UCITS
under Directive 2009/65/EC

PROSPECTUS
La Française Carbon Impact Global Government Bonds
Mutual Fund

1. General features

1.1 Legal form of the UCITS

Name:
La Française Carbon Impact Global Government Bonds

Legal form and Member State in which the UCITS has been incorporated:
Fonds Commun de Placement (mutual fund) under French law

Launch date and scheduled duration:
31/07/2003 - 99 years

Date of approval by the Financial Markets Authority:
15/07/2003

Summary of management offer:

Type of unit	*ISIN code*	*Original net asset value*	*Sub-funds*	*Allocation of income*	*Allocation of gains*	*Denomination currency*	*Target subscribers*	*Minimum value of initial subscription*
F units	FR00140017S7	EUR 100	No	Capitalisation	Capitalisation	EUR	Units intended for the feeder UCIs of the La Française group.	None
I units	FR0010158220	EUR 1,000	No	Capitalisation	Capitalisation	EUR	Reserved for professional clients within the meaning of MiFID	EUR 100,000
R units	FR0010225052	EUR 100	No	Capitalisation	Capitalisation	EUR	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	None
S units	FR0010190322	EUR 5,000,000	No	Capitalisation	Capitalisation	EUR	Large institutional investors	EUR 10,000,000
T units	FR0014000RT8	EUR 100	No	Capitalisation	Capitalisation	EUR	All investors without payment of retrocession fees to distributors	None

The minimum initial subscription value does not apply to the management company or entities in the La Française Group.

Location where the latest annual report and the latest interim report may be obtained:
The latest annual reports and the composition of assets will be sent within eight working days, upon written request by the unitholder to:

CREDIT MUTUEL ASSET MANAGEMENT
4, rue Gaillon – 75002 PARIS.

A public limited company approved by the Commission des Opérations de Bourse (now the Autorité des Marchés Financiers) under no. GP 97-138.

Tel.: +33 (0) 1 44 56 10 00
E-mail: contact-valeursmobilieres@la-francaise.com

For further information, please contact the Marketing department of the management company via the following e-mail address: contact-valeursmobilieres@la-francaise.com.

1.2 Stakeholders

Management company:
CREDIT MUTUEL ASSET MANAGEMENT
A public limited company approved by the Commission des Opérations de Bourse (now the Autorité des Marchés Financiers) under no. GP 97-138.
Registered office: 4, rue Gaillon – 75002 PARIS

Depositary and registrar:

Identity of the UCITS Depositary
The Depositary of the UCITS is BNP Paribas S.A., located at 9 rue du Débarcadère, 93500 PANTIN (the "Depositary"). BNP Paribas S.A., registered in the Trade and Companies Register under number 662 042 449, is an institution approved by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the French Financial Markets Authority (Autorité des Marchés Financiers – AMF), whose registered office is located at 16, Boulevard des Italiens, 75009 Paris, France.

Description of the responsibilities of the Depositary and potential conflicts of interest
The Depositary carries out three types of responsibilities: checking the legality of the decisions of the management company (as defined in Article 22(3) of the UCITS V Directive), monitoring the UCITS cash flow (as defined in Article 22(4)) and holding UCITS assets (as defined in Article 22(5)).
The main objective of the Depositary is to protect the interests of unitholders/investors in the UCITS. This will always take precedence over commercial interests.
Potential conflicts of interest may be identified, especially in the case where the Management Company has a commercial relationship with BNP Paribas S.A. alongside its appointment as Depositary (which may be the case where BNP Paribas S.A., by delegation from the Management Company, calculates the net asset value of the UCITS while BNP Paribas S.A. is the Depositary or where a group connection exists between the Management Company and the Depositary).
In order to manage situations such as this, the Depositary has implemented and regularly updates a conflict of interest management policy, with the aim of:
- identifying and analysing potential conflicts of interest;
- recording, managing and monitoring conflicts of interest:
o based on the permanent measures put in place in order to manage conflicts of interest, such as the distribution of tasks, the separation of hierarchical and operational lines, the monitoring of internal lists of insiders and dedicated IT environments;
o On a case-by-case basis:
- by implementing appropriate preventive measures such as the creation of an ad hoc monitoring list and new Chinese walls, or by verifying that transactions are properly processed and/or by keeping the relevant clients informed,
- or by refusing to manage activities which could lead to conflicts of interest.

Description of any safekeeping functions delegated by the Depositary, list of delegates and sub-delegates and identification of conflicts of interest likely to result in such a delegation.
The Depositary of the UCITS, BNP Paribas S.A., is responsible for safeguarding the assets (as defined in Article 22(5) of the Directive 2009/65/EC amended by Directive 2014/91/UE). In order to offer services related to the custody of assets in a large number of countries, allowing the UCITS to achieve their investment objectives, BNP Paribas S.A. has appointed sub-depositaries in the countries where BNP Paribas S.A. has not established a local presence. These entities are listed on the following website:
http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-and-trustee-serv.html
The appointment and monitoring process for sub-depositaries adheres to the highest quality standards, including the management of potential conflicts of interest which may arise as a result of these appointments.
Up-to-date information relating to the abovementioned points will be sent to the investor upon request.

Statutory auditor:
DELOITTE et Associés

6 place de la Pyramide 92908 Paris-La Défense cedex
Represented by Ms Virginie GAITTE

Marketers:
LA FRANÇAISE AM FINANCE SERVICES
Customer relations department
128, boulevard Raspail – 75006 PARIS

CMNE
4 place Richebé 59800 LILLE

Banque Coopérative et Mutuelle Nord Europe
4, place Richebé, 59000 LILLE

Delegated entities:

Appointed account manager:
BNP PARIBAS S.A.,
Whose registered office is 16 Boulevard des Italiens 75009 Paris
With its postal address at Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin

Advisors:
None

Centralising agent:
CREDIT MUTUEL ASSET MANAGEMENT
A public limited company approved by the Commission des Opérations de Bourse (now the Autorité des Marchés Financiers) under no. GP 97-138.
Registered office: 4, rue Gaillon – 75002 PARIS

Institution responsible for the receipt of subscription and redemption orders:
- **for bearer units to be registered or registered with Euroclear**:
LA FRANÇAISE AM FINANCE SERVICES
Customer relations department
128, boulevard Raspail – 75006 PARIS

- **for registered units yet be listed or already listed in the IZNES Shared Electronic Registration System (DEEP)**:
IZNES
Service Operations
20-22, rue Vernier – 75017 PARIS

2. Terms of operation and management

2.1 General features

Unit features:

- Nature of right attached to each unit category: each unitholder has a right of co-ownership to the fund assets in proportion to the number of units held.
- Management of liabilities: The functions of centralising subscription and redemption orders are carried out by
LA FRANÇAISE AM FINANCE SERVICES
for units to be registered or already registered in EUROCLEAR and by IZNES for units to be registered or already registered in pure registered form within the Shared Electronic Registration System (DEEP); the account issuing the units is held by
BNP Paribas S.A
.
These tasks are carried out by delegation from the management company.
- Bearer units listed with EUROCLEAR France: **F, S, R, T, I units**

- Registered units managed in the IZNES Shared Electronic Registration System (DEEP): **I, R units**
- Voting rights: the units do not carry any voting rights; decisions are taken by the management company.
- Form of the units: the mutual fund units are bearer units listed with EUROCLEAR or registered units managed in the IZNES Shared Electronic Registration System (DEEP).
- Décimalisation: each unit can be divided into hundred thousandths:

Closing date:

- End of accounting period: last trading day of September, until September 2014, then the last trading day of December as of December 2014
- End of the first financial year: 30 September 2004

Tax system:

Please note: Depending on your tax system, any capital gains and income associated with holding units in the UCITS could be subject to taxation. If the unitholder is uncertain about their tax situation, they should consult the UCITS marketer or their financial adviser for more information.

2.2 Specific provisions

ISIN code:

F units	FR00140017S7
I units	FR0010158220
R units	FR0010225052
S units	FR0010190322
T units	FR0014000RT8

Classification:

International bonds and other debt securities

Management objective:

The mutual fund's management objective is:
- Over the recommended investment period of at least three (3) years, to seek a performance, net of fees, superior to that of the composite benchmark indicator (50% J.P. Morgan GBI Global hedged Euro Index + 50% J.P. Morgan EMBI Global Diversified hedged Euro Index) by investing in a portfolio of public, quasi-public and private issuers screened in advance based on ESG investment criteria and analysed from the perspective of their compatibility with energy transition, with regard to the methodology defined by the management company; and
- To have a weighted average of the portfolio's greenhouse gas emissions per euro invested (carbon intensity) at least 20% lower than that of the composite benchmark indicator: 50% J.P. Morgan GBI Global hedged Euro Index + 50% J.P. Morgan EMBI Global Diversified hedged Euro indices. This objective of reducing greenhouse gas emissions will be permanent and respected at all times.
The net annualised performance objective is based on the achievement of market assumptions set by the management company. It is not a guarantee of Fund return or performance. Investors should note that the performance indicated in the management objective of the Fund takes account of the estimate of the risk of default or downgrading of the rating of one or more issuers in the portfolio and the management fees payable to the management company.

Benchmark index:

The fund's performance can be compared to that of the composite benchmark indicator ex post facto: 50% J.P. Morgan GBI Global hedged Euro Index + 50% J.P. Morgan EMBI Global Diversified hedged Euro Index, representative of a global universe combining bonds from OECD countries and emerging countries.

