

**LETTER TO SHAREHOLDERS OF THE “LA FRANÇAISE CARBON IMPACT 2026” SUB-FUND
(SUB-FUND OF THE LA FRANÇAISE FUND)**

Subject: Changes to investment strategy of the “La Française Carbon Impact 2026” sub-fund (sub-fund of the La Française Fund)

Dear Sir or Madam,

You are a shareholder of the **La Française Carbon Impact 2026** sub-fund, a sub-fund of the La Française FUND, (hereinafter the “Sub-Fund”) and we would like to thank you for your confidence in us.

What changes will be made to your Sub-fund?

We hereby inform you that Crédit Mutuel Asset Management, the management company of the **La Française Carbon Impact 2026** Sub-Fund (hereinafter the “**Sub-Fund**”), has decided to change the way in which extra-financial criteria are taken into account in the Sub-Fund's portfolio securities.

The Carbon Impact approach is an investment philosophy that was originally developed with the aim of detecting the early signs of corporate transformation in order to finance transition efforts and also to benefit from the value created by these transformations (such as resilience in periods of volatility, market share gains, improved credit profile, etc).

The regulatory environment in which this approach was developed was different, and the concepts of transition, solutions and sustainability have now been clarified (notably through the ESMA Fundnaming Guidelines¹ and the new product categorisations in the SFDR regulation proposed by the PSF²). The French market has also developed its own approach to sustainable finance, which also regulates levels of commitment (notably the AMF³ doctrine and the French SRI label⁴). These regulatory changes are likely to lead to a proliferation and accumulation of constraints that do not benefit from direct synergies because of their origins or objectives. In some cases, this accumulation is detrimental to the initial objective of the theme and the fund's performance objective.

Some of our investment products using a Carbon Impact approach are particularly exposed, on the one hand, to the high-yield debt market, which structurally has a high proportion of issuers from carbon-intensive sectors and, on the other hand, to bank issuers, the main vehicles for financing the transition and its spill-over into the economy.

¹ [ESMA34-472-440 Final Report on the Guidelines on funds names](#)

² [Categorisation of products under SFDR - Report](#)

³ [Informations à fournir par les placements collectifs intégrant des approches extra-financières | AMF](#)

⁴ [Referentiel-Label-ISR-mars24.pdf](#)

Consequently, we want to refocus some of our products on their main objective: financing the energy transition by detecting the transformation of emitters within the most polluting value chains.

As a result, the management company has decided to change its classification process from one based on a sustainable investment objective (article 9 SFDR) to one based on environmental and social objectives (article 8 SFDR), so as to enable the management team to continue to seize all opportunities linked to the values in the investment universe.

The Sub-Fund will now have a 50% commitment to sustainable investment (compared with 80% previously).

Moreover, the Sub-Fund will be the subject of a central communication concerning extra-financial elements, thus having a significantly engaging approach within the meaning of AMF position 2020-03 relating to the information that collective investments integrating extra-financial approaches must provide.

When will this process take effect?

This process will take effect on 31 January 2025.

For further information, please speak to your usual contact.

If you accept the terms of these modifications, this process does not involve any specific action on your part. If, however, the changes do not comply with your wishes, you may redeem your shares free of charge at any time, as the Sub-Fund does not charge a redemption fee.

What impact will these changes have on the risk/return profile of your investment?

- **Changes to the risk/return profile:** None
- **Increase in risk Risks:** None
- **Potential increase in fees:** None
- **Magnitude of change in risk/return profile:** not significant ⁵



What impact will this process have on your tax situation?

The process has no impact on your tax situation. We advise you to contact your usual advisor or distributor.

⁵ This indicator is based on changes in the SRI and changes in the fund's exposure to one or more types of risk.

What are the main differences between your Fund pre and post changes?

	Before the changes	After the changes
Legal status and investment policy		
SFDR Classification	Article 9 SFDR	Article 8 SFDR
AMF Classification 2020-03 on information to be provided by collective investments incorporating extra-financial approaches	Not applicable to Article 9 SFDR funds	Category 1 Central communication Significantly engaging approach
Extra-financial criteria taken into account or modified using the management methodology	80% commitment to sustainable investment Dual ESG integration approach with a significant management commitment and Carbon Impact theme	50% commitment to sustainable investment Integrated approach of the Carbon Impact theme

Key points for investors to bear in mind

We would like to remind you of the importance of reading the Key Information Document (KID).

You have the following options:

- If you are happy with the change: no action is required on your part;
- If you are not happy with the change, you can exit the Fund at any time free of charge, as the Fund does not charge redemption fees;
- If you have no opinion on the process, we advise you to contact your adviser or distributor.

The KID and the prospectus of the Sub-Fund are available on the following websites: www.creditmutuel-am.eu and/or www.la-francaise.com or by contacting: CREDIT MUTUEL ASSET MANAGEMENT – Marketing Department – 128 boulevard Raspail – 75006 PARIS or by e-mail at: contact-valeursmobilieres@la-francaise.com

Yours sincerely

Eliana de Abreu
Chief Executive Officer
Crédit Mutuel Asset Management