



**LA FRANÇAISE**  
INVESTING TOGETHER

# LAUFZEITENFONDS: PLANBARE RENDITEN IN UNSICHEREN ZEITEN

Drescher & Cie. FondsPlattform  
Webinar 21. November 2022

This presentation is an informative document and is intended for professional and qualified investors only

# ORGANISATION

Focus on Fixed Income & Credit Team and Sustainable Investment Research Team






Source: La Française AM, as at 30/09/2022. The investment team might change over time.

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# WHY CHOOSE A TARGET MATURITY FUND?

A simple solution to a long-term investment philosophy

						
	Fixed investment horizon	Yield to maturity	Decreasing duration	Diversification	Active Management	Liquidity
Bonds						
Standard bond funds						
Target maturity funds						

◆ A combination of relevant advantages in a context of uncertainty and volatility for investors with a target investment horizon

Source: La Française. Non contractual illustration for educational purposes. The fund does not have diversification guidelines other than those applicable to funds falling under the same category.

Note: May not be suitable for investors willing to redeem their investment before the fund's maturity. This management style may incur additional transaction costs and/or hedging costs.

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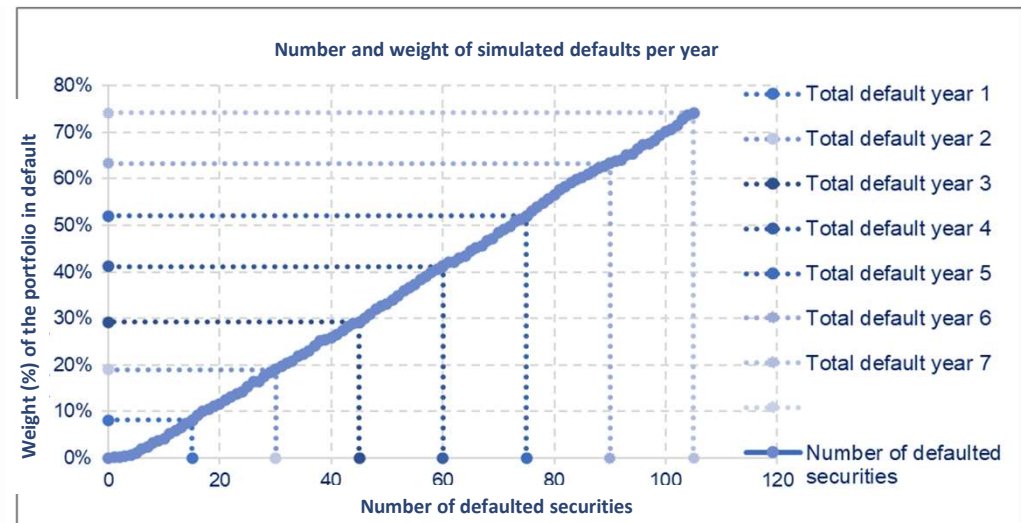
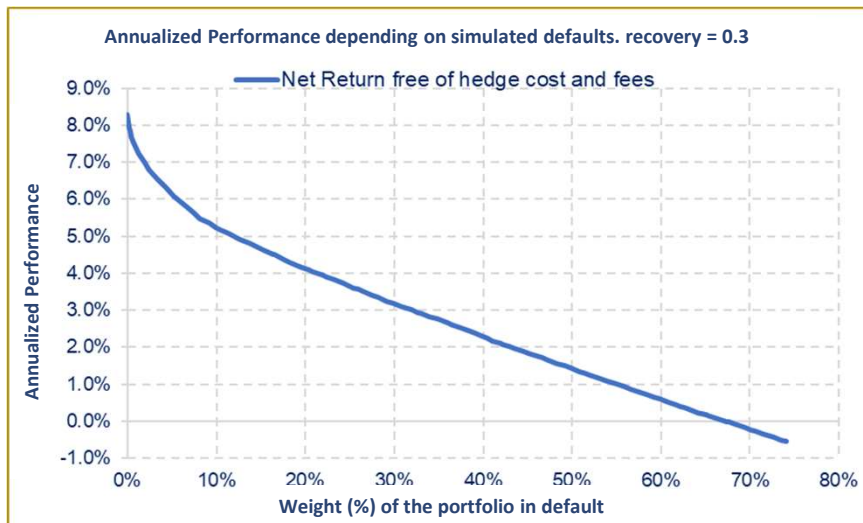
# WHY CHOOSE A TARGET MATURITY FUND?

