



**LA FRANÇAISE**

INVESTING TOGETHER

## Target Maturity Strategies



25 March 2024



From 11H00

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**ABOUT**

**LA FRANÇAISE**

# OUTLOOK

## AMBITIOUS PLAN FOR CREDIT MUTUEL ALLIANCE FEDERAL FOR ITS ASSET MANAGEMENT BUSINESS LINE

A MULTI-SPECIALIST BUSINESS MODEL  
WITHIN A CLIENT-CENTRIC ORGANIZATION...



... TO BECOME A MAJOR PLAYER IN THE  
FRENCH ASSET MANAGEMENT LANDSCAPE



€173 Miliards\* AUM



Wide range of **expertise**

Fixed Income

Equities

Real Estate

Private Debt

Private Equity

Liquid Alternatives



**Global presence**

with presence in Europe\*\* and Asia



A common **responsible  
and sustainable**  
investment strategy

\*As of 31/12/2023. \*\*France, Luxembourg, Germany, United Kingdom (real estate)

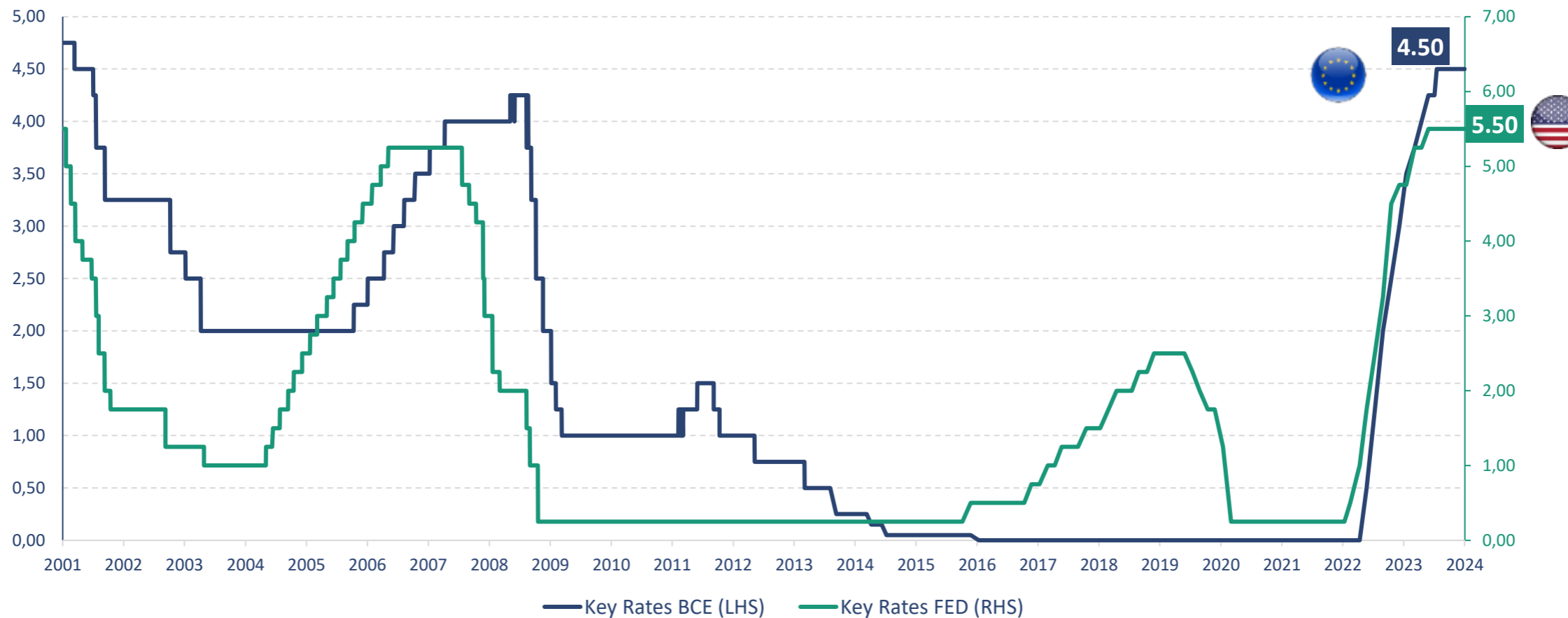


**MARKET**

**OUTLOOK**

# MONETARY AND MACROECONOMIC OUTLOOK

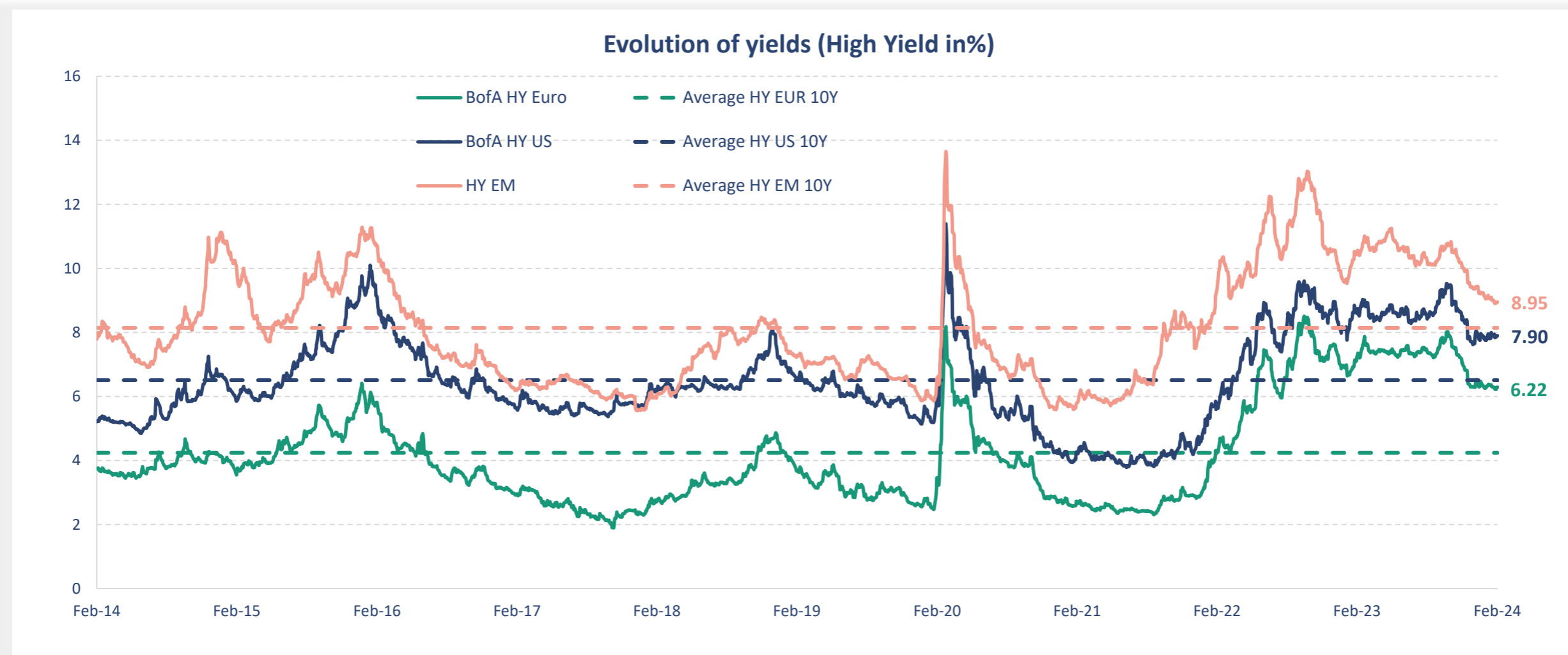
## CENTRAL BANKS



◆ The most aggressive monetary normalization since 1970 likely ended in the US and Europe.

# THE CREDIT AND HIGH YIELD MARKET

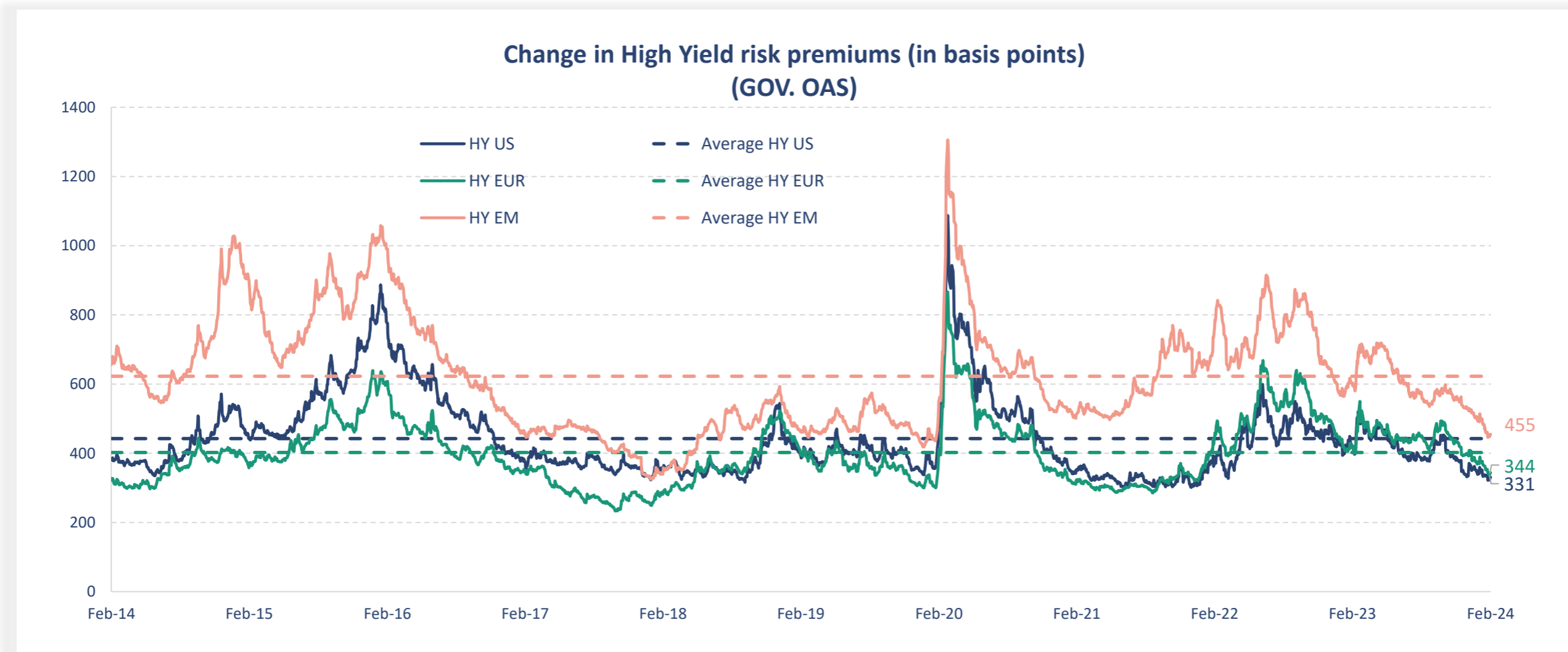
## AVERAGE YIELDS REMAIN ABOVE THEIR HISTORICAL AVERAGE



Sources: La Française, Bloomberg. Data as of 29/02/2024. Spreads: Risk premiums compared to the 10 year German rate. Sources: La Française, Bloomberg. Past returns are not a reliable indicator of future results. Indices used: Euro High Yield Private debt: BofA Merrill Lynch Euro High Yield Index (HE00); U.S. High Yield Private debt: BofA Merrill Lynch US High Yield Master II Index (H0A0); High Yield Emerging states: BofA Merrill Lynch High Yield Emerging Markets Corporate Plus Index (EMUH). The convictions of La Française Asset Management do not represent those of the La Française group.