J.P. Morgan GBI Global hedged Euro Index (markets.jpmorgan.com, Bloomberg): Bloomberg ticker JHUCGBIG Index. Index administrator: J.P. Morgan, registered with the ESMA.
J.P. Morgan EMBI Global Diversified hedged Euro Index (markets.jpmorgan.com, Bloomberg): Bloomberg ticker JPGCHECP Index; Index administrator: J.P. Morgan, registered with the ESMA.

The benchmark is only used for comparison. The manager is free to decide whether or not to invest in the securities that make up the benchmark index. It is therefore free to choose the securities that make up the portfolio while respecting the management strategy and investment constraints.

Investment strategy:

1. Strategies used

The investment strategy will be implemented through the discretionary management of a portfolio of international negotiable debt securities: the securities are government bonds of OECD member countries and emerging countries or quasi-sovereign issues and finally private sector issues in diversification.
The Management Company uses the "La Française Sustainable Investment Research" centre (hereinafter referred to as the "ESG Research Team") of the "La Française Group UK Limited" entity, specialising in responsible investment criteria. It is specified that there is a risk of conflicts of interest relating to the provision of ESG scores with the "La Française Sustainable Investment Research" research centre of the "La Française Group UK Limited" entity belonging to the La Française Group.

The attention of investors is drawn to the fact that the investments made in the fund aim to help finance ecological and energy transition but that they do not generate direct positive impacts on the environment or society.

The fund's investment process includes the following three stages:
Stage 1: Quantitative filtering – Selectivity approach (best in universe)
This first stage differs depending on the nature of the issuers, namely (i) whether they are public/sovereign issuers (States) or (ii) companies.

(i) For public/sovereign issuers (States):
The initial investment universe is made up of public/sovereign issuers (hereinafter referred to as "States") which form the confluence of the J.P. Morgan GBI Global hedged Euro Index and J.P. Morgan EMBI Global Diversified hedged Euro indices. Added to this are countries not present in the global indices but which are present in regional sub-indices (such as Portugal, Greece, Ireland, Czechia, Slovakia, Thailand, Macedonia, Austria, Finland, Iceland, Israel, South Korea, New Zealand, Norway and Switzerland) and which are investable, constituting the initial investment universe. All of these countries are analysed by the ESG Research Team, which has developed a proprietary ESG model. This automated tool uses raw data from various data providers to calculate KPIs (Key Performance Indicators).
Each State that is part of the initial investment universe is evaluated according to these different performance indicators linked to climate change, energy transition as well as social and governance performance. However, countries appearing on the blacklist drawn up by the La Française Group in accordance with its exclusion policy are automatically excluded.

These performance indicators are grouped under the following two pillars:
• the Adaptation pillar: this pillar measures the vulnerability of States to extreme weather (degree of exposure to natural disasters, cost of economic and human damage) with regard to their capacity for adaptation (responsible governance, institutional framework, social structure, level of development, economic resources).
As such, this Adaptation pillar brings together the following performance indicators:
- Environmental (the degree of exposure to natural disasters);
- Social (the human development rate of the countries of the world through the human development index, for example);
- Governance (the quality of a country's governance through the World Governance indicator (WGI), for example)

• the Transition pillar: this pillar enables each State to gauge its performance and strategy to favour a transition to a low carbon economy. This pillar focusses on environmental and weather performance indicators by assessing the level of greenhouse gas emissions (GHG), the dependence on fossil fuels, and the capacity to set up renewable energy sources (deployment of capabilities and investment flows).
As such, this Transition pillar brings together the following performance indicators:
- Carbon economy:
- Measurement of greenhouse gas emissions: as an absolute, per capita, relative to GDP;
- Measurement of dependence on fossil fuels: weight of fossil fuels in terms of exports, GDP and the country's energy mix
- Green economy:
- Assessment of the share of renewable energy: in terms of the energy mix, electricity production, capacity installations and energy efficiency
- Measurement of investment flows made on green technologies

Based on information held by the ESG Research Team, an Adaptation score and a Transition score are assigned to each State forming part of the initial investment universe. These scores are calculated quantitatively for each State.
Once the rating process is complete, each State is assigned a score ranging from zero (worst) to 10 (best). This score reflects investment opportunities or, conversely, extra-financial risks.
This first step of the analysis identifies States to be ruled out solely due to ESG criteria.
The selectivity approach makes it possible to exclude 20% of the lowest rated States, distributed as follows: (i) 10% of States whose Adaptation scores are the lowest in the initial investment universe and (ii) 10% of States whose Transition scores are the lowest in the initial investment universe.

(ii) For Companies:

The initial investment universe is made up of private issuers (hereinafter referred to as the "Companies") which belong to the confluence of the Global Corporate Investment Grade, Global Corporate High Yield and Global Corporate Emerging Markets indices. On this starting universe of more than 3000 issuers, more than 70% of issuers are covered by our Research Centre. Companies that are not covered are automatically excluded at this stage. An analysis of the Environmental, Social and Governance criteria is performed by the Research Centre.
The ESG rating process is structured across five steps which can be described as follows:
1. Periodic update of raw data from different sources
2. Calculation of performance indicators (KPIs, at least 30)
3. When aggregated and supplemented with recent information collected and deemed relevant by the ESG Research Team, they produce scores in three areas (environmental sustainability, human capital and organisational capital)
4. Calculation of weightings for these three areas, which may differ by sector
5. Calculation of the ESG score, on the basis of the three areas and specific sector weightings
For example, the criteria used to analyse Companies are:
- Environmental: carbon intensity and waste management, etc.
- Social: staff training, labour relations, etc.
- Governance: management structure and relationship with shareholders, remuneration policy, etc.

Once the rating process is complete, each Company is assigned a score ranging from zero (worst) to 10 (best). This score reflects investment opportunities or, conversely, extra-financial risks.
This first step of the analysis identifies Companies to be ruled out solely due to ESG criteria.

The following issuers are therefore automatically excluded under the La Française Group's exclusion policy:
- issuers involved in controversial weapons; and
- companies located in countries appearing on the black list and the red list of sensitive countries requiring approval, on a case-by-case basis, from the Compliance Department of the La Française group.
These lists, which are maintained and updated by the Compliance Department of the La Française group, are drawn up with regard to international sanctions and the implications for terrorism and corruption.
Next, the 20% of Companies with the lowest ESG scores in the initial investment universe are excluded.
All of these excluded Companies represent the ESG exclusion list. This list is drawn up on a monthly basis and identifies a minimum ESG score threshold below which the fund cannot invest. Companies whose ESG score falls below the exclusion threshold cannot be part of the investable universe.

Stage 2: Carbon and financial analyses
This second stage differs depending on the nature of the issuers, namely (i) whether they are public/sovereign issuers (States) or (ii) companies.

(i) For public/sovereign issuers (States):
During the second stage of the investment process, a macro-economic analysis of public/sovereign issuers (hereinafter referred to as the "States") having passed stage 1 is carried out.
In addition to this macro-economic analysis of the States, a "carbon" analysis is carried out on the basis of performance criteria relating to climate change (such as carbon emissions and the energy mix).
In order to measure States' performance in relation to these criteria, data provided by our ESG Research Team from specialist data providers (e.g. carbon data from countries collected by PRIMAP) is taken into account.
At the end of this analysis, a Carbon Impact score is assigned to each State, this being the average of the Adaptation and Transition scores.
In addition to the assigned quantitative Carbon Impact score , a qualitative analysis of each State is carried out on top of a qualitative analysis of the future carbon performance of the State.
This qualitative analysis is based on an analysis of the trajectory of the State's carbon emissions. During this analysis, the management team will estimate the ability of a State to meet its goals to reduce carbon intensity. The management team analyses the climate policy of each State based on the State Contributions determined at national level (CDN) from the United Nations Framework Convention on Climate Change (UNFCC) .
The management team also carries out an analysis of the State's energy mix and the efficiency of its governance on energy choices: support for fossil fuels or deployment of production capacities for renewable energies.
Following the financial analysis and carbon analysis (both quantitative and qualitative), the States are qualified as:
1. Winners: leading countries in energy transition, more resilient to climate change and with high adaptation capabilities (responsible governance, high level of development);
2. Survivors: countries vulnerable to climate change but well positioned in their transition to a low carbon economy;
3. Outsiders: countries behind in their transition but still benefiting from the necessary adaptation capabilities to act;
4. Losers: the most vulnerable countries to climate change, low adaptation capabilities (lack of responsible governance, low level of development), very high transition risks (heavy reliance on fossil fuels, very weak level of commitment to renewable energy).

No investment will be made in States qualified as Losers.
The qualification of States is subject to an annual review between the management team and the ESG Research Team. Each case is also reviewed in the event of any change in the political climate within the State, or when a major event occurs, in order to re-assess the investment prospects .
If, during a review, a State is qualified as Loser, the Management Company will sell the securities within a reasonable time, regardless of the price level of the security at the time of the transfer. This transfer can impact the financial performance of the fund.