More than 60% of the portfolio would have to default to be in negative net performance

Annualized performance vs % of Rendement Global 2028 in default (EUR share class)

## Assumptions:

- ◆ We simulate 15 defaults per year with a recovery rate of 30%
- ◆ Defaulted securities are those with the highest yield
- ◆ Default occurs instantly at the start of the year
- ◆ Reinvestment of the recovery 1 year after default at portfolio's residual carrying rate



Sources : La Française. Data as of June 30th, 2022

Note : Hypothetical information displayed above is not a reliable indicator of future results. The investor bears the risk of net capital loss, including the loss of the entire notional amount. These estimates are provided for informational purposes only and should not be considered as a recommendation to buy or sell any security or as investment advice. Please use the information provided by this model with caution. The data displayed above is calculated retrospectively, is based on various factors and assumptions, and involves significant subjective views and analysis. Such assumptions, views, analysis may be incorrect or may change without notice.

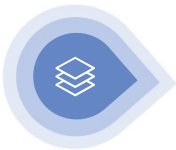
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# WHY CHOOSE LA FRANÇAISE?

A pioneer in Target Maturity Funds



20+ years of expertise developed in a variety of fixed income segments



More than 30 versions of fixed maturity funds

## A long experience in target maturity funds

### « Investment Grade »

Cambacérés 2008  
Cambacérés 2009  
LFP Horizon 2010  
LFP Horizon 2011  
LFP Oasis Obligataire 2011  
LFP Horizon 2012  
LFP Horizon 2013  
LFP Oasis Obligataire 2013  
LFP Horizon 2014  
Dedicated fund 2013  
Dedicated fund 2014  
Dedicated fund 2015  
Dedicated fund 2016  
Dedicated fund 2017

### High Yield

LFP Rendement 2017  
Dedicated fund 2028

### Mixed IG/HY

LFP Rendement 4X4

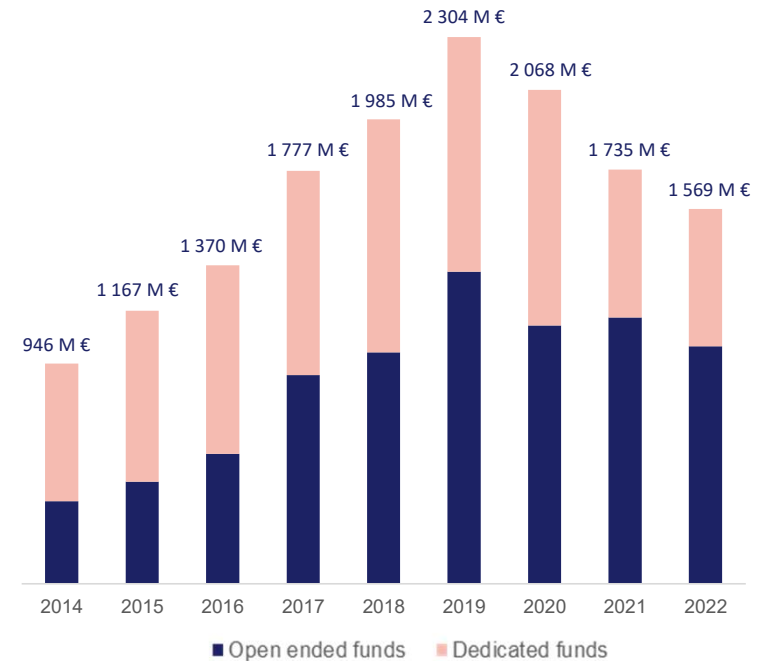
### Convertibles

Capital Plus 2003  
Pro Convertibles 2003  
LFP Convertibles 2006  
Pro Convertibles 2006  
LFP Convertibles 2010  
LFP Convertibles 2015  
LFP Convertibles 2020

### Emerging

LF Rendement Émergent 2017  
LF Rendement Émergent 2023  
**Global credit & emerging sovereign debt**  
LF Rendement Global 2018  
LF Rendement Global 2020  
Dedicated fund 2021  
LF Rendement Global 2022  
Dedicated fund 2022  
Dedicated fund 2023  
LF Rendement Global 2025  
Dedicated fund 2025  
LF Carbon Impact 2026  
LF Rendement Global 2028 Plus  
LF Rendement Global 2028

