LA FRANCAISE LUX
Société Anonyme - Société d'Investissement à Capital Variable
60, avenue J.F. Kennedy, L - 1855 Luxembourg
R.C.S. Luxembourg: B 66. 785
(the "**Company**")

NOTICE TO SHAREHOLDERS OF LA FRANCAISE LUX – ABSOLUTE EMERGING DEBT
(THE "SUB-FUND")

Luxembourg, 14 April 2020

Dear Shareholders,

We are writing to inform you of the decision of the board of directors of the Company (the "**Board**") to temporarily increase the swing factor applicable to the Sub-Fund as foreseen in the general part of the Company's prospectus (the "**Prospectus**") with effect as from the 15 April 2020 (the "**Effective Date**") and until further notice.

The Prospectus currently foresees that the Board may apply swing pricing for the Sub-Fund but that the adjustment (i.e. swing factor) will not be larger than 2% of the net asset value. The Prospectus also foresees that the Board can raise this percentage when necessary to protect the interests of the shareholders.

The current market environment is unprecedented, with liquidity severely impacted and a strong contraction in liquidity (in particular on some bonds), resulting in respect of the prices of instruments traded by the Sub-Fund in an important gap between the real prices and those displayed by suppliers.

Under these exceptional circumstances, and for the purpose of preserving the best interests of the shareholders of the Sub-Fund, the Board has resolved to increase the swing factor (expressed as percentage of the net asset value) applicable to the Sub-Fund to up to 3%. The swing pricing threshold is set at 5%.

The application of the increased swing factor will be continuously reviewed and will be lifted as soon as it is no longer required, taking into account the best interests of shareholders of the Sub-Fund.

If you require further information, please do not hesitate to contact La Française Asset Management or your financial adviser.

Yours faithfully,

On behalf of the Board