(ii) For Companies:

During the second stage of the investment process , an analysis of the credit quality of the Companies that passed through the filter in stage 1(ii) is carried out.
After having reduced the universe on the basis of a credit analysis, a "carbon" analysis is carried out based on analysis criteria relating to climate change. These criteria exist at various levels, such as the historical performance of carbon emissions (based on Scope 1 – direct emissions, and Scope 2 – indirect emissions; for certain sectors, the share of emissions relating to Scope 3, which is not considered here, can account for a large share of total emissions), governance and climate risk management, and the strategy implemented by the company to participate in the transition. In order to measure companies' performance in relation to these criteria, the management team uses data collected by our ESG Research Team from specialist data providers (e.g. carbon data from companies collected by the international Carbon Disclosure Project). At the end of this analysis, a "carbon impact" score is awarded.
For issuers in the low-carbon financial sector (carbon intensity defined as carbon emissions divided by company value), a qualitative analysis is performed in addition to the assigned carbon impact score.
For highly carbon-intensive sectors such as electricity generation and distribution, oil, the automotive industry and materials, a qualitative analysis of the company's future carbon performance is carried out in addition to the assigned "carbon impact" score. This analysis corresponds to a "trajectory" calculation of the issuer's carbon emissions that we match with sector-based efforts to lower carbon intensity (as defined by the International Energy Agency). During this qualitative analysis, the ESG Research Team and the management team will estimate the ability of a company to meet its carbon intensity objectives with regard to current investments, past performance and the transformation of their portfolio of products sold.
Companies in the various sectors are then qualified, according to the Management Company's methodology, subject to the limitations specified above by: i) low carbon, ii) in transition according to the sector-based efforts to lower carbon intensity, iii) in transition but efforts required (in which the Management Company plays no active role) and iv) lagging in terms of the assigned "carbon impact" score. No investment will be made in companies assessed as lagging.
The qualification of the companies results from a quantitative and qualitative analysis process – for some of them – and from an annual review of the records between the management and the ESG research team . The records are also reviewed when the company's strategy is updated or a major change occurs, in order to re-analyse the investment prospects. If, during a review, a company is qualified as lagging, the Management Company will sell the securities within a reasonable period of time, regardless of the price level of the security at the time of the transfer. This sale may have an impact on the fund's financial performance.

The sub-fund invests at least 30% of its assets in green bonds where the impact of the environmental projects financed is measurable. The proportion of green bonds in the Fund will depend on market trends and the size of the target market. These green bonds must also respect the four key "*green bond principles*", namely: the use of funds, the project selection and evaluation process, the fund management and the reporting principles.

The analysis of green bonds is carried out along three axes and in addition to the steps described above, namely:
1. Adherence to the four pillars of the "Green Bond Principles"
• Use of funds: the funds are to be used to finance or refinance green projects in line with the taxonomy defined by the GBPs and with the new European taxonomy;
• The project selection and evaluation process: precise selection and description of projects financed by the green bond, governance put in place around the selection, definition of environmental objectives and impact measurements linked to these projects.
• Fund management: detail of funds allocated by project, ability to monitor funds used with a rigorous process
• Transparency and reporting: the issuer must communicate at least annually and transparently on 2 points: the allocation of funds (funds allocated and activities financed) and the impact of the projects, i.e. the direct contribution to the environment such as the reduction of carbon emissions (impact report, objectives)
2. The issuer's energy transition strategy and status
• A cross-analysis is carried out with the fundamental analysis of the issuer described previously.
3. Analysis and measurement of the impact of funded projects
• special attention is paid to the choice of funded projects and their consistency with the issuer's more global energy transition strategy.
Finally, whether public or private, green bond issuers will be subject to the same financial and extra-financial analyses and must pass the exclusion phase (stage 1) and the macro-economic/credit and carbon analysis phase (stage 2).

The share of public/sovereign (State) issuers and companies analysed under the ESG criteria in the portfolio is greater than 90%.

Stage 3: Carbon intensity assessment

This stage 3 is shared by the two investment processes regarding public/sovereign (State) issuers and Companies.

The management company is committed to an objective of reducing the carbon intensity of the portfolio by at least 20% compared to its benchmark composite indicator. This commitment is permanent and will be respected at all times.

The objective of reducing carbon intensity is monitored as follows:

- The carbon intensity of a country is calculated as the ratio between the volume of greenhouse gas emissions (GHG) of the country in tonnes of CO2eq and GDP.

Carbon intensity is a measure of greenhouse gas (GHG) emissions per unit of economic output (GDP).

Greenhouse gas emissions in tonnes of CO2eq per euro invested are based on the country's overall greenhouse gas emissions at national level, excluding land use, land use changes and forestry. This means grouping together the emissions and absorption of these gases resulting directly from human activities linked to land use, land use changes and forestry.

- The carbon intensity of a company is calculated as the ratio between the volume of greenhouse gas emissions (GHG) of the company in tonnes of CO2eq and GDP.

Greenhouse gas emissions in tonnes of CO2eq per euros invested are based on Scope 1 – direct emissions and Scope 2 – indirect emissions (please note that for some sectors, the share of Scope 3 emissions is not taken into account here, but can account for a large share of total emissions), relative to company turnover.

Greenhouse gas (GHG) emissions from countries and companies are aggregated at portfolio level according to this methodology.

This carbon intensity is then weighted by the level of securities in the portfolio.

The various methodologies adopted by the management company for taking into account extra-financial criteria has a weakness relating to the quality of the information collected by the ESG Research Team as well as the transparency of the various issuers.

Thus, the fund promotes certain environmental and social characteristics within the meaning of Article 8 of the EU Sustainable Finance Disclosure Regulation (EU) 2019/2088 (SFDR).

Additional information on the management company's extra-financial analysis, including ESG criteria and the carbon analysis, is presented in the transparency code available on the La Française website, www.la-francaise.com.

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.

In order to be considered sustainable, an economic activity must demonstrate that it contributes substantially to the achievement of at least 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 minimum percentage of alignment with the EU Taxonomy is 0%. The alignment of companies' activities is carried out qualitatively in the internal analysis process based on data published by the companies themselves as well as that made available by our ESG data providers.

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 EU criteria for environmentally sustainable economic activities.

The sensitivity range for interest rates within which the fund is managed	Between 0 and +11
Geographical area of the issuers of securities to which the fund is exposed	OECD countries: 0 – 110% /Non-OECD countries (including emerging countries) : 0 - 55%
Security denomination currencies in which the fund is invested	Currencies of OECD countries and non-OECD countries including emerging countries
Level of exchange risk borne by the fund	10% maximum

2. Assets (excluding embedded derivatives)

a. Equities: yes. The fund is not intended to hold shares. It may nevertheless hold a maximum of 10% due to the conversion of convertible bonds.

b. Debt securities and money market instruments: yes

The fund will invest in State bonds (a minimum of 70% and a maximum of 110% of the net assets) or private bonds (up to 30% of the net assets), negotiable debt securities (including short-term negotiable securities such as certificates of deposit or commercial papers; negotiable medium-term notes and Euro Commercial Paper), medium-term notes and Euro Commercial Paper), of any

maturity, at fixed, variable or revisable rate, participation certificates, indexed bonds, bonds of an equivalent quality to "Investment Grade" (up to 110% of the net assets), convertible bonds (up to 10% of the net assets).
The fund may also invest in High Yield debt up to 50% of net assets (rating below BBB- or deemed equivalent by the management company) and up to 5% in not rated.
The fund's exposure to the debts of non-OECD countries, including emerging countries, shall not exceed 55% of the net assets.
c. UCIs: yes, up to 10% of the assets
The fund may invest up to a limit of 10% of its assets in the units or shares of UCITS governed by French or foreign law and/or units or shares in UCIs and/or investment funds meeting the four criteria of Article R214-13 of the Monetary and Financial Code. They will be used to manage the cash flow.
They will be used in particular to manage the Fund's cash flow or to benefit from an investment strategy for the Fund's management objective.
These UCIs may be managed by the management company or an associated company, as applicable.

3. Derivative instruments

Nature of the markets used:
- regulated: yes
- organised: yes
- OTC: yes

Risks on which the manager seeks to act :
- equities: yes, within a limit of 10%
- interest rates: yes
- foreign exchange: yes
- credit: yes
- Index: no

Nature of activities:
- hedging: yes
- exposure: yes
- arbitrage: yes

Nature of the instruments used:
- futures: yes
- swaps (interest rates, currencies): yes
- forward exchange: yes
- options (listed, securities transaction): yes
- caps and floors: yes
- Credit Default Swap (CDS) (single name): yes

The Fund will not use Total Return Swaps (TRS).

Consolidated exposure to equity, currency or interest rate markets, including exposure resulting from the use of forward financial instruments, will not exceed 200%.
The use of derivatives allows for flexibility in management and better responsiveness in different market contexts.
The derivative instruments listed above are subject to the same extra-financial analysis process as the securities described in the investment strategy, in particular respecting the selectivity approach and the various exclusion policies.

4. Securities with embedded derivatives

Risks on which the manager seeks to act :
- equities: yes, up to 10% maximum of net assets.
- interest rates: yes
- foreign exchange: yes
- credit: yes
- index: no

Nature of activities:
- hedging: yes
- exposure: yes
- arbitrage: yes

Nature of the instruments used:

- convertible bonds: yes, up to 10% maximum of net assets.
- EMTN: yes
- BMTN: yes
- Callables: yes
- Puttables: yes
- Subscription certificates: yes
- Contingent convertible bonds ("cocos"): no

5. Deposits:

the Fund reserves the right to make deposits of up to 10% in order to manage its cash flow.

6. Cash borrowings:

The Fund reserves the right to temporarily borrow cash up to the statutory limit (maximum 10%), in the event of liability adjustment.

7. Temporary securities purchase and sale transactions

The fund may also engage in transactions for the temporary purchase and sale of securities in order to (i) ensure the investment of the liquid assets available (e.g. reverse repurchase/repurchase transactions), (ii) optimise the performance of the portfolio (e.g. securities lending/borrowing).
Securities lending and/or reverse repo counterparties are subject to ESG analysis during the eligibility review of the management company's financial intermediaries.

