

29 June 2020

**Notice: “La Française Sub Debt” mutual fund**

Dear Sir/Madam,

We would like to thank you, as a unitholder in the “La Française Sub Debt “mutual fund, for the trust you have placed in us.

We wish to inform you that the management company, La Française Asset Management, has decided (i) to expand the investment universe of the mutual fund and (ii) to make various modifications as follows:

(i) Regarding the expansion of the investment universe:

- In addition to securities denominated in euro, from now on the mutual fund will be able to invest in securities denominated in the pound sterling (GBP) and/or the US dollar (USD);
- The exchange risk resulting from investments in currencies other than the euro will be systematically hedged through the use of derivative instruments; Nevertheless, there may be a residual foreign exchange risk as a result of imperfect hedging of foreign currency positions.
- Consequently, the mutual fund classification has changed to “international bonds and other debt securities” instead of “bonds and other debt securities denominated in euro”.

(ii) Regarding the various modifications:

- Notification made in the prospectus and the KIIDs of units in foreign currencies, other than the euro, that they will be systematically hedged against exchange risk;
- Option for the mutual fund to use *single-name credit default swap* (CDS) or an index for purposes of hedging **and exposure** up to 100% of the net assets;
- Update regulatory procedures.

These changes will take effect on 3 July 2020.

The mutual fund's prospectus and KIIDs shall be modified accordingly. Other characteristics of the mutual fund remain unchanged.

We draw your attention to the necessity and importance of reading the key investor information document of the “La Française Sub Debt” mutual fund which is available on the website: [www.la-francaise.com](http://www.la-francaise.com).

The Prospectus, the Key Investor Information Document, the management regulations and the latest financial reports are available free of charge, in paper form at the registered office of the SICAV and at the German paying and information agent BNP Paribas Securities Services S.C.A. Zweigniederlassung Frankfurt am Main.