

INFORMATION TO UNITHOLDERS



asset
management

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PERFORMANCE

02/12/2019 – FCP CPR Focus Inflation - Investment strategy: Exposure to implicit inflation via paper securities and/or derivatives - ranges of sensitivity to implicit inflation and actual rates - leverage level

From 02/12/2019, the following aspects of your CPR Focus Inflation mutual fund will change:

→ To expose the fund to implicit inflation, the management team will implement active management:

- Either by buying inflation-indexed bonds while selling nominal rates (conventional fixed-rate government bond rates) to hedge the interest rate risk;
- Or by using inflation derivatives;
- Or by applying a combination of the two.

This change will therefore give management more room for manoeuvre through the use of inflation derivatives while maintaining the management objective, which is exposure to implicit inflation within the range [0; +15].

Your fund will still be invested in interest rate instruments, in particular inflation-indexed bonds and/or government securities issued or guaranteed by governments in OECD countries, denominated in OECD country currencies, of any maturity.

The exchange risk against the euro will be systematically hedged upon investment and adjusted on a monthly basis.

This extension of inflation derivatives was approved by the AMF on 29/10/2019 due to a change in the management method; the risk/return profile of your fund remains unchanged:

Change to risk/return profile:	No
Increase in risk/return profile:	No
Increase in costs:	No

→ Introduction of a range of sensitivity to implicit inflation/change to the range of sensitivity to actual rates:

. The range of sensitivity to implicit inflation will be fixed at [+5; +15]

. The range of sensitivity to actual rates will now be fixed at [0; +15] compared to [+6; +14] currently

. The range of overall sensitivity to interest rates remains unchanged, i.e. [-2; +2]

→ The limits related to temporary purchases and sales of securities will be amended as follows:

. Summary of proportions used:

Types of transactions	Reverse repurchase agreements	Repurchase agreements	Securities lending	Borrowing of securities
Maximum proportion (of net assets)	90% <i>(instead of 50%)</i>	50%	50%	50%
Expected proportion (of net assets)	between 0% and 90% <i>(instead of: between 0 and 10%)</i>	between 0% and 50% <i>(instead of: between 0 and 10%)</i>	between 0% and 50% <i>(instead of: between 0 and 10%)</i>	between 0% and 10%

→ Furthermore, the interest rate risk, the risk associated with inflation, the risk of performance in relation to its benchmark index, the credit risk and the exchange risk will be updated in terms of their definition in order to take into account the latest changes relating to these definitions.

→ **the envisaged leverage level** of the mutual fund, given for information only, calculated as the sum of nominal values on positions on the financial contracts used, will be **500%** *(instead of 350%)*.

The other features of the fund shall remain unchanged.

These changes require no action on the part of unitholders.

The fund's legal documentation will be amended accordingly.

Your adviser will be pleased to provide any further information you may require.