



LA FRANÇAISE

La Française LUX – Inflection Point Carbon Impact Global - Class R EUR - Capitalisation - LU1744646933

Objective

This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.

Product

Product : La Française LUX - Inflection Point Carbon Impact Global - R EUR - Capitalisation

ISIN : LU1744646933

Initiator : La Française Asset Management. The supervisory authority of La Française Asset Management is the Autorité des Marchés Financiers. Further information on www.la-francaise.com or dial +33 (0)1 53 62 40 60.

Production date : 02/01/2023

What is this product?

Product type: Sub-fund of the Luxembourg domiciled SICAV La Française Lux

The Objective is to contribute to the transition to a low carbon economy while achieving long-term capital growth. Specifically, the sub-fund seeks to outperform (net of fees) the reference benchmark MSCI All Country World Index ((MSCI ACWI Daily Net Total Return) over any given 5-year minimum.

Reference benchmark EUR-denominated shares: MSCI AC World Daily Net Total Return in EUR (NDEEWNR), USD-denominated shares: MSCI AC World Daily Net Total Return in USD (M1WD). The sub-fund is actively and discretionarily managed. The sub-fund is not managed in reference to an index. The index is used to define the eligible investment universe with the objective of reducing carbon footprint. The management strategy includes tracking the difference in the risk level of the portfolio relative to that of the index. A moderate deviation from the risk level of the index is anticipated.

The Fund invests mainly in equities of global companies, including those in emerging markets, that have committed to reducing their carbon emissions, expanding their low carbon strategy and replacing fossil energy sources with low-carbon emission alternatives.

The sub-fund is actively and discretionarily managed. The sub-fund is not managed in reference to an index.

Specifically, the Fund invests at least 66% of its net assets in equities and equity-related securities issued by large capitalisation companies in any sector. Investments may include American and global depositary receipts (ADRs and GDRs).

The Fund may invest in, or be exposed to, the following investments up to the percentage of net assets indicated:

- equities (including exposure from derivatives): 90% to 105%
- investment grade bonds: 10%
- other UCITS/UCIs: 10%

On an ancillary basis (up to 20%) , the sub-fund may also invest in bank deposits, money market instruments, money market funds whose investments' overall weighted maturity or rate reset frequency does not exceed 12 months, for treasury purposes or for achieving its investment goals.

The Fund's net exposure to non-EUR currencies may be up to 100% of net assets.

The investment manager focuses on companies that provide solutions to address climate change challenges, particularly companies that are on target to achieve significant reductions in greenhouse gases or who focus on products or services for such reductions. The sub-fund has specific sustainable investment objectives (SFDR Article 9). The investment process is based on Integration with significant engagement in the management and thematic. In selecting securities, the investment manager uses a 3-step process:

- exclusion of companies that are exposed to controversial weapons or are from blacklisted countries, or those with lowest environmental, social and governance (ESG) ratings (bottom 20% of the investment universe)
- fundamental analysis of companies including environmental, strategic and financial criteria
- rigorous portfolio construction aiming to calibrate overall carbon footprint while ensuring geographic and sector diversification

The extra-financial rating rate achieved is above 90%.

The manager also invests in companies that, according to the management company's methodology generate avoided emissions.

Many alternative energy companies provide declarative data on the avoided emissions they generate. When they do not, emission factors by country or region allow them to be calculated from the production elements.

The fund aims to invest in companies that, according to the methodology developed by the Management Company, have a total amount of emissions avoided at least equivalent to the carbon emissions of the overall portfolio. Avoided emissions do not offset the portfolio's carbon emissions (already reduced by 50% compared to the initial investment universe).

The different methodologies that have been adopted by the management company for taking extra-financial criteria into account have a limit that relates to the quality of the information collected by the ESG Research Team and the transparency of the different issuers.

The Fund may use derivatives as a substitute for direct investment, for hedging and for efficient portfolio management.

You can buy and sell shares of the Fund daily.

All income generated by share Class R EUR - Capitalisation of the Fund is reinvested and included in the value of its shares.

Concerned investors: All eligible investors including those who are investing through intermediaries that provide non-independent advice (as defined in MiFID).

Lifespan of the product: Indefinite

What are the risks and could I get in return?

Risk indicator



Risk and Reward Profile: The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 4 out of 7, which is a medium risk class.

The risk category is because investments in stocks, and particularly in emerging markets, tend to be subject to high price fluctuations

We bring your attention to the fact that:

- Historical data used in calculating the SRRM may not be a reliable indication of the future risk profile of the Fund.
- The risk indicator shown above is not guaranteed and it may shift over time. The lowest category does not mean a risk free investment.