• Nature of activities:
Transactions for the temporary purchase or sale of securities shall be carried out in accordance with the Monetary and Financial Code. They shall be carried out within the framework of cash flow management and/or the optimisation of UCI income. Under no circumstances shall these strategies aim to create or result in the creation of a leverage effect.
• Nature of transactions used:
These operations will consist of securities lending and borrowing and/or in repurchase and reverse repurchase agreements with reference to the French Monetary and Financial Code. The assets that may be the subject of such transactions will be those described in section "*2. Assets (excluding embedded derivatives*)" of this prospectus.
• Envisaged level of use:
Transactions for the temporary sale of securities (securities lending, repurchase transactions) may be carried out up to an amount equivalent to a maximum of 60% of the UCI's net assets, while transactions for the temporary purchase of securities (securities borrowing, reverse repurchase agreements) may be carried out up to an amount equivalent to a maximum of 10% of the UCI's net assets.
The expected proportion of assets under management that will be involved in such transactions may represent 25% of the UCI's net assets.
• Information on the use of temporary sales and acquisitions of securities:
The purpose of the use of temporary securities acquisitions and disposals is in particular to provide the UCITS with an additional return and therefore to contribute to its performance. In addition, the UCITS may enter into reverse repurchase agreements for the replacement of financial guarantees in cash and/or repurchase agreements to meet liquidity needs.
Temporary purchases and sales of securities will be guaranteed in accordance with the principles described in section 8 below “contracts constituting financial guarantees”.
• Remuneration:
Information relating to the remuneration of these transactions is provided in the “Fees and commissions” section.
• Selection of counterparties:
The management company follows a specific selection process for financial intermediaries, also used for intermediaries designated for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS). These intermediaries are selected on the basis of the liquidity that they offer as well as their speed, reliability and quality with regard to how they process transactions.
At the end of this rigorous and regulated process, subject to a rating, the counterparties selected for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS) are credit institutions or other entities authorised by the management company and respecting the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

8. Contracts constituting financial guarantees

In connection with the conclusion of financial contracts and/or securities financing transactions, the UCI may receive/remit financial guarantees in the form of full ownership transfer of securities and/or of cash.
Securities received as collateral must meet the criteria set by regulations and must be granted by credit institutions or other entities that meet the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

Financial guarantees received must be able to be fully enforced by the UCI at any time and without consulting or obtaining the approval of the counterparty.
The level of financial guarantees and the discount policy are set by the eligibility policy for financial guarantees of the Management Company in accordance with the regulations in force and cover the categories below:
- financial guarantees in cash;
- financial guarantees in debt securities or in equity securities according to a precise nomenclature.
The eligibility policy for financial guarantees explicitly defines the required level of guarantee and the discounts applied for each financial guarantee according to rules that depend on their specific characteristics. It also specifies, in accordance with the regulations in force, rules for risk diversification, correlation, valuation, credit quality and regular stress tests on the liquidity of guarantees.
In the event that financial guarantees in cash are received, these may, under conditions set by regulation, only be:
- placed in deposit;
- invested in high-quality government bonds;
- used in a reverse repurchase agreement;
- invested in short-term money market undertakings for collective investment (UCIs).
Financial guarantees other than received cash may not be sold, reinvested or used as collateral;
The management company will, in accordance with the valuation rules provided for in this prospectus, carry out a daily valuation of the guarantees received on a market price basis (mark-to-market). Margin calls will be made on a daily basis.
The guarantees received by the mutual fund will be kept by the mutual fund's depositary or, failing that, by any third-party depositary subject to prudential supervision and which has no connection with the provider of the guarantee.
The risks associated with securities financing transactions, financial contracts and the management of inherent collateral are described in the risk profile section.

Risk profile:

"Your money will be invested in financial instruments selected by the management company. These instruments will be exposed to market trends and risks".
The risks described below are not exhaustive: investors should analyse the risks inherent to each investment and make their own decisions. Through the fund, subscribers are exposed to the following risks:

Risk of capital loss:
Investors are advised that their capital is not guaranteed and may therefore not be returned to them.

ESG investment risk: The fund uses ESG criteria and may underperform the market in general or other funds that do not use ESG criteria when selecting investments. ESG investments are selected, or excluded on the basis of financial and non-financial criteria. The fund may sell a security due to ESG reasons, rather than for purely financial considerations.

Sustainability risk: This refers to the possible occurrence of an ESG event or condition that could potentially or actually cause a significant negative impact on the value of an investment in a fund. Sustainability risks can either represent a risk as such, or have an impact on other risks and contribute – by way of correlation – significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks can have an impact on long-term risk-adjusted returns for investors. Assessing sustainability risk is complex and can be based on ESG data that is difficult to obtain and incomplete, believed to be outdated, or otherwise materially inaccurate. Even when identified, there is no guarantee that this data will be properly assessed.

Risk arising from discretionary management style:
The discretionary management style applied to the fund is based on anticipating market trends and/or the selection of securities in the portfolio. There is a risk that the mutual fund may not be invested in the best-performing securities or markets at all times. The fund's performance may therefore be lower than the management objective. In addition, the net asset value of the fund may have a negative performance.

Interest rate risk:
The fund may invest in transferable securities denominated in currencies other than the reference currency. The exchange risk is restricted to a maximum of 10% of the net assets. The net asset value of the mutual fund may fall as a consequence.

Exchange rate risk:

The fund may invest in transferable securities denominated in currencies other than the reference currency. The exchange risk is restricted to a maximum of 10% of the net assets. The net asset value of the mutual fund may fall as a consequence.

Risk linked to arbitrage transactions:
Arbitrage is a technique which consists of profiting from spreads in anticipated prices between markets and/or sectors and/or currencies and/or instruments. In the event of unfavourable trends in these arbitrages (an increase in sale transactions and/or fall in purchase transactions), the value of the strategy falls and the net asset value of the fund may fall significantly.

Risk associated with investing in non-OECD countries (emerging markets):
The fund may be exposed up to 55% in non-OECD countries. Market risks are amplified by possible investments in non-OECD countries where market movements, upward or downward, may be stronger and faster than in major international markets.
Investing in non-OECD countries involves a high degree of risk due to the political and economic situation of these markets, which may affect the value of the fund's investments. Their operational and supervisory conditions may differ from the standards prevailing on the major international markets. In addition, investment on these markets involves risks linked to restrictions imposed on foreign investments, counterparties, increased market volatility, delays in settlements/deliveries and the limited liquidity of certain lines in the fund's portfolio. The net asset value of the mutual fund may fall as a consequence.

Risk arising from overexposure:
The fund may use financial futures (derivatives) to generate overexposure and thus expose the Fund beyond the level of its net assets. Depending on the direction of the fund's transactions, the effect of the fall (in the case of purchase of exposure) or of the rise of the underlying of the derivative (in the case of sale of exposure) may be amplified and therefore increase the fall of the net asset value of the fund.

Risk arising from techniques such as derivatives: risk of increased losses owing to the use of financial futures such as OTC financial agreements and/or futures contracts.

Credit risk:
These risks may arise from a downgrading of the credit rating or the defaulting of an issuer of debt securities. If an issuer's credit rating is downgraded, the value of its assets falls. Accordingly, this may cause the net asset value of the fund to fall. As part of a bond investment, there is a direct or indirect risk relating to the possible presence of lesser quality 'high-yield' bonds. These high-yield securities are classed as speculative and have a higher risk of default; they are likely to suffer higher and/or more frequent variations in valuations and are not always sufficiently liquid to be sold at all times at the best price. The value of the mutual fund unit may therefore decrease if the value of these securities in the portfolio falls.

Default risk relating to issuers of debt securities:
The default risk is the risk relating to the solvency of the entity which has issued the securities. This risk is even greater should the fund invest in speculative or unrated securities which could lead to an increased level of risk of the net asset value of the Fund decreasing and a loss of capital.

Liquidity risk:
This refers to the risk when trading volumes are low or in the event of volatility on a particular market, this financial market cannot absorb the volumes of sales (or purchases) without significantly lowering (or raising) asset prices. This may result in a fall in the net asset value.

Counterparty risk:
Counterparty risk arises from entering into financial forward contracts traded OTC and from temporary securities purchase and sale transactions: This is the risk that a counterparty may default on payment. The defaulting of the payment of a counterparty may therefore lead to a decrease in the net asset value.

Equity risk associated with holding convertible bonds:
The fund may be exposed up to 10% in convertible bonds. The value of convertible bonds depends to some extent on the evolution of the prices of their underlying equities. Changes in the underlying equities may lead to a fall in the fund's net asset value. Exposure to equity risk shall be limited to maximum of 10% of the net assets.

Equity risk:
The fund may be exposed to equities markets restricted to a maximum of 10% due to the conversion of convertible bonds. If the markets go down, the value of the fund will go down. The fund may invest in small caps. The trading volume of these listed securities is small; hence market swings are more significant, both upwards and downwards, and occur quicker than for large caps. The net asset value of the fund may therefore display the same behaviour.

Potential risk of a conflict of interest:
This risk relates to the completion of temporary purchases and sales of securities transactions, during which the fund uses an entity as counterparty and/or financial intermediary that is linked to the group to which the fund's management company belongs. This risk may also be linked to the provision of ESG scores by the "La Française Sustainable Investment Research" research center of the "La Française Group UK Limited" entity belonging to the La Française group.
Risk relating to transactions involving the temporary purchase and sale of securities and the management of financial guarantees:
Temporary securities purchase and sale transactions are liable to create risks for the mutual fund, such as a counterparty risk as defined above. The management of collateral is likely to create risks for the mutual fund such as liquidity risk (i.e. the risk that a security received as collateral is not sufficiently liquid and cannot be sold quickly in the event of a counterparty default) and, where applicable, risks relating to the re-use of cash collateral (i.e. mainly the risk that the mutual fund may not be able to reimburse the counterparty).