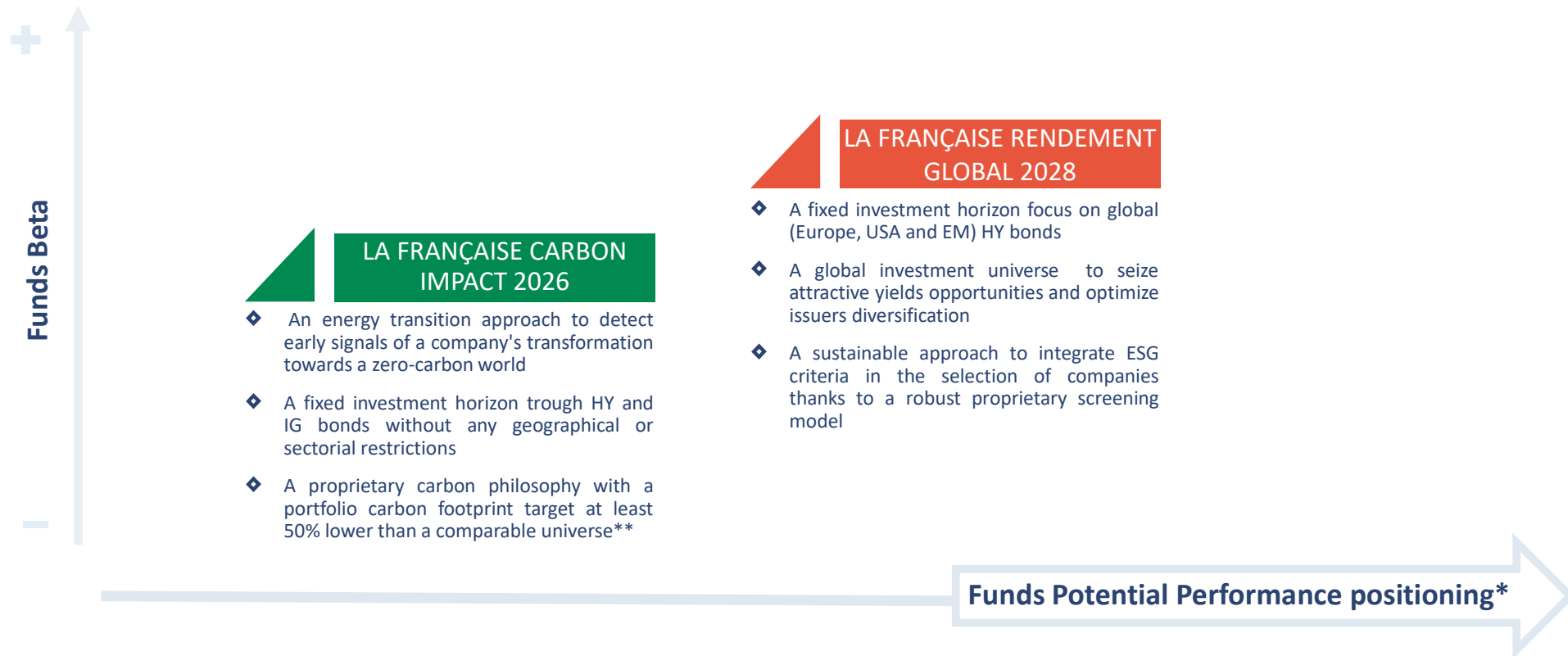
## Evolution of assets under management by target maturity funds



Source: La Française Asset Management. March 2022

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# VARIOUS FIXED MATURITY FUNDS WITH DEFINED MATURITY AND DIFFERENT RISK PROFILE



Source La Française: Simplified illustration.

\*Illustrative scale of potential returns relative to those two funds (registered in Germany) \*\*Composed by 30% Bloomberg Barclays Global Aggregate Corporate Index + 70% ICE BofAML BB-B Global High Yield Index.

