



**LA FRANÇAISE**  
investing together

**5 October 2017**

**Press release**

## **La Française launches a new fixed maturity fund, La Française Rendement Global 2025**

Bolstered by the commercial success enjoyed by the previous vintage, La Française Rendement Global 2022, and the relevance of this investment solution in the current interest rate environment, La Française is launching a new edition of its fixed maturity fund: **La Française Rendement Global 2025**.

*Since fixed maturity funds have a known and fixed issue maturity date, the investor benefits from visibility with respect to the fund's performance as it approaches maturity. The fund's profitability will depend on both the valuation of the bond coupons included in the portfolio, and changes in capital due to fluctuating interest rates and/or credit spreads.*

The management strategy is **discretionary and concerns a portfolio of international bonds with a maximum maturity date of December 2025**. The strategy consists of combining the carry and arbitrage of securities, in the event of new market opportunities or an increased risk of default of a portfolio issuer. Accordingly, it relies on a thorough knowledge of the companies' balance sheet positions and the fundamentals of the countries selected.

La Française Rendement Global 2025 has a capacity for diversification and may invest<sup>1</sup>:

- up to 100% in bonds issued by public and/or private entities in OECD countries;
- up to 100% in bonds issued by public entities outside of OECD countries (emerging) and up to 50% in private entities outside of OECD countries (emerging);
- up to 100% in Investment Grade<sup>2</sup> or High Yield<sup>3</sup> issues (of a speculative nature) or in unrated issues.

The fund marketing period will end no later than on 31 March 2020.

Jean-Luc Hivert, CIO Fixed Income of La Française, comments: "In the quest for performance, we believe the credit sector and especially BB or B rated issues offer the best risk/return ratio, especially since the default rates are still relatively low: the average long-term default rate is 4.3% (over 20 years as of September 2017)<sup>4</sup>. The fund will be positioned mainly on European/US credit and emerging debt, two of La Française's core areas of expertise in fixed income."



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	La Française Rendement Global 2025
Asset class	Bonds
Management company	La Française AM
Management objective	The management objective is, over the recommended investment period of eight years from the launch date of the Fund until 31 December 2025, to outperform (net of fees) bonds issued by the French Government denominated in euros maturing in 2025.
Investment horizon	8 years
Risk profile: 7 being the highest risk and 1 being the lowest risk, but not meaning "without risk"	4
Related risks	Capital loss, discretionary risk, interest rate risk, credit related to issuers of debt securities, default related to issues of debt securities, risks associated with investments in (speculative) high-yield securities, related to investments in emerging countries, equity risk related to the ownership of convertible bonds, related to subordinated debt instruments, exchange risk, potential conflicts of interest, risks arising from techniques such as derivative products)

<sup>1</sup> For more information on the investment strategy, check the fund's prospectus.

<sup>2</sup> rating equal to or exceeding BBB- at Standard & Poor's or Baa3 at Moody's, or equivalent according to the management company's analysis

<sup>3</sup> rating below BBB- or Baa3, or equivalent according to the management company's analysis)

<sup>4</sup> source: Bank of America

## Enquiries:

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## About La Française

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For forty years, La Française has been developing core competencies in third party asset management.

La Française has a multi-expertise business model organized around four core activities: securities, real estate, investment solutions and direct financing. The group caters to institutional and private clients throughout the world.



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With 566 professionals and offices in Paris, Frankfurt, Geneva, Stamford (CT, USA), Hong Kong, London, Luxembourg, Madrid, Milan, Seoul and Singapore, La Française manages over 64\* billion euros in assets.

Credit Mutuel Nord Europe ("CMNE"), a banking and insurance group present in Northern France and Belgium with total regulatory capital in excess of €3.3bn as at 31/12/2016, holds 92% of the voting rights of La Française (as at 16/03/2017). La Française's employees and management are also shareholders in the company.

\*as at 30/06/2017

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