Legal risk: the recourse to the purchase and/or sale transactions of securities may result in legal risks, in particular relating to contracts.

Guarantee or protection:

The Fund does not benefit from any guarantee or protection.

Target subscribers:

F units	Units intended for the feeder UCIs of the La Française group.
I units	Reserved for professional clients within the meaning of MiFID
R units	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services
S units	Large institutional investors
T units	All investors without payment of retrocession fees to distributors

T units subscription terms:
Subscriptions for T units (net units) are reserved:
- for investors subscribing through distributors or intermediaries:

- subject to national legislation prohibiting all retrocession fees to distributors
- providing:
o independent advice within the meaning of European regulation MiFID II,
o individual portfolio management under mandate

- funds of funds

Any arbitrage of fund units towards T units will benefit from the MiFID II tax exemption until 31 December 2018 (letters dated 16 March 2017 and 31 October 2017 of the Directorate-General for Public Finance, which confirms that such exchange transactions benefit from the tax deferral provided for in Article 150-0 B of the General Tax Code; www.la-francaise.com), provided that subscriptions for T units are immediately preceded by the same unitholder for a product equivalent to the number of redeemed units and on the same net asset value date.

US investors
Units have not been and will not be registered under the US Securities Act of 1933 (hereinafter the “Act of 1933”) or any other law applicable in a US state. Units may also not be directly or indirectly transferred, offered or sold in the United States of America (including its territories and possessions) to any US Person (hereinafter "U.S. Person"), as defined in the American Regulation 'Regulation S' of the Act of 1933 as adopted by the Securities and Exchange Commission ("SEC") unless (i) the units have been registered or (ii) an exemption applies (with the prior agreement of the management company’s governing body).
The fund has not been and will not be registered under the US Investment Company Act of 1940. Any re-sale or transfer of units in the United States of America or to a U.S. Person may be in breach of U.S. law and requires the written agreement of the management company of the fund. Those wishing to acquire or purchase units will have to certify in writing that they are not a "U.S. Person".

Russian and Belarusian investors

In accordance with the provisions of EU Regulation No. 833/2014 subscription to units/shares of this fund is prohibited to any Russian or Belarusian national, to any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus except nationals of a Member State and to natural persons holding a temporary or permanent residence permit in a Member State.

The appropriate amount to invest in the mutual fund depends on your personal financial situation. To determine this, you must take into account your personal assets, current needs as well as your risk appetite or, on the contrary, your preference for a prudent investment. You are also strongly advised to diversify your investments so that they are not exposed solely to the risks of this fund.

Recommended investment period:
over three (3) years

Methods of determining and allocating distributable amounts:
F units Capitalisation
I units Capitalisation
R units Capitalisation
S units Capitalisation
T units Capitalisation
The distributable amounts consist of:
1. The net result, which corresponds to the amount of interest, arrears, dividends, bonuses and lots, directors' fees and all income relating to the securities making up the fund portfolio, plus income from sums temporarily held as liquid assets, minus management fees and borrowing costs, plus retained earnings, plus or minus the balance of the income adjustment account;
2. the realised capital gains, net of costs, minus the realised capital losses, net of costs, during the financial year, plus the similar net capital gains realised during the previous financial years which were not subject to distribution or capitalisation, minus or plus the balance of accrued capital gains.

Accounting currency:
EUR

Subscription and redemption terms:
F, S, R, T, I units

The orders for purchase (in an amount or in hundred thousandths of units) and redemption (in hundred thousandths of units) received by La Française AM Finance Services are processed every trading day (D) at 11 a.m. (if the Stock Exchange is open in Paris, or on the following trading day, excluding statutory public holidays in France) and are executed based on the next net asset value calculated on D+1.
The associated clearances will be made on the second trading day following the date of the net asset value (D+2).

S units are divided by 5 on 20 July 2012.

I, R units
Subscription requests (in amounts or in hundred thousandths of units) and redemption requests (in hundred thousandths of units) are processed on each net asset value calculation day (D) at 11 a.m. (if the Stock Exchange is open in Paris or on the following trading day, excluding statutory public holidays in France) with La Française AM Finance Services for units to be registered or recorded as bearer units with Euroclear and with IZNES for units to be registered or recorded as pure registered units with the IZNES Shared Electronic Registration System (DEEP); and are made on the basis of the net asset value of D calculated on D+1.
The associated clearances will be made on the second trading day following the date of the net asset value (D+2).

The orders shall be carried out according to the table below:

Processing of subscription orders	Processing of redemption orders	Execution of the order at the latest, in T	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions
T before 11 a.m.	T before 11 a.m.	Each trading day (T)	T + 1 business day	T + 2 business days	T + 2 business days

Redemption gates mechanism:
When exceptional circumstances so require, and if the interests of investors or the public so dictate, the management company may implement this mechanism, which allows redemption requests from investors in the fund to be spread over several net asset values if they exceed a given threshold.

Description of the method:

The management company may decide not to execute all redemptions on the same net asset value when the objectively pre-established threshold is reached on a net asset value. To determine the level of this threshold, the management company takes into account the frequency with which the fund's net asset value is calculated, the fund's management strategy and the liquidity of the assets in the portfolio.

For the fund, the limit on redemptions may be applied by the management company when the threshold of 5% of its net assets is reached.
The threshold triggering this cap on redemptions corresponds, for all unit categories in the fund, to the ratio between:
- the difference recorded on the same centralisation date between the number of units in the fund for which redemption is requested or the total amount of such redemptions and the number of units in the fund for which subscription is requested or the total amount of such subscriptions; and
- the net assets of the fund or the total number of units in the fund.

However, when redemption requests exceed the trigger level, the fund may decide to honour redemption requests in excess of the limit, and thus execute some or all of the orders that might otherwise be blocked.
For example, if total unit redemption requests represent 10% of the fund's net assets while the trigger threshold is set at 5% of net assets, the fund may decide to honour redemption requests up to 8% of net assets (and therefore execute 80% of the redemption requests).

The maximum number of net asset values for which a cap on redemptions may be applied is 20 net asset values over 3 months, and the estimated maximum capping time is 1 month.

Unitholder information:
If this mechanism is activated, investors in the fund will be informed by any means via the management company's website.
Investors in the fund whose redemption orders have not been executed will be informed as soon as possible.

Handling of unexecuted orders:
During the period of application of this system, redemption orders will be executed in the same proportions for unitholders of the fund who have requested redemption at the same net asset value. Redemption orders deferred in this way will not have priority over subsequent redemption requests. Unitholders of the fund may not cancel redemption orders that have not been executed and are automatically deferred.

Exemptions from the scheme:
If this mechanism is triggered, it will not be applied to subscription and redemption transactions for the same number of shares, on the basis of the same net asset value, for the same fund and for the same investor or beneficial owner (known as round-trip transactions). This exclusion also applies to transfers from one unit class to another, at the same net asset value, for the same amount and for the same investor or beneficial owner.

Minimum value of initial subscription:

F units	None
I units	EUR 100,000
R units	None
S units	EUR 10,000,000
T units	None

Minimum value of subsequent subscriptions:

F units	None
I units	None
R units	None
S units	None
T units	None

Date and frequency of the net asset value:

The net asset value is calculated on each trading day of the Paris Stock Exchange, excluding legal holidays in France.

Original net asset value:

F units	EUR 100
I units	EUR 1,000
R units	EUR 100
S units	EUR 5,000,000
T units	EUR 100

Location where the net asset value is published:
at the premises of the management company and on the following websites: www.la-francaise.com and www.creditmutuel-am.eu

Costs and fees:
Subscription and redemption fees:
Subscription and redemption fees increase the subscription price paid by the investor or decrease the redemption price. The fees received by the UCITS offset the charges it incurs in investing or divesting the assets entrusted to it. Commissions not retained by the fund are paid to the investment company, distributor, etc.

Costs payable by the investor, levied at the time of subscription and redemption	Base	Rate/scale
Subscription fee not paid to the UCITS	Net asset value x Number of units	**F units:** 0.00% maximum **I units:** 4.00% maximum **R units:** 4.00% maximum **S units:** 4.00% maximum **T units:** 4.00% maximum
Sales fee paid to to the UCITS	Net asset value x Number of units	**F units:** None **I units:** None **R units:** None **S units:** None **T units:** None
Redemption fee not paid to the UCITS	Net asset value x Number of units	**F units:** None **I units:** None **R units:** None **S units:** None **T units:** None
Redemption fee paid to the UCITS	Net asset value x Number of units	**F units:** None **I units:** None **R units:** None **S units:** None **T units:** None

Operating and management charges:
These cover all costs charged directly to the UCITS, apart from transaction fees. Transaction costs include intermediation charges (brokerage, stamp duties, etc.) and any turnover fees charged in particular by the depositary and the management company.
In addition to operating and management charges, there may also be:
- outperformance fees. These are paid to the management company when the UCITS has exceeded its objectives. They are therefore charged to the UCITS;
- turnover fees are charged to the UCITS.