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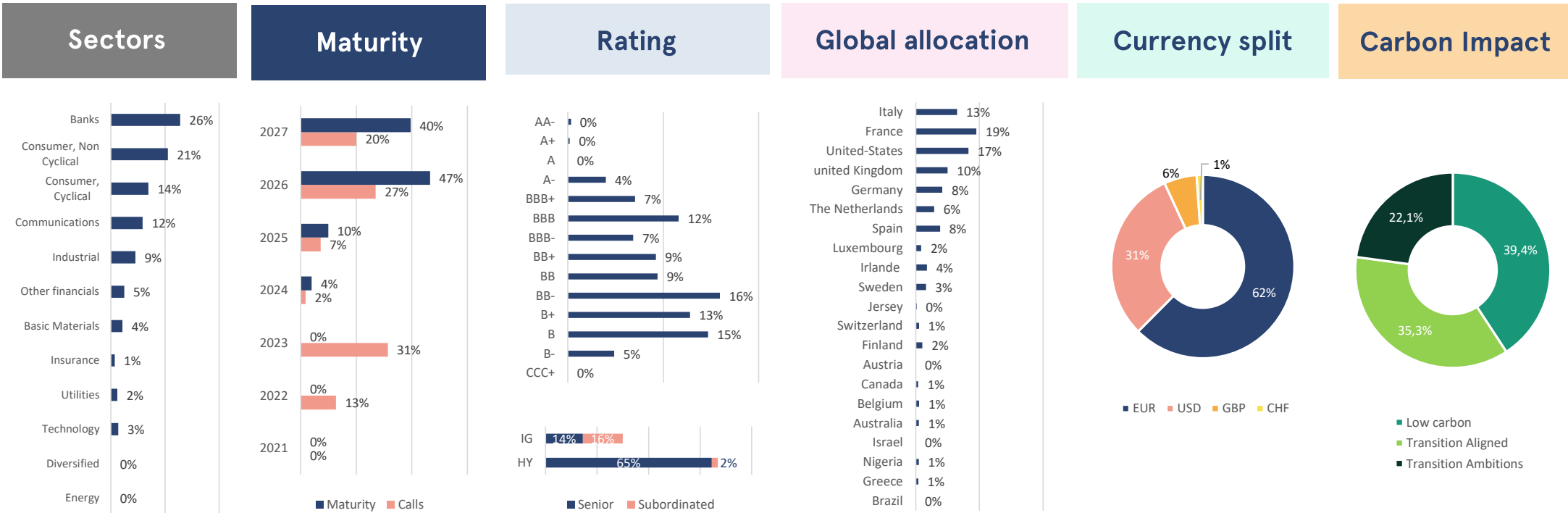
# LA FRANÇAISE CARBON IMPACT 2026



Allocation 67% HY 30% IG

YTM (gross of hedging cost) : **7.39%** | Average Rating Issue/Issuer : **BB/BB** | Duration : **3.03** | Number of issuers: **139** |

Green Bonds: **4.00%** | AuMs: **€150.49M** | ISIN: **FR0013431186**



Source : La Française Asset Management, data as at 30/09/2022. Yields stated above a) are not guaranteed; b) may vary over time with market conditions ; c) do not take potential defaults into account

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# LA FRANÇAISE RENDEMENT GLOBAL 2028

## Dashboard R C – EUR Share

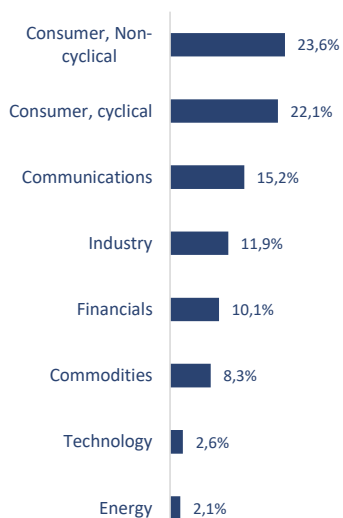


Allocation 100% HY | AuMs: €150.49M | ISIN: FR0013439403

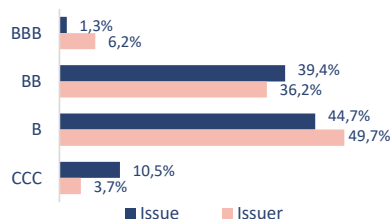
### Dashboard

Modified duration	3.87
Yield to maturity gross	9.79%
Yield to worst gross	9.60%
Yield to maturity net*	8.08%
Yield to worst net*	7.89%
Average issue rating	B
Average issuer rating	B+
Number of issuers	134

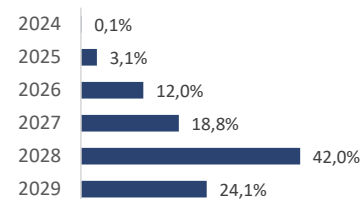
### Bonds sectors (In % of AuM)