# THE CREDIT AND HIGH YIELD MARKET

RISK PREMIUMS ARE SLIGHTLY BELOW THEIR HISTORICAL AVERAGE

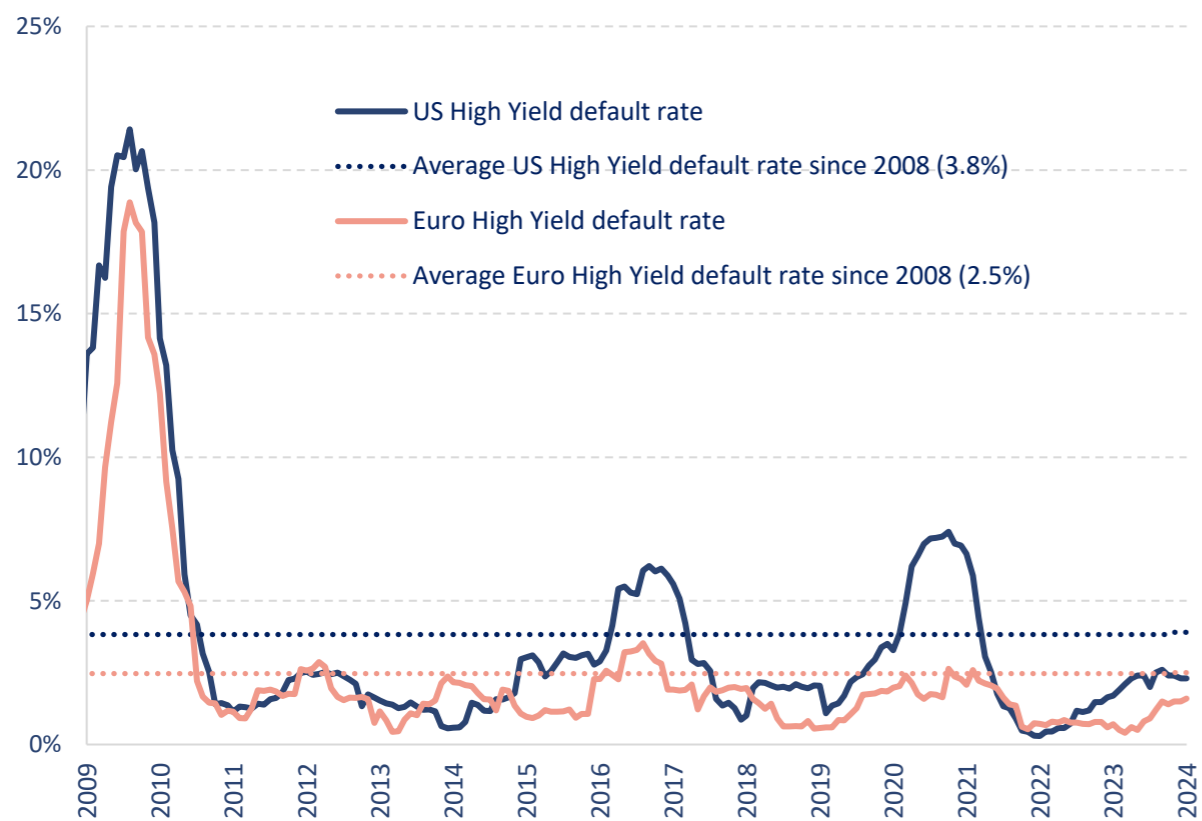


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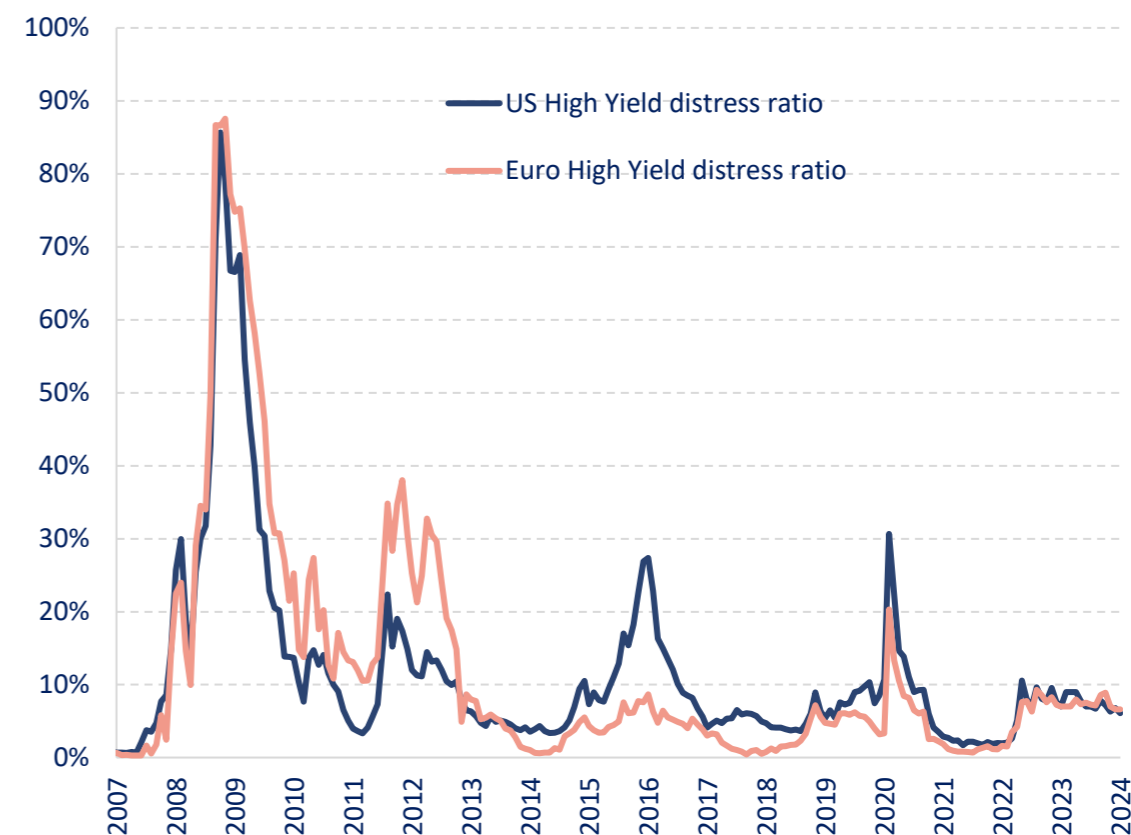
# HIGH YIELD

## DEFAULT RATES REMAIN LIMITED AND THE DISTRESS RATIO REMAINS CONTAINED

### Default Rates – Europe & US



### Distress Ratio – Europe & US



Source: BofA. Data as of 29 February 2024. Distress ratio = bond whose price is below a fixed threshold or whose spread exceeds 800 bp.

# MARKET OVERVIEW

The current carry offers a decent expected return



## Theoretical annual performance of the European High Yield Market

### Simulation as of end of December 2023

- YTW= 7.1%
- OAS spread = 432 bps
- Risk-free rates= 2.3%
- Modified Duration= 3.0
- **Default Rate= 4%**
- Recovery rate= 40%

déc.-23		HY EURO SPREADS VARIATION										Final Rate
		-200	-150	-100	-50	0	+50	+100	+150	+200		
RISK FREE RATE VARIATION	-1,50%	15,0%	13,5%	12,0%	10,5%	9,0%	7,5%	6,0%	4,5%	3,0%	0,8%	
	-1,00%	13,5%	12,0%	10,5%	9,0%	7,5%	6,0%	4,5%	3,0%	1,5%	1,3%	
	-0,75%	12,7%	11,2%	9,7%	8,2%	6,7%	5,2%	3,7%	2,2%	0,7%	1,5%	
	-0,50%	12,0%	10,5%	9,0%	7,5%	6,0%	4,5%	3,0%	1,5%	0,0%	1,8%	
	-0,25%	11,2%	9,7%	8,2%	6,7%	5,2%	3,7%	2,2%	0,7%	-0,8%	2,0%	
	0,00%	10,5%	9,0%	7,5%	6,0%	4,5%	3,0%	1,5%	0,0%	-1,5%	2,3%	
	+0,25%	9,7%	8,2%	6,7%	5,2%	3,7%	2,2%	0,7%	-0,8%	-2,3%	2,5%	
	+0,50%	9,0%	7,5%	6,0%	4,5%	3,0%	1,5%	0,0%	-1,5%	-3,0%	2,8%	
	+0,75%	8,2%	6,7%	5,2%	3,7%	2,2%	0,7%	-0,8%	-2,3%	-3,8%	3,0%	
	+1,00%	7,5%	6,0%	4,5%	3,0%	1,5%	0,0%	-1,5%	-3,0%	-4,5%	3,3%	
	+1,50%	6,0%	4,5%	3,0%	1,5%	0,0%	-1,5%	-3,0%	-4,5%	-6,0%	3,8%	
	Final Spreads		232	282	332	382	432	482	532	582	632	

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	-0,75%	13,7%	12,2%	10,7%	9,2%	7,7%	6,2%	4,7%	3,2%	1,7%	1,5%	
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	-0,25%	12,2%	10,7%	9,2%	7,7%	6,2%	4,7%	3,2%	1,7%	0,2%	2,0%	
	0,00%	11,5%	10,0%	8,5%	7,0%	5,5%	4,0%	2,5%	1,0%	-0,5%	2,3%	
	+0,25%	10,7%	9,2%	7,7%	6,2%	4,7%	3,2%	1,7%	0,2%	-1,3%	2,5%	
	+0,50%	10,0%	8,5%	7,0%	5,5%	4,0%	2,5%	1,0%	-0,5%	-2,0%	2,8%	
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	+1,50%	7,0%	5,5%	4,0%	2,5%	1,0%	-0,5%	-2,0%	-3,5%	-5,0%	3,8%	
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Spreads: risk premiums compared to the 5Y-year German Government bond. Sources: La Française, Bloomberg. Past risk premiums are not a reliable indicator of future results. Indices used: Euro High Yield private debt: BofA Merrill Lynch Euro High Yield Index (HE00) ; Simulations based on HY Euro Index. YTW of 7.1% from a default rate of 4% and 2.5% with a recovery rate of 40%. Figures expressed in L.C.. Data as of 29/12/2023. These simulations are for information only.

