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17 January 2020

Press release

Record Assets under Management for La Française fixed maturity high yield credit fund: La Française Rendement Global 2025 surpasses US\$1 Billion mark

La Française is pleased to announce that in just over two years following its creation¹, La Française Rendement Global 2025 has reached €958 million (US\$1.075 billion) in assets under management. The fixed maturity fund is a diversified global portfolio of 160 high yield debt issuers with an average rating of B+ and an average net yield² of 3.48% (Source: La Française, as at 31/12/2019). The fund is managed by Akram GHARBI, Thibault CHRAPATY, Gabriel CRABOS and Jaafar IBARAGHEN. La Française AM currently manages close to €8 billion in credit.

Twenty years and €2.3 bn of investment experience are wrapped into La Française Rendement Global 2025, a discretionary fixed maturity global high yield fund. The investment strategy is designed to mitigate interest rate and credit risks while still delivering a potentially attractive rate of return. In terms of credit risk, the large investment universe covers a wide spectrum of countries and issuers, including Emerging Markets. La Française has a selective approach in an environment where credit quality remains reasonable but where selection is key because of the potential rise in defaults, particularly in cyclical sectors due to the trade war and the global economic slowdown. The strategy is a combination of carry and arbitrage in the event of new market opportunities or an increased default risk on one of the issuers held within the portfolio.

Akram Gharbi, the fund manager, maintains that investors, against the backdrop of a low interest rate environment, have little alternative but to look at more dynamic segments such as high yield. "With the exception of a rise in defaults in the US in 2015/2016 because of oil & gas turmoil, the global default rate for high yield bonds has been below 3% per year over the last 10 years (Source: Bank of America Merrill Lynch). High yield is one of the few asset classes to continue to offer an attractive relative return. The relative success of the fund, judging by net inflows, is the results of the pertinence of the investment strategy in today's low interest rate environment."

La Française Rendement Global 2025 entails certain risks including the risk of capital loss, interest rate risk, default risk relating to issuers of debt securities, etc.



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	La Française Rendement Global 2025
Classification	International bond and other debt securities
Management company	La Française Asset Management
Share class	R Share FR0013258647
Management Objective	The fund's objective is to achieve, over the recommended investment period of 7 years from the date of inception of the fund until 31 December 2025, a net return which is greater than the performance of the 2025 maturity-based bonds issued by French Government and denominated in EUR.
Investment horizon	Until Dec. 31, 2025
Modified duration	From 7 to 0, decreasing over time
Fees (R units)	Subscription fee not paid to the Ucits: 3% max Subscription fee paid to the Ucits: none Redemption fee: none Management fees: 1.19% max (including taxes) Running Costs: 1.26% (figure based on expenses for the financial year ending 30/06/2019 and may vary from year to year) Outperformance fee: none Please refer to the prospectus for a full list of fees.
Risk/Return Profile	3 (on a scale of 1 to 7, 7 representing the highest risk and potentially highest return)
Associated risks	Risk of capital loss, discretionary risk, interest rate risk, credit risk relating to issuers of debt securities, default risk relating to issuers of debt securities, risk associated with investments in speculative high-yield securities, risk arising from investing in emerging markets, risks associated with holding convertible bonds, counterparty risk, subordinated debt risk, exchange risk, risk arising from techniques such as derivatives, potential risk of a conflict of interest, liquidity risk associated with the temporary purchase and sale of securities and/or total return swaps (TRS), legal risk

A high-yield bond offers a higher rate of interest than an investment grade bond because of its higher risk of default.

Source exchange rate: Fininfo 1USD = €0.891 as at 31/12/2019

¹ The sub-fund (La Française Rendement Global 2025) originates from the merger absorption of the La Française Rendement Global 2025 mutual fund created on 30 August 2017, with an identical strategy and absorbed on 5 December 2018.

² after deduction of running and hedge fees



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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

Contacts La Française

Pascale Cheynet: +33 1 43 12 64 25 - pcheyne@la-francaise.com

Caroline Babouillard: +33 1 44 56 10 27 - cbabouillard@la-francaise.com

Debbie Marty: +33 1 44 56 42 24 – debmary@la-francaise.com

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

La Française SICAV was created on 12/11/2018, through merger-absorption of the La Française Moderate Multibonds mutual fund, created on 18 January 2001 (became La Française Global Floating Rates on 13/08/2019). The sub-fund La Française Rendement Global 2025 was approved by the AMF on 14/08/2018. 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 :

- **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
- **Luxembourg:** from contact-valeurmobilieres@la-francaise.com