

28 December 2021

Announcement via the Internet: LA FRANCAISE SUB DEBT mutual fund

We would like to inform you that the management company La Française Asset Management has decided to make some amendments to the regulatory documentation of the fund La Française Sub Debt concerning temporary acquisitions and transfer of securities, the related guarantees as well as the remuneration generated by these transactions.

In addition, in order to comply with Regulation (EU) 2020/852 known as "Taxonomy", the management company has decided to amend the prospectus of the mutual fund.

- **Modifications concerning transactions for the temporary purchase and transfer of securities**

Transactions for the temporary transfer of securities (securities lending, repurchase agreements) may now be carried out up to a maximum of 60% of the sub-fund's assets, instead of the 50% maximum as was previously the case.

As part of these transactions, the UCI will now be able to receive/pay financial guarantees in the form of a transfer of full ownership of securities and/or cash instead of cash only.

In addition, it has been specified that the entirety of the generated direct and indirect operating costs will be borne by the management company. The share of these costs may not exceed 40% of the income generated by these transactions.

Finally, the wording of these sections has been revised for greater clarity.

- **Information required by EU Regulation 2020/852 referred to as "Taxonomy":**

The objective of the European Union Taxonomy is to identify economic activities considered to be sustainable from an environmental perspective. The taxonomy identifies these activities according to their contribution to six major environmental objectives:

- Climate change mitigation;
- Climate change adaptation;
- The sustainable use and protection of water and marine resources;
- Transition to a circular economy (waste, prevention and recycling);
- Pollution prevention and control;
- The protection and restoration of biodiversity and ecosystems.

At present, technical screening criteria have been developed for certain economic activities capable of contributing substantially to the following two objectives: climate change mitigation and climate change adaptation. These criteria are currently awaiting publication in the Official Journal of the European Union. The data presented below therefore only reflects the alignment with these two objectives, based on the criteria that has not been definitely adopted, as submitted to the EU co-legislators. We will update this information in the event of any changes to these criteria, the development of new review criteria relating to these two objectives, and when the criteria relating to the other four environmental objectives comes into force: the sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; protection and restoration of biodiversity and ecosystems.

In order to be considered sustainable, an economic activity must demonstrate that it contributes substantially to the achievement of one of the six objectives, while not harming any of the other five (a principle known as DNSH, "Do No Significant Harm").

For an activity to be considered aligned with the European Taxonomy, it must also respect human and social rights guaranteed by international law.

The Fund does not currently make any commitment with regard to aligning its activity with the European Taxonomy.

The Fund's management company has selected an ESG data provider in order to be able to calculate the Fund's taxonomy exposure in the near future. Once this calculation has been carried out, the Fund will be in a position to make a commitment in terms of aligning its activity with the European Taxonomy. This commitment will be stated in the Fund's prospectus via a minimum percentage to be observed. As this is a commitment, this new ratio will be closely monitored by the management company".

The principle of "not causing significant harm" applies only to investments underlying the financial product which take into account the European Union's criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the European Union's criteria for environmentally sustainable economic activities.

These changes will come into force on 31 December 2021.

The other features of the mutual fund remain unchanged.

We would like to draw your attention to the need and importance of reading the key investor information document of the La Française Sub Debt mutual fund which is available at www.la-francaise.com.

Potential investors should read all key investor information documents before making any decision to invest.