# MARKET OVERVIEW

The current carry offers a decent expected return



## Theoretical annual performance of the US High Yield Market

### Simulation as of end of December 2023

- YTW= 8.5%
- OAS spread = 384 bps
- Risk-free rates= 4.2%
- Modified Duration= 3.72
- **Default Rate= 4%**
- Recovery rate= 40%

RISK FREE RATE VARIATION	HY US SPREADS VARIATION										Final Rate
	déc.-23	-200	-150	-100	-50	0	+50	+100	+150	+200	
-1,50%	18,9%	17,1%	15,2%	13,3%	11,5%	9,6%	7,8%	5,9%	4,0%	2,69%	
-1,00%	17,1%	15,2%	13,3%	11,5%	9,6%	7,8%	5,9%	4,0%	2,2%	3,19%	
-0,75%	16,1%	14,3%	12,4%	10,5%	8,7%	6,8%	5,0%	3,1%	1,2%	3,44%	
-0,50%	15,2%	13,3%	11,5%	9,6%	7,8%	5,9%	4,0%	2,2%	0,3%	3,69%	
-0,25%	14,3%	12,4%	10,5%	8,7%	6,8%	5,0%	3,1%	1,2%	-0,6%	3,94%	
0,00%	13,3%	11,5%	9,6%	7,8%	5,9%	4,0%	2,2%	0,3%	-1,5%	4,19%	
+0,25%	12,4%	10,5%	8,7%	6,8%	5,0%	3,1%	1,2%	-0,6%	-2,5%	4,44%	
+0,50%	11,5%	9,6%	7,8%	5,9%	4,0%	2,2%	0,3%	-1,5%	-3,4%	4,69%	
+0,75%	10,5%	8,7%	6,8%	5,0%	3,1%	1,2%	-0,6%	-2,5%	-4,3%	4,94%	
+1,00%	9,6%	7,8%	5,9%	4,0%	2,2%	0,3%	-1,5%	-3,4%	-5,3%	5,19%	
+1,50%	7,8%	5,9%	4,0%	2,2%	0,3%	-1,5%	-3,4%	-5,3%	-7,1%	5,69%	
<b>Final Spreads</b>	<b>184</b>	<b>234</b>	<b>284</b>	<b>334</b>	<b>384</b>	<b>434</b>	<b>484</b>	<b>534</b>	<b>584</b>		

### Simulation as of end of December 2023

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- **Default Rate= 2.5%**
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<b>Final Spreads</b>	<b>184</b>	<b>234</b>	<b>284</b>	<b>334</b>	<b>384</b>	<b>434</b>	<b>484</b>	<b>534</b>	<b>584</b>		

Spreads: risk premiums compared to the 5Y-year US Government bond. Sources: La Française, Bloomberg. Past risk premiums are not a reliable indicator of future results. Indices used: US High Yield private debt: BofA Merrill Lynch US High Yield Index (H0A0) ; Simulations based on HY US Index. YTW of 8.5% from a default rate of 4% and 2.5% with a recovery rate of 40%. Figures expressed in L.C.. Data as of 29/12/2023. These simulations are for information only.

# THE CREDIT MARKET

## HISTORICAL PERFORMANCE OF THE US HY MARKET 6 TO 12 MONTHS AFTER THE LATEST FED RATE HIKE

Date of End of rate hike cycle	Terminal rates at the end of the rate hike cycle	US HY spreads at the end of the rate hike cycle	TR performance of US HY 6 months on (gross and in \$)	TR performance of US HY 9 months on (gross and in \$)	TR performance of US HY 12 months on (gross and in \$)	US HY spreads 6 months on	US HY spreads 9 months on	US HY spreads 12 months on
December 2018	2.5%	657pbs	9.88%	10.88%	14.08%	-105pbs	-91pbs	-143pbs
June 2006	5.25%	359pbs	8.03%	11.21%	11.83%	-41pbs	-45pbs	-35pbs
May 2000	6.5%	661pbs	-4,42%	4.15%	3.33%	+235pbs	+139pbs	+81pbs
March 1997	5.5%	325pbs	9.53%	11.91%	15.72%	-13pbs	+9pbs	-7pbs
February 1995	6.0%	437pbs	5.96%	11.93%	16.51%	+11pbs	+34pbs	-28pbs
<b>Average</b>		<b>470pbs</b>	<b>6.4%</b>	<b>10.02%</b>	<b>12.3%</b>	<b>+17pbs</b>	<b>+9pbs</b>	<b>-26pbs</b>

Gross performance expressed in local currencies (\$);

Past performance is not a reliable indication of future results.

**We are rather neutral on spreads (risk premium) and slightly positive on duration.** The momentum for global disinflation is expected to continue in the coming months, although the base effect will be less favorable in Europe in the first quarter of 2024 compared to other regions, which should support the performance of the asset class.

**At the beginning of the year, high yield (like other bond assets) should benefit from positive flows thanks to reallocation effects from illiquid/unlisted assets** whose adjustment cycle has not come to an end.

**European default rates are expected to rise compared to 2023, but will remain below 4%.** They are expected to be more stable in the United States, at around 4.5%. In emerging markets, the default cycle will depend on the evolution of the Chinese economy and the recovery of the real estate sector.

Taking into account the current carry, and our expectations of changes in spreads and default rates, the total performance of High Yield in 2024 should be between +4% and 5% in Europe and between +5% and 6.5% in the United States (in local currency).

- ◆ Geographically, **we prefer the US over Europe and Emerging Markets** for the following reasons:
  - ◆ **The US economy is doing better than other regions.**
  - ◆ **Technical factors are more favourable to the US than in Europe**, since the net migration ratio (balance between investment grade upgrades and high yield downgrades) is more favorable in the US market. Europe continues to suffer from its exposure to the real estate sector. In addition, the volume of net issues will be higher in Europe, as refinancing needs in 2024 and 2025 are significant (€80 billion high yield debt to be refinanced, or 25% of the European market, compared to 13% for the American market).
  - ◆ Except in 2000 and 2008, the **years of presidential elections are generally favorable for US risky assets, which include, among others, High Yield.** Since 1988, over the last 9 elections, the performance of US High Yield has averaged +11%, double its long term performance of +5.5%.
- ◆ **The main risk factors in 2024 are as follows :**
  - ◆ **Geopolitics, with a very busy electoral agenda :** Taiwan in January, India and Mexico in April/June, European and finally American elections in November. The US elections will certainly be the most significant event in the second half of 2024, with the significant risk of a return by Mr. Trump. If this assumption is confirmed, the (negative) impact should be greater on European and emerging High Yield spreads. Paradoxically, the US credit market should be less impacted.
  - ◆ **A stronger than expected economic downturn** which could call into question the now very consensual soft landing scenario.

# LA FRANÇAISE CARBON IMPACT 2026



**SFDR 9**

# LA FRANÇAISE CARBON IMPACT 2026

## IN SUMMARY



Our 1<sup>ST</sup> TARGET  
MATURITY FUND  
WITH A LOW CARBON  
APPROACH

### MIXED UNIVERSE

**IG** (min. 30%)

**& HY** (max. 70%)

... through a selection of  
issuers whose rating remains  
above B...



### GLOBAL EXPOSURE & DIVERSIFIED

... without geographical  
constraints to capture a  
maximum number of  
opportunities with over 150  
issues on average...



Article 9 according to SFDR  
regulations

### SFDR 9

Portfolio carbon footprint  
at least 50% lower  
than the comparable universe \*

Over **20 years** of experience in  
credit management



Yield of **4.93% \* \*** (in €)



Over **€ 7 bn** outstanding in credit  
strategies



Sources: La Française AM - \* Composite 30% Bloomberg Barclays Global aggregate Corporate Index +70% ICE BofAML BB B Global High Yield Index.

\*\* Gross return on ongoing charges as at 31/01/2023, net of hedging costs. The return shown is not guaranteed and is likely to change according to market conditions.

# LA FRANÇAISE CARBON IMPACT 2026

## THE CARBON IMPACT STRATEGY



According to the current policy scenario, we are heading towards a **warming of 2.5°C to 3.2°C by 2100**

Atmospheric concentration of **CO<sub>2</sub>** is the major **warming** factor in the **planet**

Experts have calculated a '**global carbon budget**' which would limit **global warming** to **+1.5/+2° C** during this century (NZE)

To meet the **2°C budget**, the most carbon intensive sectors must significantly reduce their **CO<sub>2</sub>** emissions.