Risks materially relevant to the Fund which are not adequately captured in the indicator:

Derivative risk: the Fund uses derivatives. These are financial instruments whose values depend on the value of the underlying asset. Small price fluctuations in the underlying asset can result in large price changes in the derivative.

Exchange rate risk: the Fund may invest in securities denominated in currencies other than the euro. Eurozone country investors are exposed to risks posed by fluctuations in currency exchange rates.

Small Cap risk: The Fund may be exposed to small caps. The trading volume on these stocks is lower and therefore upward and downward market movements may be more pronounced

Model risk : The Fund's investment process relies on the development of a proprietary financial and extra-financial scoring model, using indicators to include ESG indicators, through a strategic partnership within the Group La Française.

The model may not always perform as expected. The performance of the Fund may therefore be inferior to that of its investment objective and returns on investments may be negative.

Capital loss risk:

The investor is warned that his capital is not guaranteed and may therefore not be returned to him.

Recommended investment period: This Fund may not be appropriate for investors who plan to withdraw their money within 5 years

Performance scenario

Recommended investment period: 5 years Investment: 10,000 €		If you exit after 1 year	If you exit after 5 years
Scenarios			
Stress	What you might get back after costs	1,270 €	1,280 €
	Average return each year	-87.31 %	-33.74 %
Unfavourable	What you might get back after costs	8,640 €	5,950 €
	Average return each year	-13.56 %	-9.88 %
Moderate	What you might get back after costs	10,710 €	14,950 €
	Average return each year	7.11 %	8.38 %
Favourable	What you might get back after costs	14,510 €	18,020 €
	Average return each year	45.09 %	12.50 %

This table shows the amount of money you could get on 5 years, according to different scenarios, assuming you invest 10,000 €.

The different scenarios show how your investment might perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on past data regarding changes in the value of this investment. They are not an exact indicator.

What you get will depend on how the market performs and how long you hold the investment or product. The stress scenario shows what you might get in extreme market situations, and does not take into account if we cannot pay you.

The numbers shown include all costs of the product itself, but not necessarily all fees due to your advisor or distributor.

These numbers do not take into account your personal tax situation, which may also affect the amounts you receive.

What happens is La Française Asset Management is unable to pay out?

A failure of the management company that manages the assets of your fund would have no effect on your investment. The custody and safekeeping of your fund's assets are in fact ensured by the custodian of your fund. Investment in a fund is not guaranteed or covered by a national clearing system.

What are the costs?

Return on investment (RIY) shows the impact of the total costs you pay on the return you could get on your investment. Total costs include one-time, recurring and soft costs. The amounts shown here are the cumulative costs associated with the product itself, for three different holding periods. They include potential early exit penalties. The numbers shown assume you invest 10,000 €. These numbers are estimates and may change in the future.

Costs over time

You may be asked to pay additional costs by the person selling or advising you about the product. If so, they will tell you about these costs and show you how all the costs affect your investment over time.

Investment: 10,000 €	If you exit after 1 year	If you exit after 5 years
Total costs	535.46 €	2,205.12 €
Impact of annual costs	5.43 %	3.31 %

Cost mix

The table below shows:

- the annual impact of the different types of costs on the return you could earn on your investment at the end of the recommended investment period;
- the meaning of the different cost categories.

One-off costs upon entry or exit		If you exit after 1 year
Entry costs	3.00 % Maximum of the amount you pay at the time of entry into the investment, not including the costs of distributing your product. The person who sells you the product will inform you of the actual costs.	300.00 €
Exit costs	This product does not have any exit costs.	0.00 €
Recurring costs [charged each year]		
Management fees and other administrative and operating costs	2.01 % Maximum of the value of your investment per year. This is an estimate based on actual costs incurred over the last year.	194.97 €
Transaction costs	0.42 % of the value of your investment per year. This is a cost estimate associated with buying and selling underlying investments for the product. The actual amount varies depending on how much we buy and sell.	40.49 €
Recurring costs charged under certain conditions		
Performance related fees	This product does not have any performance fees.	0.00 €

🕒 How long should I hold it and can I take my money out early?

Recommended holding period: 5 years

Possibilities and conditions for disinvestment before maturity: Requests received and accepted by the transfer agent by 11:00 AM CET any day on which banks are normally open in Luxembourg and France are ordinarily processed the same business day.

🗉 How can I complain?

For any claim, you can contact the La Française Group's customer service department at 128 boulevard Raspail 75006 PARIS (reclamations.clients@la-francaise.com), by phone at +33 (0)1 53 62 40 60.

📄 Other relevant information

Legal documents are available on request and free of charge from the management company or on the website: www.la-francaise.com. You can get them free of charge by requesting them from serviceclient@la-francaise.com. Additional information is available from the Registered Products Customer Service Department via the following contact details: serviceclient@la-francaise.com.