	Costs invoiced to the UCITS	**Base**	**Rate/scale**
1	Financial management fees	Net assets	**I units:**0.47% maximum rate (including tax) **S units:** 0.27% maximum rate (including tax) **R units:** 0.82% maximum rate (including tax) **T units**: 0.47% maximum rate (including tax) **F units:** 0%
2	Administrative costs external to the management company	Net assets	**I, R, S, T and F units:** 0.08% maximum rate (including tax)
3	Maximum indirect costs	Net assets	None
4	Turnover fees	Deducted from each transaction	None
5	Outperformance fee	Net assets	None

A percentage of the management fee may be paid to remunerate marketers and distributors, subject to applicable regulations.
Information on the remuneration generated by temporary securities purchase and sale transactions:
The fund's counterparty for temporary acquisitions and sales of securities is one or more credit institutions or other entities authorised by the management company and which comply with the legal form, country and other financial criteria set out in the Monetary and Financial Code. The counterparties will act independently of the fund.
No remuneration is paid to the depositary (within the framework of its capacity as depositary) or to the management company for transactions for the temporary purchase or sale of securities. All income resulting from transactions for the temporary acquisition and sale of securities, including income generated by the reinvestment of cash collateral received as part of these transactions, net of direct and indirect operating costs, is returned to the fund. These transactions generate direct and indirect operating costs which will be borne by the management company; the share of these costs may not exceed 40% of the income generated by these transactions.

Furthermore, the management company does not receive any in-kind commission.
For further information, unitholders may refer to the fund's annual report.
The UCITS may not inform unitholders specifically or offer them the possibility of redeeming their units without incurring charges in the event of an increase in administrative costs external to the management company which would be equal to or less than 10 basis points per calendar year; in which case, they may be notified by any means possible.
Other costs invoiced to the UCITS
- contributions due to the UCITS management pursuant to Article L621-5-3 (II)(3)(d) of the Monetary and Financial Code;
- taxes, duties, licence fees and government fees (relating to the UCITS), both extraordinary and non-recurring;
- extraordinary and non-recurring costs relating to debt recovery or a procedure for asserting a right (e.g.class action procedure).

Choice of intermediaries:
The Management Company has introduced a procedure for selecting and evaluating intermediaries and counterparties that takes into account objective criteria such as intermediation costs, execution quality and research. This procedure is available at the following address: https://www.la-francaise.com/fr/informations-reglementaires/
Unitholders should refer to the annual report of the fund for any further information they may require.

Information on risks relating to potential conflicts of interest
The management company may entrust Crédit Industriel et Commercial with the intermediation service, which will be provided by the Table Buy Side department within CIC Market Solutions. Crédit Industriel et Commercial is a Société Anonyme (public limited company) under French law with a share capital of 608,439,888 euros. On 30 September 1999, Crédit Industriel et Commercial obtained authorisation from the CECEI as a bank providing investment services. The two companies belong to the same group, which is likely to generate a potential risk of conflict of interest.
The service provided by Crédit Industriel et Commercial has therefore been governed by a service contract, to ensure that there is no impact on the fund's investors/shareholders in terms of cost and quality of service.
Crédit Industriel et Commercial's main purpose is to provide intermediation services (i.e. receiving, transmitting and executing orders on behalf of third parties) mainly for the Group's asset management companies. Within this framework, the service provider chooses brokers from the list of brokers authorised by the management company and places orders according to criteria defined by the latter.
Crédit Industriel et Commercial can act as principal or agent. Intervention in "principal" mode corresponds to intervention as counterparty to the management company's portfolios. Acting as an agent, Crédit Industriel et Commercial acts as an intermediary between portfolios and market counterparties. These may be entities belonging to the management company's group.

3. Sustainability-related information

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability reporting in the financial services sector, as amended ("SFDR"), governs the transparency requirements relating to the integration of sustainability risks in investment decisions, the consideration of negative sustainability impacts and the disclosure of environmental, social and governance ("ESG") information, as well as the publication of information relating to sustainable development.
The occurrence of an ESG event or condition that could potentially or actually cause a negative material impact on the value of an investment of the fund. Sustainability risks can either represent a risk as such, or have an impact on other risks and contribute – by way of correlation – significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks can have an impact on long-term risk-adjusted returns for investors. Assessing sustainability risk is complex and can be based on ESG data that is difficult to obtain and incomplete, believed to be outdated, or otherwise materially inaccurate. Even when identified, there is no guarantee that this data will be properly assessed. The management company has identified two types of climate risks borne by the issuers: physical risks resulting from damage directly caused by meteorological phenomena and transition risks linked to the effects of the implementation of a low-carbon economic model: legal, regulatory and political developments, changes in supply and demand, innovations and technological breakthroughs and customer and stakeholder perception of the contribution to the transition. The risk of ESG investments means that the fund uses ESG criteria and may underperform the market in general or other funds that do not use ESG criteria when selecting investments. ESG investments are selected, or excluded on the basis of financial and non-financial criteria. The fund may sell a security for reasons relating to ESG, rather than for purely financial considerations. The ESG investments are to some extent subjective, and there is no guarantee that all investments made by the fund reflect the beliefs or values of a particular investor. Investments in securities considered to be “sustainable” may potentially involve additional or reduced risks. The Management Company incorporates sustainability risks and opportunities into its research, analysis and investment-decision process in order to improve its ability to manage risks more comprehensively and generate long-term sustainable returns for investors. The Management Company believes that investors are mostly likely to be affected by transition risks over the short and medium term. If, however, global warming leads to a significant rise in temperatures, the physical risks would become predominant. Transition risks linked to the market or to technology are yet to appear but could materialise very quickly. The legal, economic and political risks, for example linked to the implementation of a carbon tax or a price on carbon, should materialise more gradually. The intrinsic characteristics of these risks – long-term, difficult

to project as a probability and without precedent – are often difficult to reconcile with standard investment processes which are based on probabilities established from the past. The Management Company measures these risks for all portfolios and integrates them from time to time into investment decisions based on its assessment of risk occurrence. Furthermore, in order to limit this risk as a whole, the Management Company has implemented an exclusion policy targeting the sectors most likely to be the source of liability risks linked to environmental factors.
Sustainable investment refers to any investment that has a neutral or positive impact on the United Nations Sustainable Development Goals, that has not been excluded by virtue of La Française Group's exclusion policy and/or as a result of taking into account a selection of the main negative impacts, and that the companies in which the investments are made apply good governance practices, i.e. a satisfactory governance score according to the proprietary ESG method.
More information on the inclusion of ESG (Environmental, Social and Governance quality) criteria in the investment policy applied by the Management Company, the charter on sustainable investment, the climate and responsible investment strategy report, the engagement and exclusion policy can also be found online on the following website: https://www.la-francaise.com/fr/nous-connaitre/nos-expertises/linvestissementdurable.
Therefore, as of the most recent update of this prospectus, the fund is managed using an investment process that incorporates ESG factors and promotes ESG characteristics (Article 8 of the SFDR). In this respect, further information on the environmental and social characteristics and sustainable investing is available in the Appendix to this prospectus.
The fund takes into account the main negative impacts on the sustainability factors. The external data provider is ISS.

4. Commercial information

1. The distribution of the fund units is handled by LA FRANCAISE AM FINANCE SERVICES, CMNE, Banque Coopérative and Mutuelle Nord Europe.

2. Subscription/redemption requests are centralised with La Française AM Finance Services for units yet to be registered or already registered in bearer form within Euroclear, and by IZNES for units yet to be registered or already registered in pure registered form within the IZNES Shared Electronic Registration System (DEEP).

3. Information about the "La Française Carbon Impact Global Government Bonds" mutual fund is available from the management company’s premises or on the websites: www.creditmutuel-am.eu and/or www.la-francaise.com.

4. Information regarding the inclusion of ESG (Environmental, Social and quality of Governance) criteria in the investment policy is available on the following website: www.la-francaise.com and will appear in the annual report.

5. Notification of the portfolio breakdown: the management company may directly or indirectly inform the unitholders of the UCI with professional investor status of the breakdown of assets of the UCI, for purposes exclusively associated with regulatory obligations as part of the calculation of shareholders' equity. This notification takes place, where applicable, within a period which may not be less than 48 hours after the publication of the net asset value.

6. The "Voting Policy" document and the report setting forth the conditions under which the Management Company exercised the voting rights during the financial year are freely available to unitholders at their request from the registered office of the management company. These documents are available on the website at https://www.la-francaise.com/fr/informations-reglementaires/. (The report shall be available at the latest within four months of the close of the financial year of the Management Company).

5. Investment rules

The fund shall comply with the investment rules set by the Monetary and Financial Code.

6. Overall risk method

Methodology for calculating the overall risk: commitment approach.
The indicative leverage effect (total nominal value of the positions on the financial contracts used) may not exceed 100% of the fund's assets. However, this level may be higher under exceptional market circumstances.

7. Rules for asset accounting methods and valuation

The mutual fund abides by the accounting rules laid down under the regulations in force and in particular the accounting rules applicable to UCI.

All transferable securities in the portfolio are recorded at past cost, excluding fees.

On each net asset valuation date and balance sheet date, the portfolio is valued based on:

Transferable securities

- Listed securities: at market value – accrued coupons excluded for bonds: closing price. Foreign prices are converted to euros using the closing exchange rates on the valuation day. Transferable securities whose price has not been noted on the valuation day are valued at the last officially published rate or at their probable trading value, under the responsibility of the management company.

- The UCITS/AIFs: at the last-known net asset value.

- Negotiable debt securities and swaps maturing in more than three months: at market value. When the time to maturity becomes equal to three months, negotiable debt securities are calculated using a linear method up to maturity. If they are purchased with a maturity of less than three months, interest is calculated using a linear method.

