, up to the amount of the balance received, included in the profit of the financial year in which the merger takes place.

In the event of tax deferral, the income from the exchange of the units is not included in the taxable income of the year of the merger, but in the income of the year of sale of the Fund units received in exchange. On the other hand, the fraction of the gain corresponding to the adjustment payment is immediately taxable.

However, pursuant to Article 209 OA of the General Tax Code, taxation of goodwill on Fund securities recorded since 1 July 1992 reduces the practical scope of the deferment insofar as goodwill already taxed includes all or part of the gain from the exchange resulting from the merger (this rule does not apply to insurance companies operating mainly in life or capitalisation insurance).

- **Individual company unitholders:** tax deferral or deferred taxation

In principle, individual companies are treated as natural persons (tax deferral), unless the management expressly decides, on behalf of the company owner, to register the securities under his/her professional assets.

— **Non-profit organisation unitholders:**

Not subject to tax as a result of this merger (Article 206-5 of the General Tax Code).

— **Non-domiciled unitholders:**

Not subject to any taxation in France as a result of this merger (Article 244 bis C of the General Tax Code).

**The fund /sub-fund is not registered in the United Arab Emirates*