Four sectors are currently responsible for 79% of global emissions:



Electricity generation



Energy

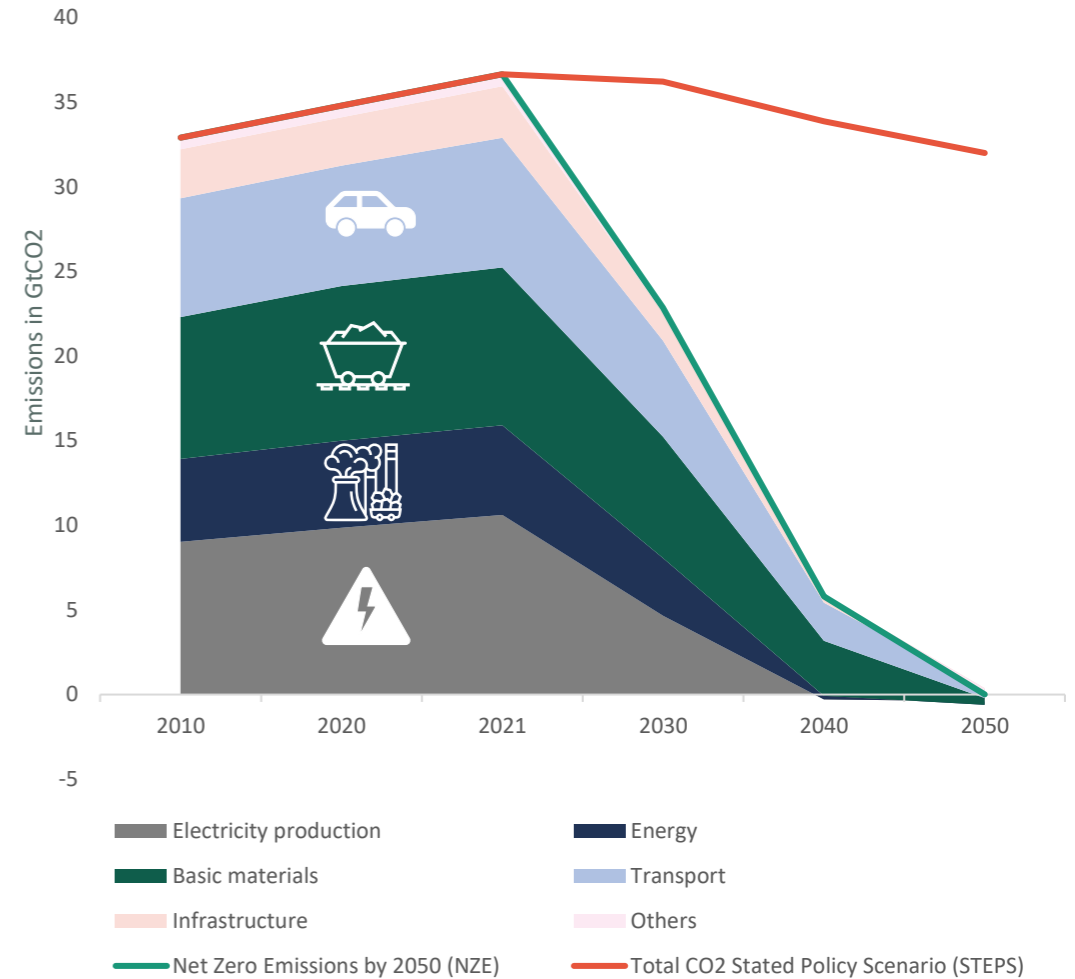


Basic Materials



Transportation

### Carbon budget available for a +1.5°C\* scenario



\* Source: IPCC Climate Change 2022: Mitigation of Climate Change. 2022 data.



ENEL carbon  
impact score  
**6.1/10**

Transition-Aligned

### ◆ Governance & risk management

- ◆ CEO Remuneration: variable remuneration is linked to climate factors: long-term var rem is linked to the reduction of scope 1 GHG emissions over the next 3 years (weighting 10%) deemed "suitable" to adequately support the 2022-2024 Strategic Plan. This also applies to key management personnel.
- ◆ Climate risk management process is quite robust with all global risks being reviewed bi-annually and local risks being reviewed monthly. This process includes only 27% of their suppliers though.
- ◆ Scenario analysis: Enel uses RCP 8.5, RCP 4.5 and RCP 2.6 to identify the impact of climate change on the business.

### ◆ Initiatives

- ◆ The Italian government is to fully phase out coal by 2025
- ◆ Enel has already closed 21 units (11GW – coal) and phasing out entirely by 2027
- ◆ Enel is an active member of the UNGC and takes part in Caring for Climate, Global Compact Lead
- ◆ Enel X: by 2023 aims to reach 780k public and private charging points globally. By 2025, 31.4K will be publicly-owned.

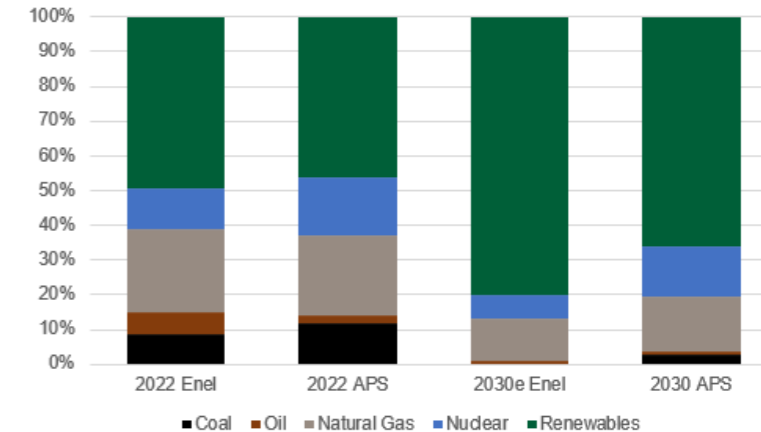
### ◆ Strategy

- ◆ Net Zero by 2040
  - 100% of mix will be consolidated renewable capacity
- ◆ Circa €20bn/annum CapEx in renewables until 2030
- ◆ Green hydrogen capacity expansion to >2GW by 2030.
- ◆ 2023-2025 strategy:
  - Additional 17GW of renewable capacity. Approx. 61GW total consolidated renewable capacity by 2025
  - Consolidated renewable generation to reach 70%

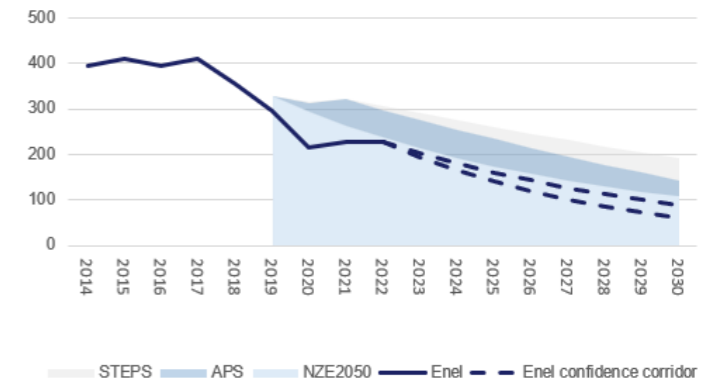
### ◆ Ambition and progress

- ◆ Enel is currently aligned with the 1.5°C scenario
- ◆ Enel's climate target has been signed off by the Science-Based Targets Initiative (SBTi)
- ◆ It should be noted however that the electricity generation mix's progression has slightly reversed since 2020 to 2022 with an increase in the % of coal.

The energy mix to generate electricity in the APS scenario



Low carbon trajectory kgCO2e/MWh



Source: La Française AM. \*APS: Announced Pledges Scenario. Example of an issuer not constituting a commitment for future investments.

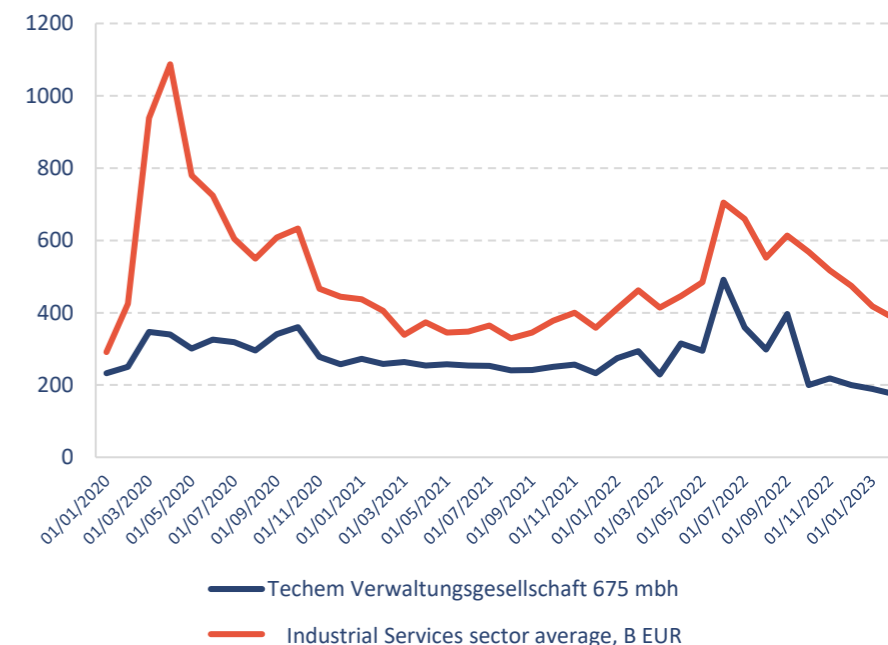
- ◆ The **real estate sector contributes to 36% of** total greenhouse gas emissions
- ◆ The generation of hot water and heating accounts for **85% of the energy consumption** in the sector
- ◆ Part of the chain of decarbonization solutions for the real estate sector, that Techem offer are :
  - ◆ Solutions for measuring water and heat consumption, which allows for better utilization of the energy system and reduces energy use by 10 to 15%
  - ◆ Replacement of heating systems with connected heat pumps based on green energy
  - ◆ Charging infrastructure for residential or commercial real estate.
- ◆ **Decarbonization strategy**
  - ◆ -42% emissions by 2030 and carbon neutrality (-90% at least) by 2045
  - ◆ Trajectory Reduction for Scopes 1, 2, and 3
  - ◆ 100% CAPEX for digitalization and energy transition
- ◆ **Investment case**
  - ◆ B+ issuer offering an attractive level of return for a resilient activity (see chart)
  - ◆ The credit profile demonstrates stable margins and continuous cash generation through revenue derived from multi-year contracts, high barriers to entry, ability to pass cost increases onto customers, competitive technologies, and a favorable regulatory environment.