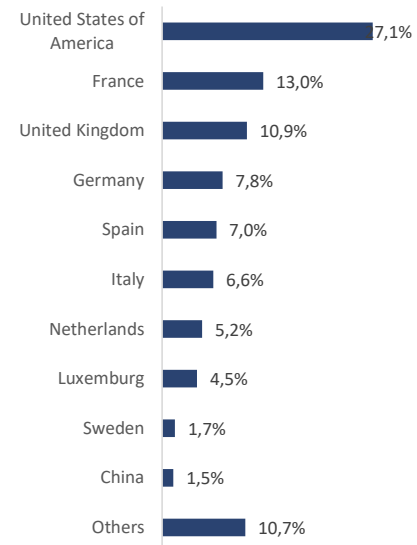
### Ratings



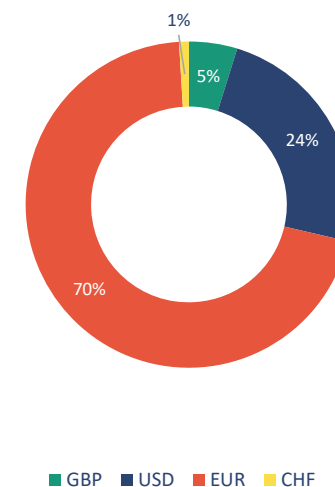
### Maturities (Fixed income in %)



### Country (In % of AuM)



### Currency (Fixed income in %)



Source: La Française Asset Management, as at 31/10/2022. The posted rate of return a) does not constitute a promise of return; b) is calculated net of the current costs of the IC EUR Share (0.88%) corresponding to estimates for the current year and the cost of hedging (-0.83%); c) is the weighted average of the instantaneous returns of the portfolio securities denominated in local currency; d) does not take into account any defaults that may occur.

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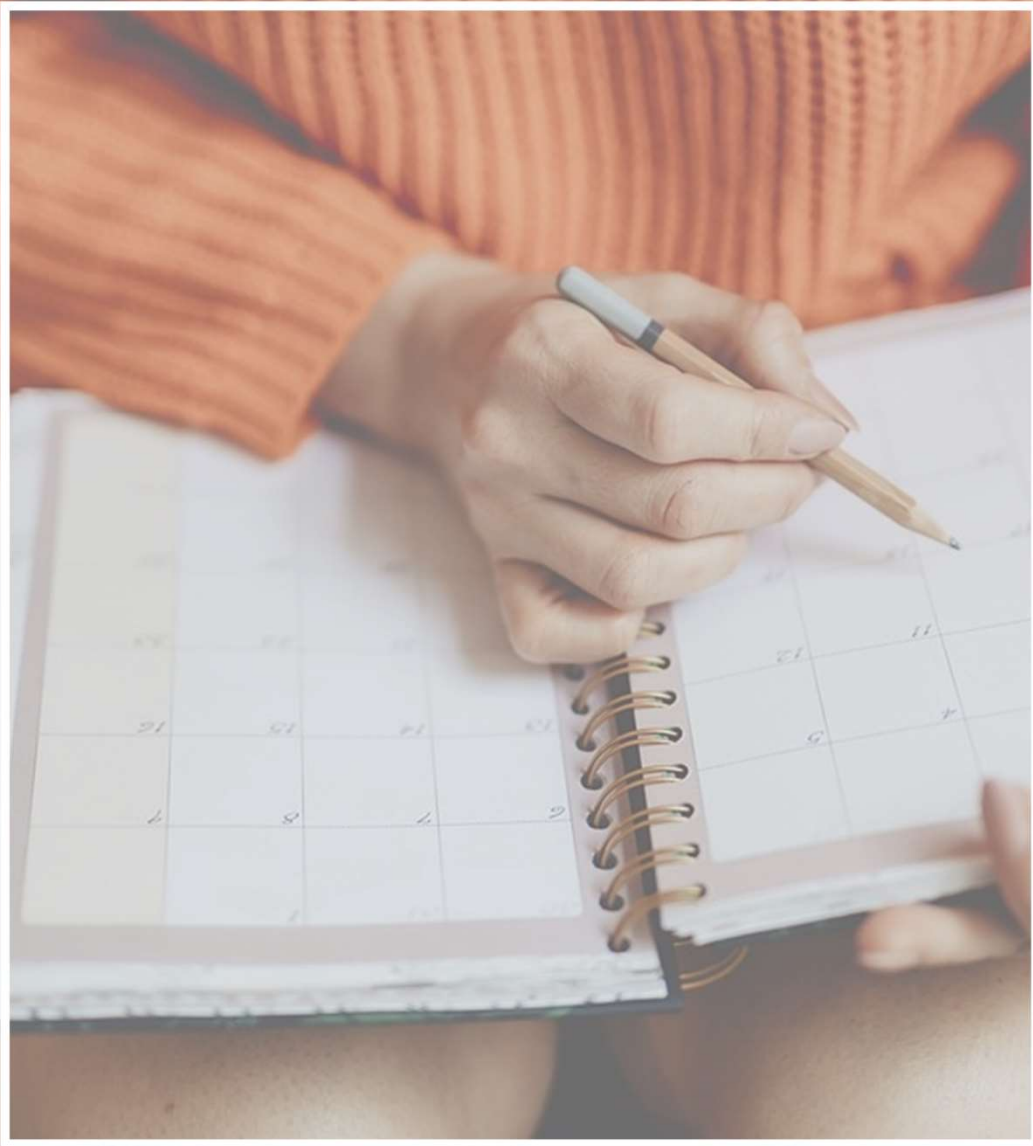


