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10 December 2019

Press release

La Française Sub Debt surpasses US\$1 Billion in Assets under Management

La Française is pleased to announce that La Française Sub Debt has reached €923 million (US\$1,017) in assets under management. The fund is a diversified portfolio of approximately 150 subordinated debt securities with an average rating of BB (Source: La Française, as at 30/11/2019) and is co-managed by Paul Gurzal, Head of Credit who joined La Française in 2008, and Jérémie Boudinet, Fund Manager. Overall, La Française AM manages €1,4 billion in subordinated debt instruments.

The track record of Paul Gurzal, manager of the fund since its creation in 2008, and Jérémie Boudinet is especially notable and attracting attention among European professional investors. The fund has registered €230 million in net inflows since past January. La Française Sub Debt has a recommended investment horizon of more than 10 years and had a cumulative net performance since inception (20/10/2008) of 124% (30/11/2019), considerably outperforming the performance objective of 112%. The annualized performance of the fund over the same period was 7.54% compared to its annual objective of 7%.

Paul Gurzal remains positive on the outlook for subordinated debt and commented, "Subordinated debt is an alternative to High Yield bonds. They enable investors to build exposure to financial and non-financial companies which in our selection process are mostly Investment Grade-rated. Subordinated bonds carry structural risks but can add a better "carry" component to fixed income portfolios, as their average yields remain largely positive."



Paul Gurzal holds a "AAA" Citywire Fund Manager Rating for his rolling risk-adjusted performance for the period running from 30/11/2016 to 30/11/2019 (Source & copyright: Citywire)

The C-share class of the Fund had a net performance YTD as at 30/11/2019 of 13.88% and over the last ten calendar 12-month periods of: -6.45% (2018), +13.42% (2017), +5.8% (2016), -0.60% (2015), +9.11% (2014), +11.2% (2013), +35.33% (2012), -24.99% (2011), +4.89% (2010), +28.87% (2009). (Source: La Française AM) It should be noted that an investment in the Fund entails certain risks including the risk of capital loss, interest rate risk, risks arising techniques such as derivatives, etc.



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	La Française Sub Debt
Classification	Bonds and other debt securities denominated in Euro
Management company	La Française Asset Management
Share class	C Share FR0010674978
Management Objective	The Fund's objective is to achieve an annualised performance of more than 7% over a recommended investment horizon of more than 10 years through exposure, in particular, to subordinated debt securities with a specific risk profile different from that of conventional bonds.
Investment horizon	More than 10 years
Modified duration	From 0 to +10
Fees (C units)	Subscription fee not paid to the Ucits: 4% max Subscription fee paid to the Ucits: none Redemption fee: none Management fees: 0.554% max (including taxes) Running Costs: 0.63% (figure based on expenses for the financial year ending 30/06/2019 and may vary from year to year) Outperformance fee: maximum 25% including taxes of the outperformance calculated by comparing the development of the UCITS's assets with that of a benchmark UCITS achieving a return of exactly 7 % per annum and registering the same variations in subscriptions and redemptions as the real UCITS. <u>Outperformance fee: 0.32% (this figure corresponds to the charges over the fiscal year ended 30/06/2019 and may vary from year to year.</u> <u>Please refer to the prospectus for a full list of fees.</u>
Risk/Return Profile	4 (on a scale of 1 to 7, 7 representing the highest risk and potentially highest return)
Associated risks	Risk of capital loss, interest rate risk, credit risk, risk arising from techniques such as derivatives, counterparty risk, risk associated with holding convertible bonds, risk related to contingent convertibles, equity risk, potential risk of a conflict of interest, legal risk

The AMF reminds potential investors that the objective of an annualised performance of more than 7% indicated in the section “Management objective” is based on the realisation of market assumptions determined by the Management Company and is not, in any circumstance, a guarantee of Fund yield or performance.

Past awards and ratings are not indicative of future performance or awards/rankings.

Source exchange rate: Fininfo 1USD = €0.907 as at 30/11/2019



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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.

With 610 professionals and offices in Paris, Frankfurt, Geneva, Hamburg, Stamford (CT, USA), Hong Kong, London, Luxembourg, Madrid, Milan, Seoul and Singapore, La Française manages 68* billion euros in assets.

La Française is owned by Credit Mutuel Nord Europe ("CMNE"), a banking and insurance group present in Northern France and Belgium with total regulatory capital of €3.2bn as at 30/06/2018.

*as at 30/06/2019

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La Française Sub Debt is suitable for advanced investors as defined below. Execution only services can only be provided to professional investors.

Investors having one or more of the following characteristics:

- Good knowledge of relevant financial products and transactions
- Financial industry experience or accompanied by professional investment advice or included in a discretionary portfolio service.

The information and material provided herein do not in any case represent advice, offer, solicitation or recommendation to invest in specific investments. The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested. It should be noted that past performance does not necessarily determine future performance which may vary over time. With regard to financial, economic and stock-exchange related risks, no guarantee can be issued that the



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present products will attain their stated objectives. Potential subscribers are requested to carefully and independently assess the legal and commercial documentation, including the latest prospectus (which must be read prior to investing), KIID and the annual and semi-annual reports, and notably the risks entailed and to seek appropriate professional advice where necessary (including regulatory and fiscal aspects) in order to determine the investment product's potential to reach predefined investment objectives. Where La Française has expressed opinions, they are based on current market conditions and are subject to change without notice. These opinions may differ from those of other investment professionals. Issued by La Française AM Finance Services, home office 128, boulevard Raspail, 75006 Paris, France, regulated by the "Autorité de Contrôle Prudentiel" as investment services provider under the number 18673 X, affiliate of La Française. Internet information for the regulatory authorities Autorité de Contrôle Prudentiel et de Résolution www.acp.banque-france.fr, Autorité des Marchés Financiers www.amf-france.org

La Française Asset Management, approved by the "Autorité des Marchés Financiers" under N GP97076 on July 1st 1997.

The mutual fund La Française Sub Debt was approved by the French Financial Markets Authority on 20/11/2009.

In relation to the investment fund and share class mentioned in this document, the latest prospectus, the KIID and the annual and semi-annual reports are available free of charge on www.lafrancaise-am.com or :

- **Austria:** from our Paying Agent: Erste Bank der oesterreichischen Sparkassen AG, Graben 21, 1010 Vienna Austria
- **Germany:** (the KIID is available in German) from our Information Agent and Paying Agent: BNP PARIBAS Securities Services S.A. – Zweigniederlassung Frankfurt am Main, Europa-Allee 12, 60327 Frankfurt am Main
- **Italy:** from our Paying Agent BNP PARIBAS Securities Services, Via Ansperto no. 5 20123 Milan, Italy
- **Spain:** from Allfunds Bank SA, Calle de Los Padres Dominicos, 7 28050 Madrid Spain.
- **Switzerland:** The state of the origin of the fund is France. In Switzerland, the representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich, whilst the paying agent is NPB Neue Privat Bank AG, Limmatquai 1/am Bellevue, P.O. Box, CH-8024 Zurich. The prospectus, the Key Investor Information Documents, the fund regulation or the articles of association as well as the annual and semi-annual reports may be obtained free of charge from the representative. In respect of the units distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units.