**techem**



Low Carbon

Evolution of risk premium



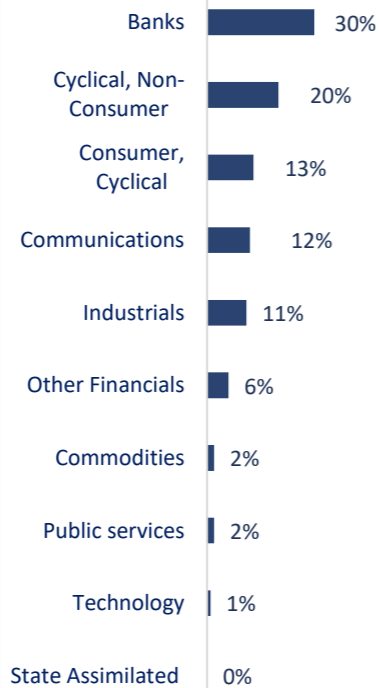


**AuMs: € 151 M**

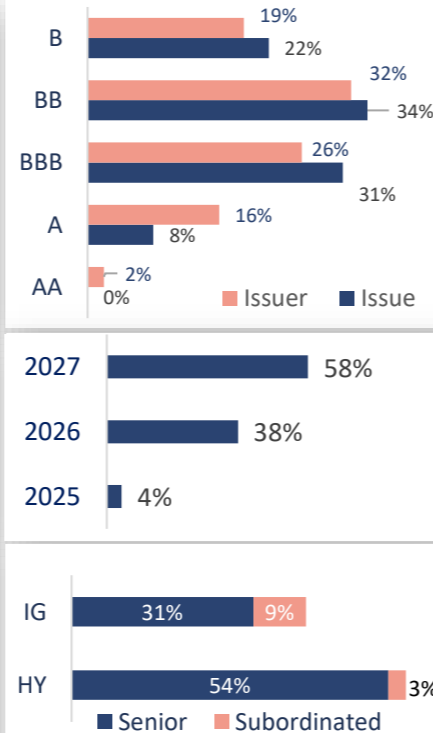
### Dashboard

Modified duration	2.28
Yield to maturity in €*	4.92%
Yield to worst in €*	4.65%
Average Spread	213
Average Coupon	4.54%
Average issue rating	BB
Average issuer rating	BB+
Duration	2.47
Number of issuers	144
Green bonds	9.42%

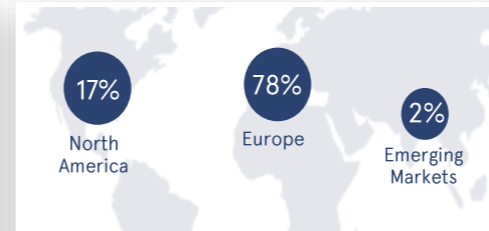
### Sectors



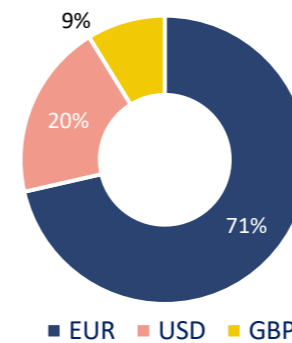
### Ratings and maturities



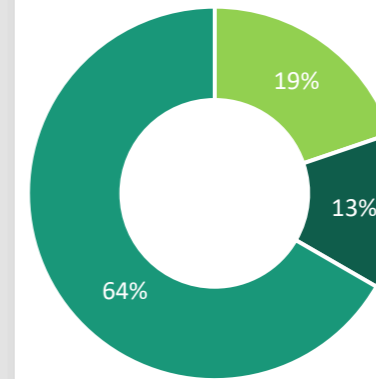
### Geographical breakdown



### Currency



### Carbon impact



- Transition aligned
- Ambition required
- Low Carbon

### Additional information



**Duration:** 8 to 0, decreasing over time



**Ongoing charges:** 0.68% (30/06/2023) for I EUR share class



**Currency risk:** systematic hedging of non Euro denominated securities (USD, GBP, NOK, CHF, SEK) Impact of currency hedging: -0.39%



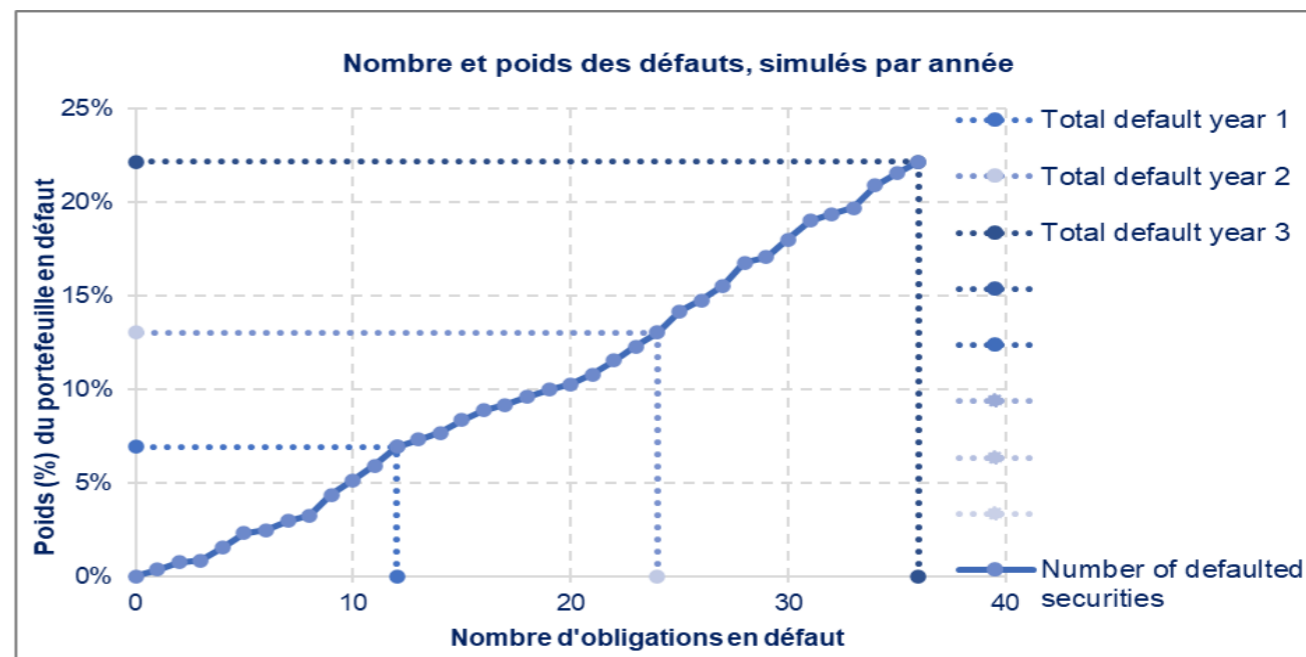
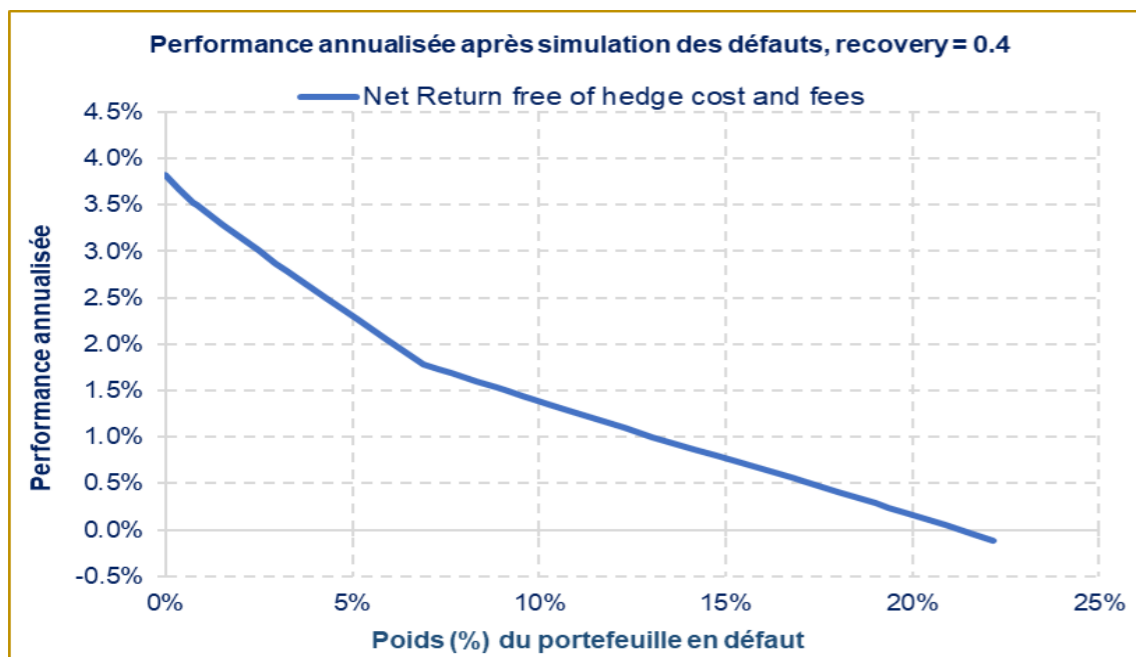
**End of subscription period:** 31 December 2024

Source : La Française AM, data as of 29/02/2024. The posted yield a) doesn't constitute a promise of return; b) are calculated gross of the current fees for the I EUR Share Class (0,68%) and/or R C EUR (1,17%) corresponding to estimates for the current year and net of the hedging costs (-0,39%) ; c) are the weighted average of the instantaneous returns of the portfolio securities denominated in local currency; d) does not consider any defaults that may occur.

### Annualised performance vs % of portfolio in default (EUR - I share class)

#### Assumptions:

- ◆ We simulate 12 defects per year
- ◆ Bonds in default are those with the highest rates of return
- ◆ Defaults take place instantly at the beginning of the year
- ◆ Reinvestment takes place one year after the default at the residual carry rate of the portfolio



Source: La Française. Data as of 29/02/2024. Note: The hypothetical return and performance information shown above does not reflect current transactions and is not a reliable indicator of future results. The investor bears the risk of loss of net capital, including the loss of its entire notional amount. These estimates are provided solely for information purposes and should not be regarded as a recommendation to buy or sell securities or as investment advice. When constructing and implementing the model portfolio, the investment objectives, financial position, or specific needs of investors were not taken into account. The results vary according to these elements. Please use the information provided by this model with caution. In essence, this information does not accurately reflect current performance generated. The data shown above are calculated retrospectively, based on various factors and assumptions and involving important subjective views and analyses. Such assumptions, views, and analyses may be incorrect or may change without notice.