- Any temporary securities purchase and sale transactions will be valued according to the provisions of the contract. Certain fixed rate transactions with a maturity of more than three months may be valued at market price.

Financial futures

French and European markets: fixing value at closing on valuation days. American market: fixing value at closing on the previous day. Asian market: day's closing price.

Commitments on options markets are calculated by converting the options to the equivalent underlying securities.

Commitments on swaps are valued at their market value.

Forward exchange contracts are valued using the closing exchange rates on the valuation date, taking into account the premium/discount.

The valuation price of credit default swaps (CDS) comes from a contributor chosen by the management company.

Accounting method for interest

Interest on bonds and debt securities is recorded using the accrued interest method.

Method for adjusting the net asset value relating to swing pricing with a trigger threshold

This mechanism aims to protect unitholders in the event of significant subscriptions or redemptions on the liabilities side of the fund's balance sheet by applying an adjustment factor to unitholders who invest or redeem significant amounts of outstanding assets. This is likely to generate costs for incoming and outgoing unitholders which would otherwise affect all unitholders remaining in the fund.

Therefore, in the event that on the net asset value calculation day, the total net subscription/redemption orders of investors of all fund units exceeds the pre-established threshold set by the management company and defined on the basis of objective criteria as a percentage of the net assets of the fund, the net asset value may be adjusted upwards or downwards to take into account the readjustment costs arising from net subscription/redemption orders.

The cost parameters and trigger thresholds are established by the management company and reviewed on a regular basis. These costs are estimated by the management company on the basis of the transaction costs and buy-sell ranges.

It is not possible to forecast whether the swing will be applied at a given time in the future, or how often the management company will carry out such adjustments.

Investors shall be informed that the volatility of the fund's net asset value may not only reflect that of the securities held in the portfolio due to the application of swing pricing.

The swung net asset value is the only net asset value of the fund and the only one communicated to unitholders in the fund. However, if there are outperformance fees, these shall be calculated on the basis of the net asset value before application of the adjustment mechanism.

8. Remuneration

In accordance with Directive 2009/65/EC and Article 314-85-2 of the General Regulations of the Financial Markets Authority, the management company has implemented a remuneration policy for categories of staff whose professional activities have significant repercussions on the risk profile of the management company or of the UCITS. These categories of staff include managers, members of the Board of Directors (including the senior management), risk takers, persons performing auditing tasks, persons in a

position to influence employees, and all employees receiving a total remuneration who are in the same remuneration range as the risk takers and the senior management. The remuneration policy is compliant and encourages healthy and effective risk management, and does not encourage risk-taking which would be incompatible with the risk profiles of the management company or with its articles and does not hinder the obligation of the management company to act in the greater interests of the UCITS.
La Française Group has set up a remuneration committee at Group level. The remuneration committee is set up in accordance with the internal regulations and in accordance with the principles laid down in Directive 2009/65/EC and Directive 2011/61/EU. The remuneration policy of the management company is designed to promote good risk management and to discourage risk-taking which would exceed the tolerable level of risk, by taking into account the investment profiles of the funds under management and by implementing measures enabling any conflicts of interests to be avoided. The remuneration policy is reviewed annually.
The remuneration policy of the management company, detailing the way in which remuneration and benefits are calculated, is available free of charge from the registered office of the management company. A summary is available from the website: https://www.la-francaise.com/fr/informations-reglementaires.

MUTUAL FUND REGULATIONS

La Française Carbon Impact Global Government Bonds

SECTION 1: ASSETS AND UNITS

Article 1: Co-ownership units

The rights of the co-owners are expressed in units, each unit corresponding to the same fraction of the fund's assets. Each unitholder has a right of co-ownership to the fund assets in proportion to the number of units held.

The duration of the fund is 99 years from its creation except in the case of early dissolution or extension provided for in these regulations.

Unit categories:
The features of the different classes of units and their access conditions are specified in the prospectus of the mutual fund.
The different classes of units may:
- Use different income distribution procedures (distribution or capitalisation or carry forward);
- Be denominated in different currencies;
- Bear different management fees;
- Incur different subscription and redemption fees
- Have different nominal values;
- Be systematically hedged against risk, in part or in full, as defined in the prospectus. This hedging is provided through financial instruments, minimising the impact of hedging on the other classes of units of the mutual fund;
- Be confined to one or more marketing channels.

The units may be divided, grouped or split into tenths, hundredths, thousandths, ten thousandths or hundred thousandths (referred to as "fractional units") at the discretion of the management company.
The provisions of the articles of association governing the issue and redemption of units apply to fractional units, whose value will always be proportional to that of the unit they represent. All other provisions of the regulations relating to units shall apply to fractional units without the need to specify, unless otherwise provided.

Finally, the Executive Board of the management company may decide unilaterally to split units by creating new units to be allocated to the unitholders in exchange for the old units.

Article 2: Minimum volume of assets

Units may not be redeemed if the assets fall below EUR 300,000; if the assets remain below this amount for a period of 30 days, the management company shall make the necessary provisions to liquidate the UCITS in question, or to carry out one of the operations mentioned in Article 411-16 of the General Regulations of the Financial Markets Authority (transfer of the UCITS).

Article 3: Issue and redemption of units

Units may be issued at any time at the request of the unitholders, based on the net asset value plus any subscription fees, where applicable. Redemptions and subscriptions are carried out according to the terms and conditions set out in the prospectus. Mutual fund units may be admitted to listing in accordance with the regulations in force.
Subscriptions must be fully paid on the day on which the net asset value is calculated. They may be paid for in cash and/or through the contribution of financial instruments. The management company has the right to refuse the securities offered and, for this purpose, has a period of seven days from their deposit to make its decision known. In the event of acceptance, the securities

offered are valued according to the rules set out in Article 4 and the subscription is carried out on the basis of the first net asset value following acceptance of the securities in question.
Redemptions may be made in cash. Redemptions may be made in kind. If the redemption in kind corresponds to a representative share of the portfolio assets, then only the written agreement signed by the outgoing unitholder must be obtained by the UCITS or the management company. Where the redemption in kind does not correspond to a representative share of the assets in the portfolio, all unitholders must provide written approval authorising the outgoing unitholder to obtain the redemption of his/her units against certain specific assets, as explicitly established in the agreement.
By way of derogation from the above, when the fund is an ETF, redemptions on the primary market may, with the agreement of the portfolio management company and in the interest of the unitholders, be carried out in kind according to the conditions established in the prospectus or the fund regulations. The assets are then delivered by the issuing account holder in accordance with the conditions established in the fund's prospectus.
Redeemed assets are generally valued in accordance with the rules set in Article 4, and redemption in kind is carried out on the basis of the first net asset value following the acceptance of the assets in question.
Redemptions are settled by the issuing account holder no later than five days after the valuation of the unit.
However, if, in exceptional circumstances, the redemption requires the prior realisation of assets included in the fund, this period may be extended; it may not exceed 30 days.

Except in the case of inheritance or inter vivos distribution, the sale or transfer of units between unitholders, or from unitholders to a third party, is treated in the same way as a redemption followed by a subscription; in the case of a third party, the amount of the sale or transfer must, where applicable, be supplemented by the beneficiary to reach at least that of the minimum subscription required by the prospectus.
Pursuant to Article L214-8-7 of the Monetary and Financial Code, both the redemption by the mutual fund of its units and the issue of new units may be suspended on a temporary basis by the management company where required by exceptional circumstances and where this is in the interests of the unitholders.
If the net assets of the mutual fund are lower than the amount specified in the regulations, no units may be redeemed.

Redemption gates mechanism:
When exceptional circumstances so require, and if the interests of investors or the public so dictate, the management company may implement this mechanism, which allows redemption requests from investors in the fund to be spread over several net asset values if they exceed a given threshold.

<u>Description of the method</u>:
The management company may decide not to execute all redemptions on the same net asset value when the objectively pre-established threshold is reached on a net asset value. To determine the level of this threshold, the management company takes into account the frequency with which the fund's net asset value is calculated, the fund's management strategy and the liquidity of the assets in the portfolio.

For the fund, the limit on redemptions may be applied by the management company when the threshold of 5% of its net assets is reached.
The threshold triggering this cap on redemptions corresponds, for all unit categories in the fund, to the ratio between:
- the difference recorded on the same centralisation date between the number of units in the fund for which redemption is requested or the total amount of such redemptions and the number of units in the fund for which subscription is requested or the total amount of such subscriptions; and
- the net assets of the fund or the total number of units in the fund.

However, when redemption requests exceed the trigger level, the fund may decide to honour redemption requests in excess of the limit, and thus execute some or all of the orders that might otherwise be blocked.
For example, if total unit redemption requests represent 10% of the fund's net assets while the trigger threshold is set at 5% of net assets, the fund may decide to honour redemption requests up to 8% of net assets (and therefore execute 80% of the redemption requests).

The maximum number of net asset values for which a cap on redemptions may be applied is 20 net asset values over 3 months, and the estimated maximum capping time is 1 month.

<u>Unitholder information</u>:
If this mechanism is activated, investors in the fund will be informed by any means via the management company's website.
Investors in the fund whose redemption orders have not been executed will be informed as soon as possible.

<u>Handling of unexecuted orders</u>:
During the period of application of this system, redemption orders will be executed in the same proportions for unitholders of the fund who have requested redemption at the same net asset value. Redemption orders deferred in this way will not have priority

over subsequent redemption requests. Unitholders of the fund may not cancel redemption orders that have not been executed and are automatically deferred.