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# APPENDICES



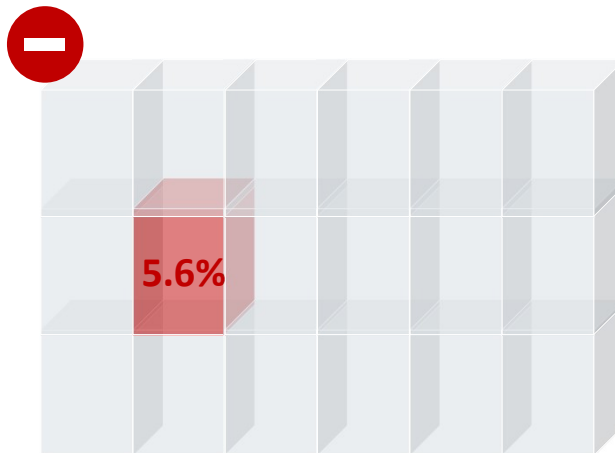
# WHY CHOOSE A TARGET MATURITY FUND?

## Diversification

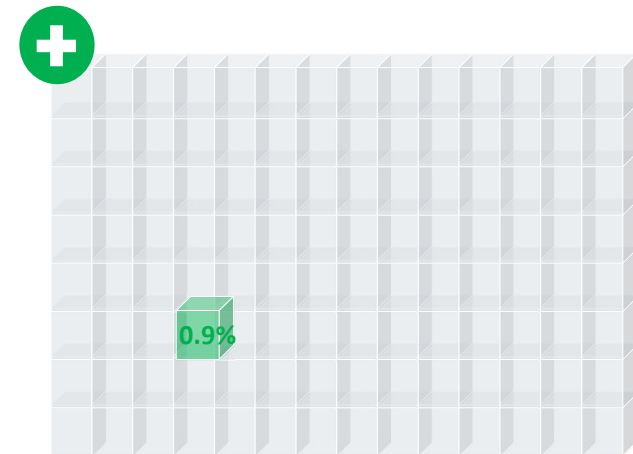


Significant portfolio diversification decreases the impact of a potential default

Portfolio with 18 holdings: **-5.6%**



Portfolio with 112 holdings: **-0.9%**



The fund has no diversification constraint other than the one applicable to funds entering into its category.

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# WHY CHOOSE A TARGET MATURITY FUND?

To hold securities until their maturity

## ◆ Standard bond fund vs. target maturity fund: theoretical behaviour

- ◆ Standard bond funds face mark-to-market volatility over the life of the fund
- ◆ Whereas, with target maturity funds, approaching maturity leads to decreasing volatility
- ◆ Why? Because, all underlying assets have the same maturity and trend to redemption value



In both cases, the target maturity fund's NAV trends towards redemption value at maturity