# LA FRANÇAISE CARBON IMPACT 2026

## SIMULATION OF NAV AT MATURITY, BASED ON DEFAULT RATES, REINVESTMENT ASSUMPTIONS (CALLS AND COUPONS), AND HEDGING COSTS

NAV projections under LFAM scenarios



Default rate	Scenario Market Top case	Scenario Market case	Base	Scenario Market Worst case
2024	0.50%	1,00%		1.50%
2025	0.50%	1,00%		1.50%
2026	0.50%	1,00%		1.50%

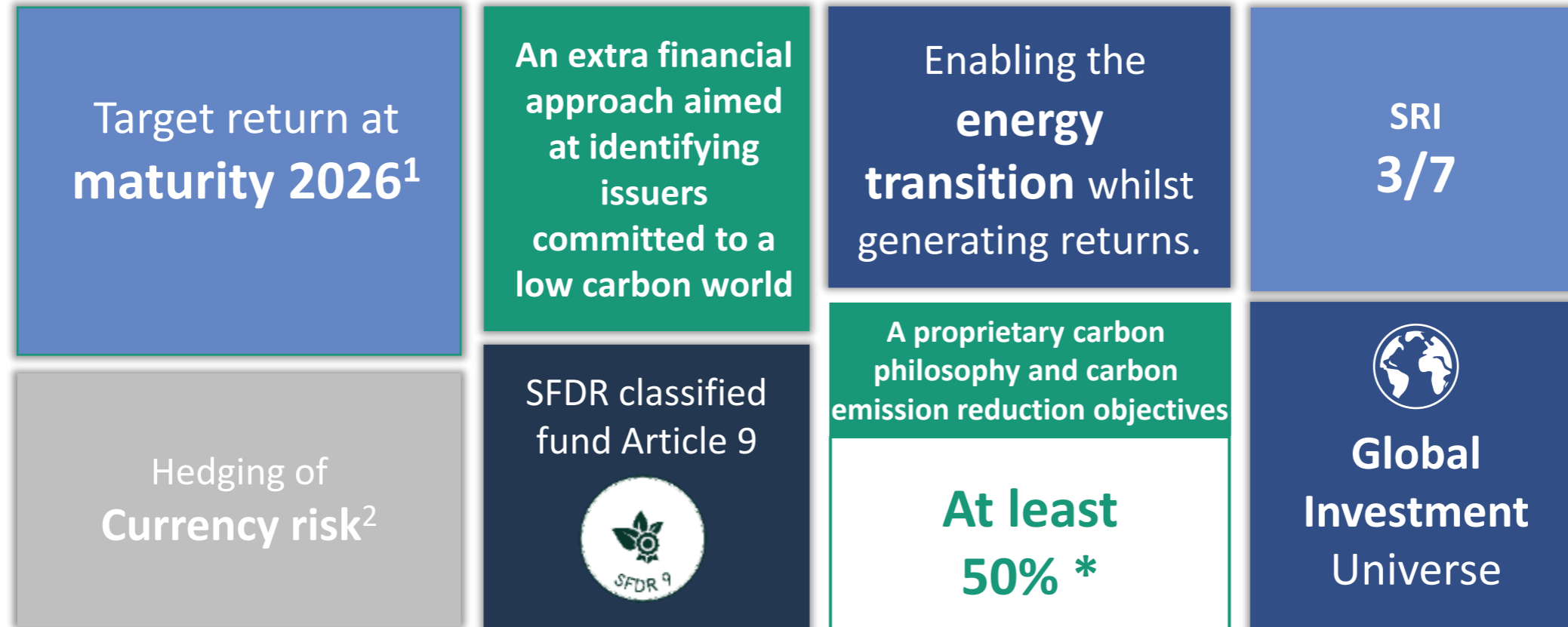
NAV projection	LFAM Scenario Top case	LFAM Scenario Base case	LFAM Scenario Worst case	
Net reinvestment rate of the bond pocket	VL	VL	VL	
Dernière VL 14-03-2024	1043.37	1043.37	1043.37	
2024	3.82	1072.47	1069.9	1067.33
2025	3.42	1110.95	1104.95	1098.97
2026	3.02	1146.78	1137.15	1127.58

Sources: La Française AM, Bloomberg, data as of 29/02/2024. Simulated performance is not a reliable indication of future results. Note: Performance is net of fees and hedging costs. The ongoing charges representative of the I and TC EUR units of the La Française Carbon Impact 2026 fund are 0.68% per annum and amount to 1.28% for the R EUR share. These fees correspond to those for the year ended June 2023 and may vary from year to year. The total cost of hedging is -0,33per cent per annum. Note: The hypothetical return and performance information shown above does not reflect current transactions and is not a reliable indicator of future results. The investor bears the risk of loss of net capital, including the loss of its entire notional amount. These estimates are provided solely for information purposes and should not be regarded as a recommendation to buy or sell securities or as investment advice. When constructing and implementing the model portfolio, the investment objectives, financial position, or specific needs of investors were not taken into account. The results vary according to these elements.

Please use the information provided by this model with caution. In essence, this information does not accurately reflect current performance generated. The data shown above are calculated retrospectively, based on various factors and assumptions and involving important subjective views and analyses. Such assumptions, views, and analyses may be incorrect or may change without notice.

# CONCLUSION

## LA FRANÇAISE CARBON IMPACT 2026: STRENGTHS



Note: 1 May not be appropriate for investors wishing to redeem their units before the maturity of the fund; 2 This management may result in transaction/hedging costs.

\* Composite 30% Bloomberg Barclays Global aggregate Corporate Index +70% ICE BofAML BB B Global High Yield Index. Strategic choice of the management team, which may evolve within the limits of the prospectus, which alone is authentic.

# LA FRANÇAISE RENDEMENT GLOBAL 2028



**SFDR 8**



# LA FRANÇAISE RENDEMENT GLOBAL 2028

## IN SUMMARY



20 years of experience in managing target maturity funds

SRI label obtained in October 2021



SFDR Article 8



Maximum maturity of the bonds set at 31/12/2029 and/or longer maturity, but which have a call not exceeding 31 December 2028



A yield to maturity of 5.8%\*



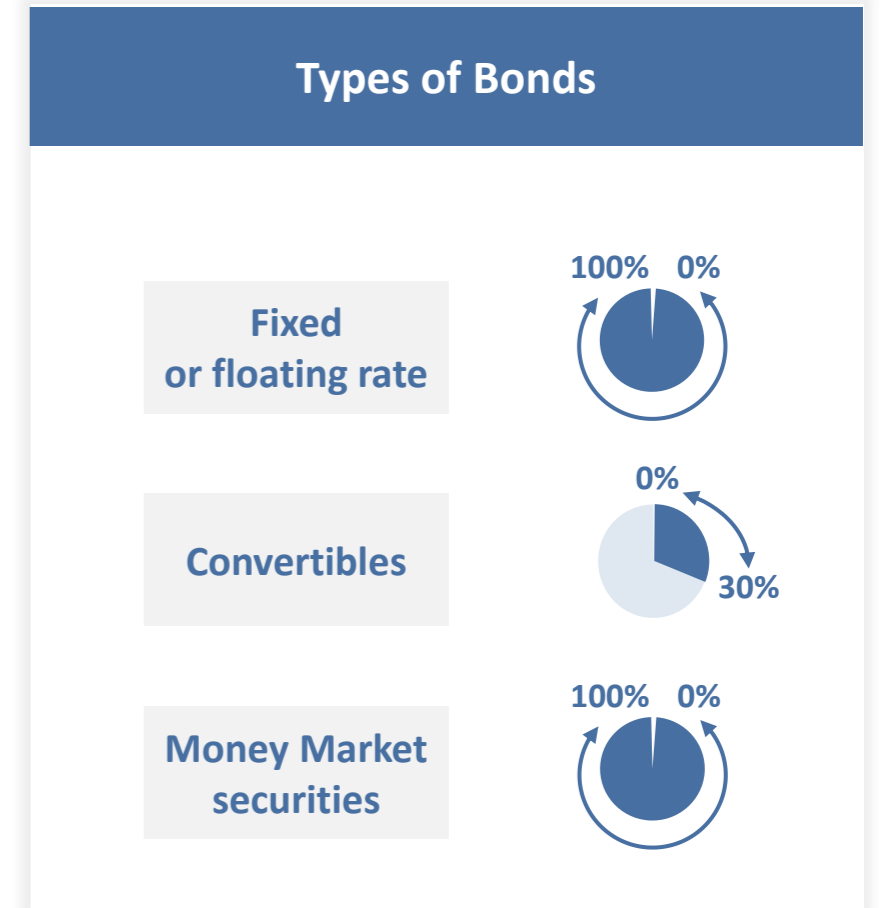
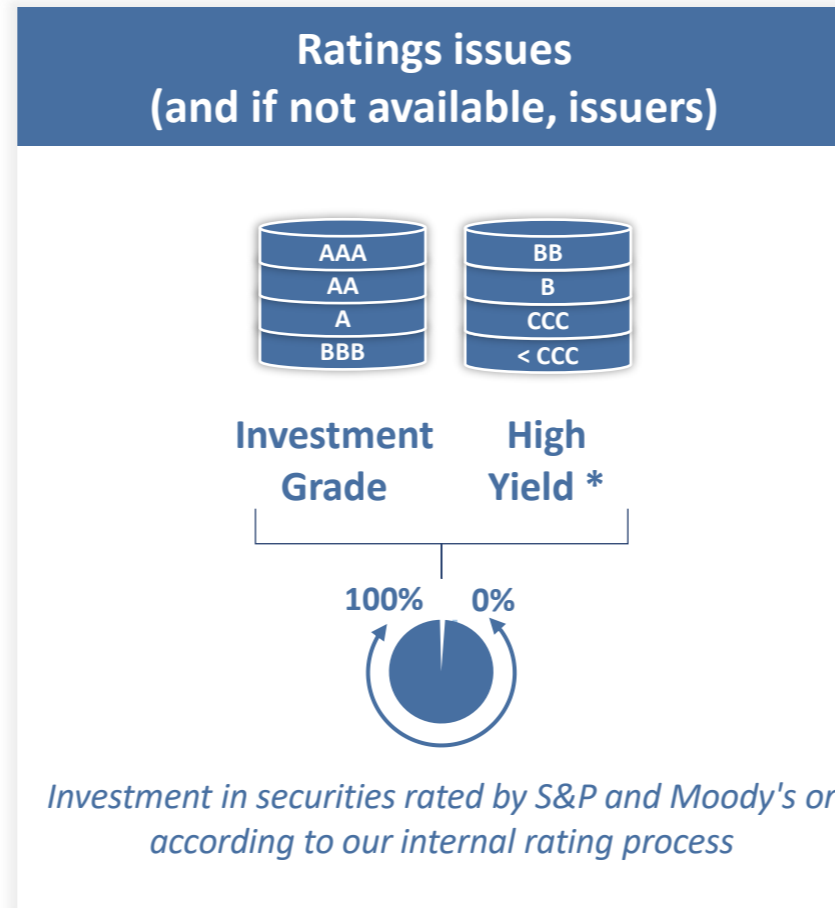
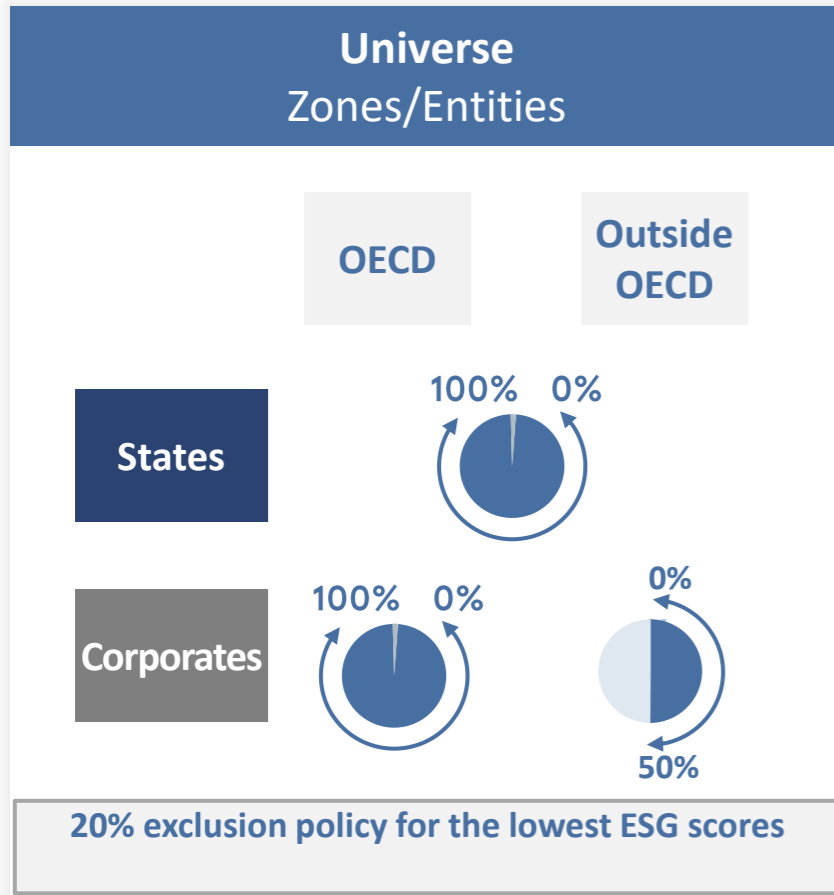
The fund does not invest in financial or non financial subordinated debt.  
No private debt investment.  
Global exposure.