Exemptions from the scheme:
If this mechanism is triggered, it will not be applied to subscription and redemption transactions for the same number of shares, on the basis of the same net asset value, for the same fund and for the same investor or beneficial owner (known as round-trip transactions). This exclusion also applies to transfers from one unit class to another, at the same net asset value, for the same amount and for the same investor or beneficial owner.

Minimum subscription conditions are possible, according to the terms set out in the prospectus.
The mutual fund may partially or totally stop issuing units temporarily or definitively pursuant to Article L214-8-7, third paragraph, of the Monetary and Financial Code in objective situations leading to the closure of subscriptions, such as a maximum number of units or equities being issued, a maximum amount of assets being achieved or the expiry of a determined subscription period. These objective situations are defined in the prospectus of the mutual fund.
Information on this instrument's activation will be issued via any means to all existing unitholders concerned by its activation; it will also include information on the threshold and the objective situation which led to the decision for partial or total closure. In the event of a partial closure, the information issued via any means will clarify in detail the terms under which existing unitholders may continue to subscribe over the period of the partial closure. Unitholders shall also be informed via any means of the decision of the UCITS or of the management company to either end the partial or total closure for subscription (during the passage under the activation threshold) or not to end it (in the event of changes to the threshold or changes in the objective situation which led to the instrument being implemented). Any proposed change to the objective situation or to the instrument activation threshold must always be made in the interests of the unitholders. The information issued via any means will clarify the precise reasons for the changes.

The management company reserves the right to restrict or deny the direct or indirect holding of fund units by any person or entity which is prohibited from holding the fund units (hereinafter "Ineligible Person") as described below:
An "Ineligible Person" is:
- a "U.S. Person" as defined in SEC Regulation S of the Securities and Exchange Commission (SEC) (Part 230 – 17 CFR 230.903); or
- any other person who (a) is directly or indirectly in violation of the laws and regulations of any country or government institution, or (b) may, in the opinion of the management company of the mutual fund, cause damage to the mutual fund, which it would have otherwise not endured or suffered.
To this end, the management company of the mutual fund may:
(i) refuse to issue any units as soon as it becomes evident that such issuance will or may result in the aforementioned units being directly or indirectly held by or for an Ineligible Person;
(ii) demand, at any time, that a person or entity whose name appears on the register of unitholders provide any information, accompanied with a solemn declaration, which it deems necessary in order to establish whether the actual beneficiary of the relevant units is an Ineligible Person or not;
and
(iii) when it is apparent that a person or entity is (i) an Ineligible Person and, (ii) solely or jointly, the effective beneficiary of the units, proceed with the forced redemption of all the units held by a unitholder without delay and, at the latest, within five days.
The forced redemption will take place at the last known net asset value, minus, where applicable, the relevant fees, rights and commissions, which will be charged to the Ineligible Person within five days, during which time the actual beneficiary of the units may present his observations to the competent authority.
This power also covers any person (i) who is in direct or indirect violation of the laws and regulations of any country or government institution, or (ii) may, in the opinion of the management company of the mutual fund, cause damage to the mutual fund, which it would have otherwise not endured or suffered.

Article 4: Calculation of the net asset value

The net asset value of the units is calculated in accordance with the valuation rules set out in the prospectus.
Contributions in kind may only consist of securities, transferable securities or contracts in which UCIs are authorised to invest, such contributions shall be valued pursuant to the valuation rules used to calculate the net asset value.

SECTION 2: FUND OPERATION

Article 5: The management company

The fund is managed by the management company in accordance with the strategy set out for the fund.
The management company shall act under all circumstances in the exclusive interests of the unitholders and may alone exercise the voting rights attached to the securities in the fund.

Article 5a: Operating rules

The instruments and deposits in which the UCI may invest and the investment rules are specified in the prospectus.

8.1 Article 5b: Admission for trading on a regulated market and/or a multilateral trading system

The units may be admitted to trading on a regulated market and/or a multilateral trading system in accordance with the regulations in force. If the mutual fund whose units are admitted for trading on a regulated market has a management objective linked to an index, the fund must have a mechanism in place to ensure that the price of its units does not deviate substantially from its net asset value.

Article 6: The depositary

The depositary shall perform the duties incumbent upon it pursuant to the laws and regulations in force as well as those contractually entrusted to it by the management company. In particular, it must ensure the legality of decisions taken by the management company of the portfolio. Where necessary, it must take all the precautionary measures that it deems to be necessary. In the event of any dispute with the management company, it will inform the Financial Markets Authority.

Article 7: The statutory auditor

A statutory auditor shall be designated for six financial years, after agreement with the Financial Markets Authority, by the governing body of the management company.
It certifies the legality and accuracy of the accounts.
The statutory auditor’s term of office may be renewed.
The statutory auditor is required to notify the Financial Markets Authority as quickly as possible of any fact or ruling regarding the UCITS of which it becomes aware over the course of its assignment, of a nature that may:
1. constitute a breach of the legislative or regulatory provisions applicable to this body or be liable to have significant effects on the financial situation, profits or the assets;
2. adversely affect the conditions or the continuity of its operation;
3. lead to the issuance of reserves or the refusal to certify the accounts.
The statutory auditor shall supervise asset valuations and the calculation of the exchange parity in conversion, merger or demerger transactions.
It assesses any contribution or redemption in kind under its responsibility, except in the context of redemptions in kind for an ETF on the primary market.
It shall monitor the composition of the assets and other items prior to publication.
The statutory auditor's fees are determined by mutual agreement between the auditor and the executive board of the management company on the basis of a work schedule specifying the duties considered necessary.
The auditor shall certify the situations on the basis of which interim distributions are made.

Article 8: Financial statements and management report

At the end of each financial year, the management company prepares summary documents and draws up a report on the management of the fund during the past financial year.
The management company establishes, at least semi-annually and under the supervision of the depositary, an inventory of the assets of the UCI.
The management company shall make these documents available to the unitholders within four months of the end of the financial year and shall inform them of the amount of income they have the right to: these documents are either sent by post at the express request of the unitholders, or made available at the management company.

SECTION 3: ALLOCATION PROCEDURES OF DISTRIBUTABLE AMOUNTS

Article 9: Procedures for allocating income and distributable amounts

The distributable amounts consist of:
1) the net profit plus the amount carried forward, plus or minus the balance of prepayments and accrued income;
2) The capital gains made, net of costs, minus the capital losses made, net of costs, during the financial year, plus the similar net capital gains made during the previous financial years which were not subject to distribution or capitalisation and minus or plus the balance of the net capital gains of the pre-payment account.
The amounts stated in 1) and 2) may be distributed, in whole or in part, independently of each other.
The payment of the distributable amounts shall be performed within a maximum period of five months following the end of the financial year.
The mutual fund's net income is equal to the amount of interest, arrears, bonuses and lots, dividends, directors' fees and all other income relating to the securities making up the fund's portfolio, plus income from sums temporarily available, minus management fees and borrowing costs.
The management company shall decide how distributable amounts will be distributed.
For each equity category, as applicable, the mutual fund may opt for one of the following formulae for each of the amounts detailed in 1) and 2):
pure capitalisation: the distributable amounts are fully capitalised, with the exception of those that are subject to mandatory distribution by law;
pure distribution: the amounts are fully distributed, rounded to the nearest number;
For mutual funds seeking to maintain the freedom to capitalise and/or distribute and/or carry forward distributable amounts, the management company shall decide on the allocation of each of the amounts detailed in 1) and 2) each year.
During the course of the financial year, the management company may decide to make one or more prepayments not exceeding the net income of each of the amounts stated in points 1 and 2, recorded at the date of the decision.
The exact methods for the allocation of income are set out in the prospectus.

Article 10: Merger – Split

The management company may either make a total or partial contribution of the assets comprising the fund to another UCITS, or may split the fund into two or more mutual funds.
Unitholders must be notified before any such merger or demerger takes place. The transactions will lead to a new certificate being issued, specifying the number of units held by each unitholder.

Article 11: Dissolution – Extension

If the assets in the fund remain below the amount specified above in Article 2 for thirty days, then the management company shall advise the Financial Markets Authority and dissolve the fund, unless there is a merger operation with another mutual fund.
The management company may dissolve the fund early; it shall inform the unitholders of its decision, and no subscription or redemption orders will be accepted after this date.
The management company shall also dissolve the fund in the event of a redemption order for all of the units, or where the depositary is relieved of its responsibilities and no other depositary has been appointed, or on expiry of the term of the fund, if it has not been extended.
The management company shall inform the Financial Markets Authority by post of the date and of the selected procedure for dissolution. Subsequently, the management company shall send the statutory auditor's report to the Financial Markets Authority.
The management company may, by agreement with the depositary, decide to extend a fund's term. Its decision must be taken at least three months prior to expiry of the fund's term, and must be notified to the unitholders and the Financial Markets Authority.

Article 12: Liquidation

In the event of dissolution, the management company shall act as liquidator, failing which a liquidator shall be appointed by the court at the request of any interested party. To this end, the liquidator is vested with the most extensive powers for liquidating assets, paying creditors and distributing the available balance to unitholders in cash or securities.
The statutory auditor and the depositary shall continue to carry out their duties until the liquidation operations have been completed.

Article 13: Jurisdiction – Choice of domicile

Any disputes concerning the mutual fund arising during its existence or upon its liquidation, whether among unitholders or between unitholders and the management company or the depositary, shall be subject to the jurisdiction of the competent courts.