### Case 1 : bullish market



### Case 2 : bearish market

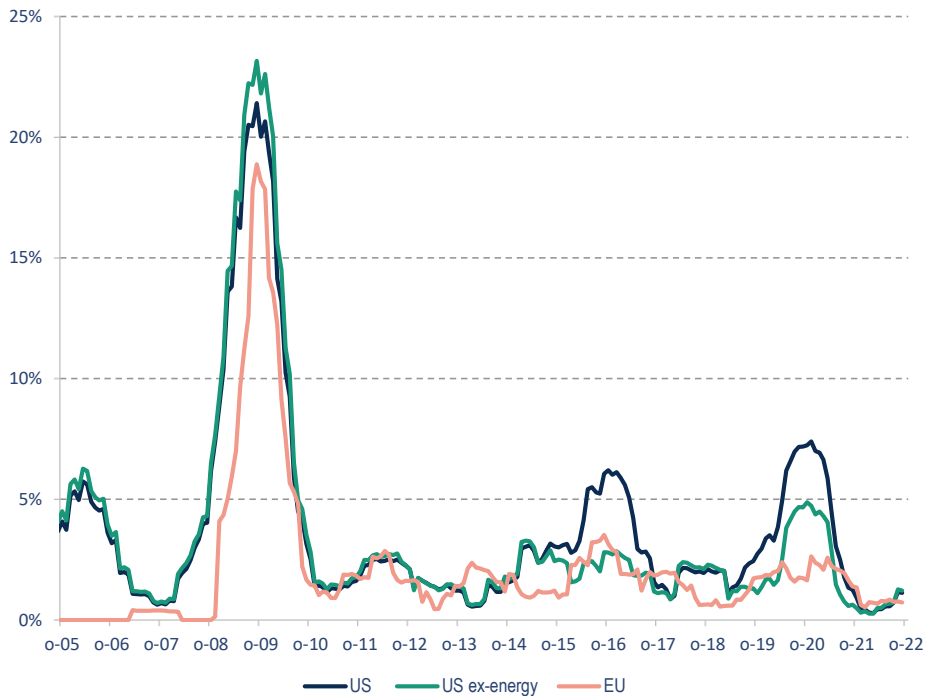


# EVOLUTION OF DEFAULT RATE

Default

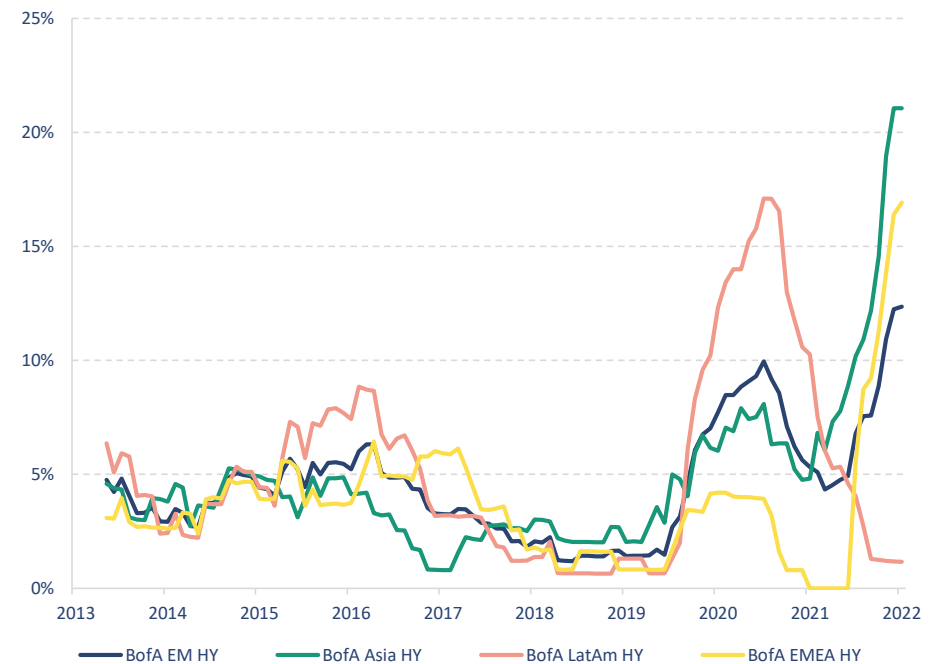
Evolution of the long-term default rate is pretty stable (except for certain geographical areas in emerging countries)