Diversification between issuers (100 issuers min. and maximum exposure per issuer 1.5%)

Source: La Française. Data as of 31/01/2024. Past performance is not a reliable indicator of future results.

\* Reported rate of return (A) is not a promise of return; (B) is subject to change over time in accordance with market conditions; (C) is the weighted average of the instantaneous returns of the portfolio securities denominated in local currency; (D) does not take into account any defects that may arise; (E) gross instantaneous return excluding hedging costs. The impact of currency hedging is an estimate of the hedging cost over one year.



Source: La Française Asset Management.

\* No CCC rating except in case of downgrade (max. 5%)



- ◆ French telecommunications group founded by Xavier Niel
- ◆ Iliad is the No. 6 European telecommunications group with 42 million subscribers via its French, Italian and Polish subsidiaries
- ◆ Operating income: 3 billion €
- ◆ The Iliad 2028 5.65% bond offers a yield of 7%

Source: La Française AM, Bloomberg, 17/11/2023. Past ratings are not a reliable indicator of future results. The companies cited are examples of investment and are not a commitment to future investments. The rating shown is the lowest rating between S & P and Moody's.

# LA FRANÇAISE RENDEMENT GLOBAL 2028

## EXAMPLES OF ISSUERS



- ◆ Birkenstock is a German brand, world leader in sandals, napkins and shoes
- ◆ LVMH and the Arnault group are majority shareholders of the group
- ◆ Operating income: €432M
- ◆ Market capitalisation: 8 billion €
- ◆ The Birkenstock 5.25% 2029 bond offers a yield of 5.75%

Source: La Française AM, Bloomberg, 17/11/2023. Past ratings are not a reliable indicator of future results. The companies cited are examples of investment and are not a commitment to future investments. The rating shown is the lowest rating between S & P and Moody's.



- ◆ Charter Communication is an American company providing cable TV, very high speed internet access and telephony services.
- ◆ The group is the parent company of the Time Warner group
- ◆ This is the 2<sup>th</sup> largest cable TV provider, behind Comcast
- ◆ Operating income: 21 billion €
- ◆ Market capitalisation: 72 billion €
- ◆ The Charter 6.375% 2029 bond offers a yield of 7.5% (in \$)

Source: La Française AM, Bloomberg, 17/11/2023. Past ratings are not a reliable indicator of future results. The companies cited are examples of investment and are not a commitment to future investments. The rating shown is the lowest rating between S & P and Moody's.

**AuM: €434M**

### Dashboard

### Sector breakdown

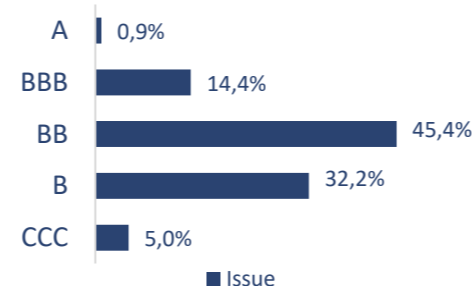
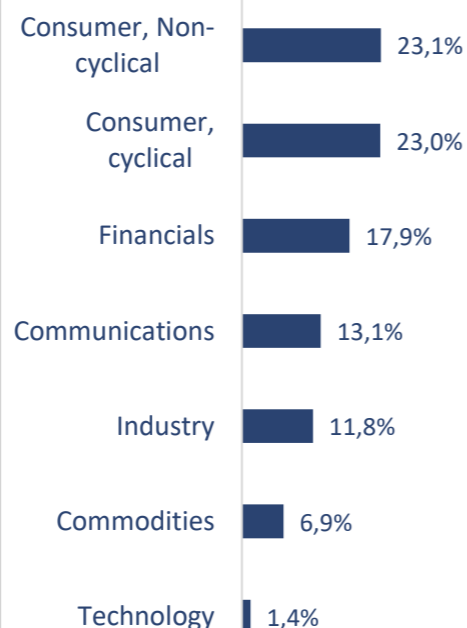
(As% of AuM)

### Ratings

### Breakdown Geographical

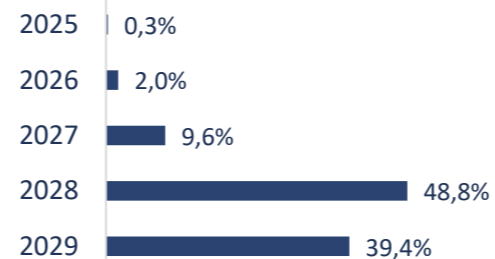
### Additional Information

Modified duration	3,52
Yield to maturity in €, net of hedging, gross of fees	6,02%
Yield to worst in €, net of hedging, gross of fees	5,59%
Duration	3,76
Average spread (vs swap in bp)	320
Average coupon	5.93%
Average issue rating	BB-
Average issuer rating	BB-
Number of issuers	152



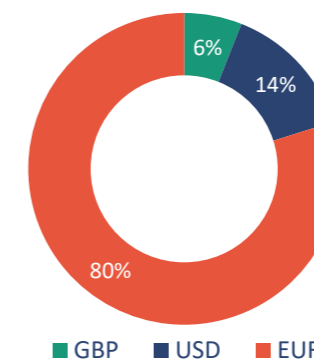
### Maturities

(Fixed income in %)



### Currencies

(As a% of the bond pocket)



**Duration:** 8 to 0, decreasing over time

**Ongoing charges :** 0.71% (30/06/2023) for the I EUR share class

**Currency risk:** systematic hedging of non Euro denominated securities (USD, GBP, NOK, CHF, SEK, CAD, DKK) Impact of currency hedging: -0.27%