### Changes in default rates in Europe and the United States



Source : BoAML. data as of 31/10/2022

### Evolution of default rates in Emerging countries



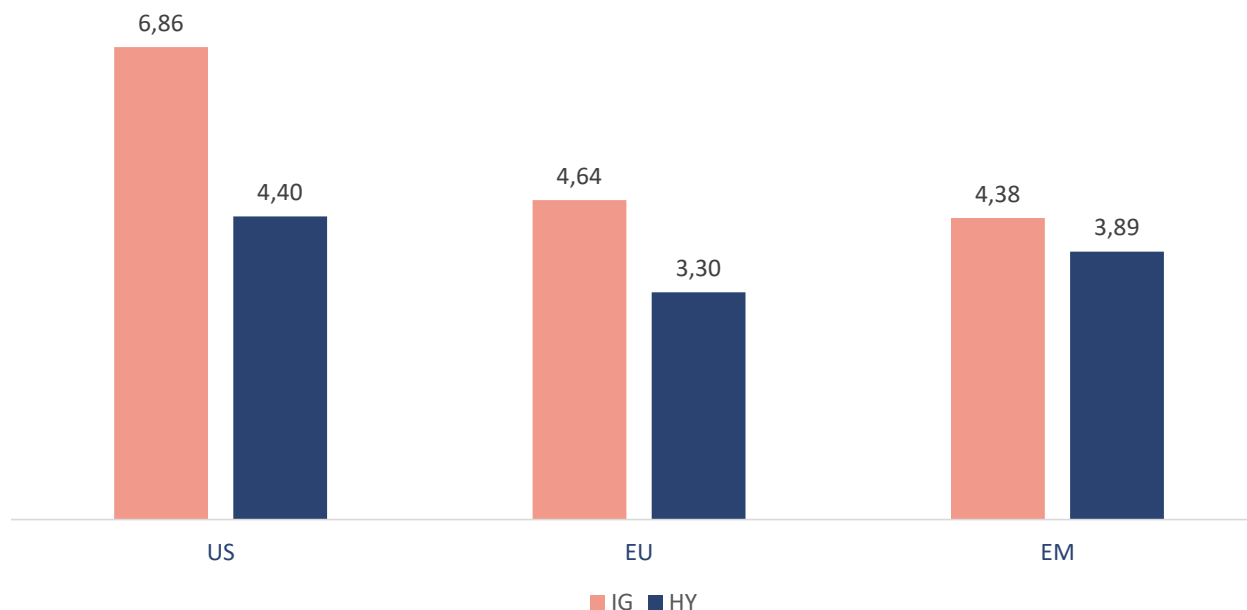
Source: BoAML. data as of 30/09/2022

Past default rates are not a reliable indication of future results. High Yield remains a risky asset class. Index: BofAML default rates

# HIGH YIELD IS ONLY SLIGHTLY IMPACTED BY INTEREST RATE MOVEMENTS VS. INVESTMENT GRADE

Low sensitivity

Interest rate sensitivity of High Yield by geography and segments (since 2000)



Source: Bloomberg. Barclays Capital. JP Morgan. MSCI. Data as at 30/09/2022. Indices used to obtain returns at maturity: JP Morgan Credit Index Investment Grade. JP Morgan Government Bond. JP Morgan EMBI Global IG Sovereign. Bloomberg Barclays Global High Yield Corporate. The indices are provided for illustrative purposes to show the returns of the asset classes. High Yield securities are bonds rated below BBB-, which gives them a speculative character and a higher potential return.

# LA FRANÇAISE

## A MULTI-SPECIALIST ASSET MANAGER

Since **1975**

**540** professionals\*

Over **55 Mds€\*** in AuM



### A SOLID MAJORITY SHAREHOLDER

*Crédit Mutuel Nord Europe. a French banking & insurance group*



### A RESPONSIBLE FINANCIAL PLAYER

*ESG. an integral part of our corporate culture & investment philosophy*



### GLOBAL REACH. LOCAL MARKET EXPERTISE

*7 management centers  
14 distribution points*

Source: La Française AM. data as of 31/12/2021

Note: La Française's SRI policy is available on our website:

<https://www.la-francaise.com/en/who-we-are/our-expertise/saisri-philosophy/>

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*La Française manages over 55 billion euros in assets and has operations in Paris, Frankfurt, Hamburg, London, Luxembourg, Madrid, Milan and Seoul.  
(31/12/2021)*



*The group uses its capacity for innovation and its client centric technology to design investment solutions that bridge the gap between performance and sustainability.  
Organized around two business lines, financial and real estate assets, La Française serves institutional and retail clients in France and abroad.*



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