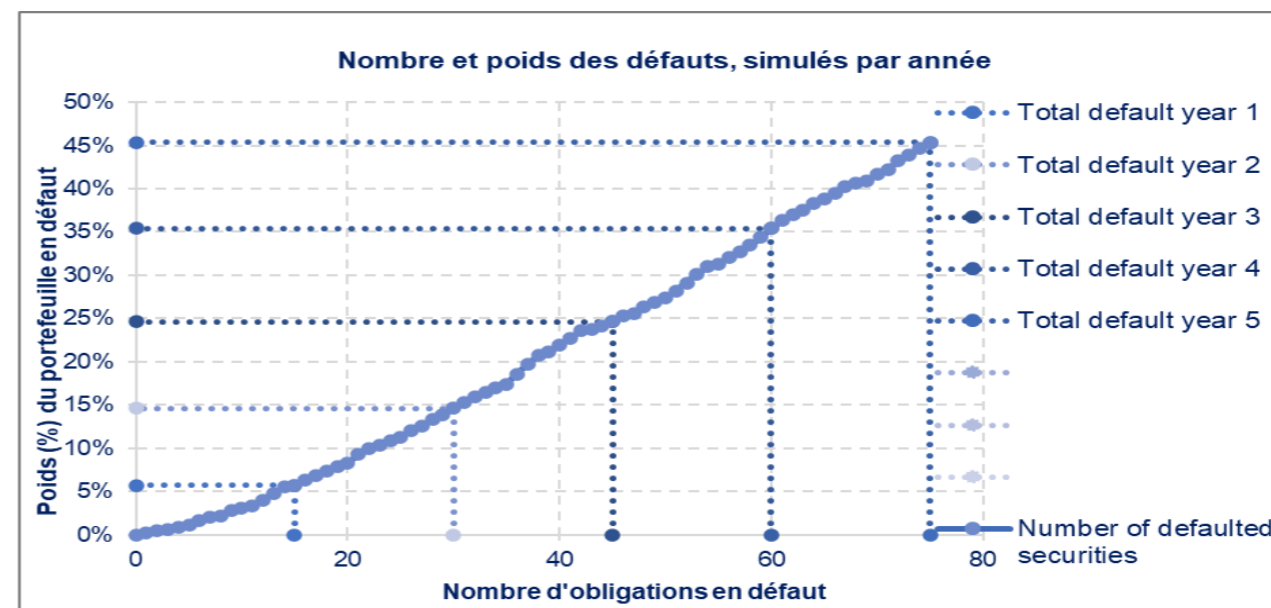
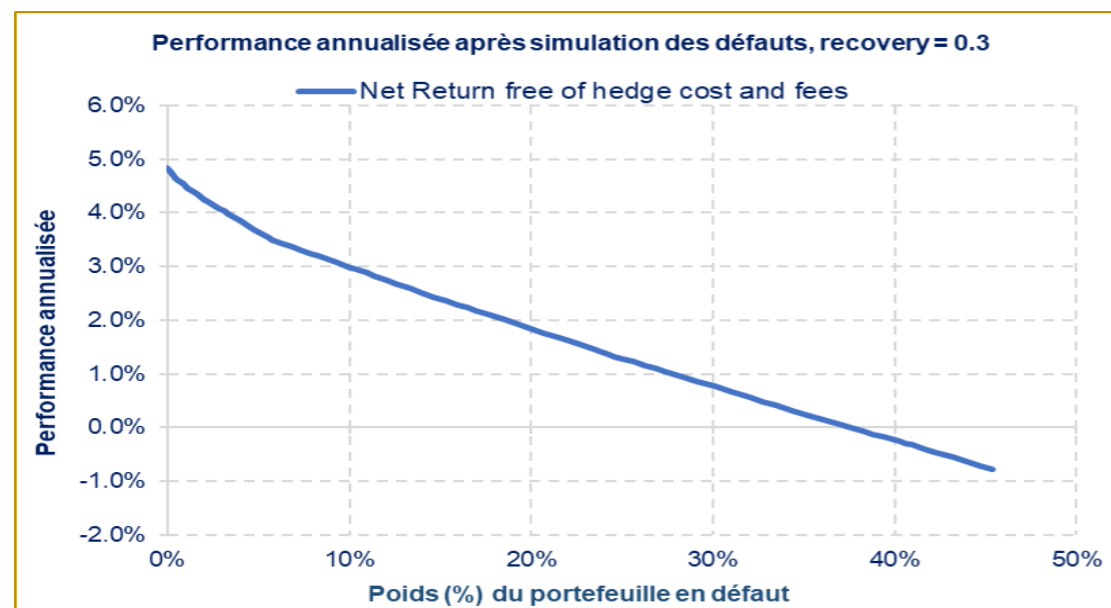
**End of subscription period:** 30 June 2025

Source: La Française AM, as of 29/02/2024. The yield to maturity shown (A) is not a promise of return; B) is expressed gross of ongoing charges for the I EUR unit (0.71%) and/or R C EUR unit (\* 1.17%) corresponding to estimates for the current financial year and net of the hedging cost (-0.27%); C) is the weighted average of the instantaneous returns of the portfolio securities denominated in local currency; (D) does not take into account any defects. \* Weight (% of assets)

### Annualised performance vs % of portfolio in default (EUR – I share class)

#### Assumptions:

- ◆ We simulate 15 defaults per year
- ◆ Bonds in default are those with the highest rates of return
- ◆ Defaults take place instantly at the beginning of the year
- ◆ Reinvestment takes place one year after the default at the residual carry rate of the portfolio



Source: La Française. Data as of 29/02/2024. Note: The hypothetical return and performance information shown above does not reflect current transactions and is not a reliable indicator of future results. The investor bears the risk of loss of net capital, including the loss of its entire notional amount. These estimates are provided solely for information purposes and should not be regarded as a recommendation to buy or sell securities or as investment advice. When constructing and implementing the model portfolio, the investment objectives, financial position, or specific needs of investors were not taken into account. The results vary according to these elements. Please use the information provided by this model with caution. In essence, this information does not accurately reflect current performance generated. The data shown above are calculated retrospectively, based on various factors and assumptions and involving important subjective views and analyses. Such assumptions, views, and analyses may be incorrect or may change without notice.

# LA FRANÇAISE RENDEMENT GLOBAL 2028

## SIMULATION OF NAV AT MATURITY, BASED ON DEFAULT RATES, REINVESTMENT ASSUMPTIONS (CALLS AND COUPONS), AND HEDGING COSTS

NAV projections under LFAM scenarios



Default rate	Scenario Market Top case	Scenario Market Base case	Scenario Market Worst case
2024	0.88%	1.75%	2.63%
2025	0.88%	1.75%	2.63%
2026	0.88%	1.75%	2.63%
2027	0.88%	1.75%	2.63%
2028	0.88%	1.75%	2.63%

NAV projection	LFAM Scenario Top case	LFAM Scenario Base case	LFAM Scenario Worst case
Net reinvestment rate of the bond pocket	VL	VL	VL
<b>Dernière VL 14-03-2024</b>	1053.36	1053.36	1053.36
2024	4.84	1088.54	1077.84
2025	4.49	1135.21	1110.2
2026	4.14	1183.02	1142.69
2027	3.79	1228.96	1172.43
2028	3.44	1268.46	1195.2

Sources: La Française AM, Bloomberg, data as of 29/02/2024. Simulated performance is not a reliable indication of future results. Note: Performance is net of fees and hedging costs. The ongoing charges representative of the I and TC EUR units of the La Française Rendement Global 2028 fund are 0.71% per annum and amount to 1.17% for the R EUR unit. These fees correspond to those for the year ended June 2023 and may vary from year to year. The total cost of hedging is -0, 25per cent per annum. Note: The hypothetical return and performance information shown above does not reflect current transactions and is not a reliable indicator of future results. The investor bears the risk of loss of net capital, including the loss of its entire notional amount. These estimates are provided solely for information purposes and should not be regarded as a recommendation to buy or sell securities or as investment advice. When constructing and implementing the model portfolio, the investment objectives, financial position, or specific needs of investors were not taken into account. The results vary according to these elements.

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# CONCLUSION

## LA FRANÇAISE RENDEMENT GLOBAL 2028: STRENGTHS



Note: 1 May not be appropriate for investors wishing to redeem their units before the maturity of the fund; 2 This management may result in transaction/hedging costs.

\* Strategic choices arising from the current conviction of the management team and may evolve within the limits of the prospectus which alone is authentic

# CONCLUSION

## MAIN ASSOCIATED RISKS<sup>1</sup> AND APPROVALS

### ◆ Risk of capital loss

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

### ◆ The following risks may cause the net asset value of the fund to fall

- ESG investment risk
- Discretionary management risk
- Interest rate risk
- Credit risk
- Default risk
- Risk related to investment in high yield, so called 'speculative' securities
- Risk related to investment in non OECD countries (emerging countries)
- Counterparty risk
- Equity market risk associated with holding convertible bonds and/or converting into shares or reducing the nominal value
- Residual currency risk

◆ **La Française Carbon Impact 2026**, approved by the AMF on 22 October 2019, is a sub fund governed by Directive 2009/65/EC of the French SICAV 'La Française,' approved by the AMF on 14 August 2018.

◆ **La Française Rendement Global 2028**, approved by the AMF on 30 August 2019, is a sub fund governed by Directive 2009/65/EC of the French SICAV 'La Française,' approved by the AMF on 14 August 2018.

<sup>1</sup> For more information on the associated risks, please refer to the Fund prospectuses.



**QUESTIONS &**

**ANSWERS**



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**La Française AM Finance Services** - SAS with share capital of €857420 - 128 bd Raspail -75006 Paris - France - 326,817,467 RCS Paris - ACPR approval no. 18673 investment company - registration ORIAS no. 13007808 - Business card Transaction on Real estate and business goodwill issued by the Paris Ile de France CCI no. CPI 7501 2016 000 010 432;

**La Française Real Estate Managers** - SAS with share capital of €1290960 - 128 bd Raspail -75006 Paris - France -399,922,699 RCS Paris - AMF approval GP-0700038 - Carte Professionnelle Transaction on real estate and real estate business and management issued by the Paris Ile de France ICC no. CPI 7501 2016 000 006 443 - AIFM approval under Directive 2011/61/EU of 24 June 2014;

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**JK Capital Management Ltd** - limited company - Rm 1101 Chinachem Tower, 34-37 Connaught Road Central - Hong Kong - company number AEP547 - regulated SFC;

**La Francaise Group UK Limited** - Private Limited Company -78 Brook Street, W1K 5EF, London - England - company number 04253400;

**La Francaise Group UK Finance Ltd** - Private Limited Company -78 Brook Street, W1K 5EF, London - England - Company number 04717154 - FCA approval no. 225360;

**La Française Real Estate Managers** - Germany Deutsche Zweigniederlassung der La Francaise Group UK Ltd - Neue Mainzer Str. 80, 60311 Frankfurt am Main - Germany - District Court Frankfurt am Main HRB 79216;

**La Française Systematic Asset Management GmbH** - Taunusanlage 18 (main building) 60325 Frankfurt am Main - Germany - fund management company under German law - District Court Frankfurt am Main No. HRB 34125 - BAFIN approval No. 105549.

# THE FRENCH GROUP



*Major changes related to environmental and societal challenges are opportunities to reconsider the future. The new levers identified will be the growth and financial performance of tomorrow. It is in this spirit that the La Française Group, a management company, is forging its investment convictions and designing its mission.*



*Organised around 2 pillars: 'Financial assets' and 'real estate assets,' La Française deploys a multi boutique model for institutional and wealth management customers in France and abroad.*



*Convinced of the profound transformations inherent in a more digitalised and connected world, the group has created an innovation platform that brings together new activities identified as key business for tomorrow.*



*La Française manages over 45 billion euros in assets through its offices in Paris, Frankfurt, Hamburg, London, Luxembourg, Madrid, Milan, Seoul and Singapore.  
(30/06/2023)*



*La Française is a subsidiary of the Caisse Régionale du Crédit Mutuel Nord Europe (CMNE), a member of Crédit Mutuel Alliance Fédérale (LT ratings A +/Aa3/AA- de S & P (11/2022)/Moody's (07/2023)/Fitch (12/2022).*