An UCITS compliant with European Directive 2009/65/EU

LFR EURO DEVELOPPEMENT DURABLE ISR

Prospectus

I Unit	FR0010526079
L Unit	FR0011802685
E Unit	FR0013143203
M Unit	FR0010649350
GP Unit	FR0010585307
P Unit	FR0010585281

Updated on 23/10/2023

General summary

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Prospectus

The prospectus sets out the Fund's investment and operating rules. This document sets out the framework within which the asset manager undertakes to manage the Fund and the rules for its administration and operation.

Regulations

The regulations set out all the rules applicable to the administrative management of the Fund: issue and redemption of units, income allocation, operation, mergers, liquidation and disputes.

Pre-contractual annex SFDR

Template for pre-contractual information for financial products referred to in Article 9 paragraphs 1 to 4bis of Regulation (EU) 2019/2088 and in the first paragraph of Article 5 of Regulation (EU) 2020/852.

An UCITS compliant with European Directive 2009/65/EU.

LA FINANCIÈRE RESPONSABLE

Prospectus

LFR EURO DEVELOPPEMENT DURABLE ISR

I Unit	FR0010526079
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Updated on 23/10/2023

LA FINANCIÈRE RESPONSABLE

I. General Characteristics

I-1Form

- **Name:**
LFR Euro Développement Durable ISR

- **Legal form of and Member State in which the Fund was set up:**
Mutual fund under French law

- **Date of creation and expected duration of existence:**
Created on 11 December 2007 for a period of 99 years.

- **Overview of the management offer:**

Unit	Unit class characteristics					
	ISIN code	Allocation of amounts available for distribution	Currency	Initial net asset value	Minimum subscription amount (*)	Eligible investors
I Unit	FR0010526079	Accumulation	EUR	€ 1,000	€ 100,000	Institutional investors and large private investors
P Unit	FR0010585281	Accumulation	EUR	€ 100	N/A	All investors
GP Unit	FR0010585307	Accumulation	EUR	€ 100	N/A	Reserved for investors transmitting their orders via a distributor or for funds of funds
M Unit	FR0010649350	Accumulation	EUR	€ 1,000	€ 15,000,000	Institutional investors
L Unit	FR0011802685	Accumulation	EUR	€ 10,000	€ 5,000,000	Legal entity investors and large private investors
E Unit	FR0013143203	Accumulation	EUR	€ 10,000	€ 5,000,000	Legal entity investors and large private investors

* Minimum initial subscription amounts do not apply to subscriptions made by the asset manager and/or the investment funds it manages.

- **Where the fund's rules and most recent annual and interim reports may be obtained:**

The Fund's full prospectus, the latest annual and interim documents and La Financière Responsable's standards for the exercise of voting rights will be sent to unitholders within eight working days upon written request to:

La Financière Responsable
52, rue de Ponthieu
75008 Paris
01 75 77 75 00
lfr@lfram.fr

These documents are also available on the website www.la-financiere-responsable.fr.
Any further explanations or complaints may be addressed free of charge to the asset manager, whose contact details are given above.

I-2 Participants

- **Asset Manager**

Company Name: La Financière Responsable
Legal form: Simplified joint stock company
Registered Office: 52, rue de Ponthieu, 75008 Paris
Status: portfolio management company

Supervisory authority: Autorité des Marchés Financiers (French regulator)
Approval date: 02/04/2008, under number GP 08000001

- **Depositary, custodian and by delegation of the asset manager, responsible for processing subscription and redemption orders and transfer agent**

Company Name: BNP Paribas S.A.
Registered Office: 16, Boulevard des Italiens, 75009 Paris
Trade And Companies Register: 662 042 449 RCS Paris
Status: Establishment authorised by the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR) and subject to supervision by the *Autorité des Marchés Financiers* (AMF)

Description of the Custodian's responsibilities and potential conflicts of interest

The Custodian has three types of responsibilities: ensuring that the asset manager's decisions are properly taken, monitoring the Fund's cash flows and safekeeping the Fund's assets.

The Custodian's primary objective is to protect the interests of the Fund's unitholders/investors, which will always take precedence over commercial interests.

Potential conflicts of interest may be identified in particular in the event that the Asset Management Company maintains commercial relations with BNP Paribas S.A. at the same time as it is appointed as Custodian (which may be the case when BNP Paribas S.A. calculates, on behalf of the Management Company, the net asset value of UCITS for which BNP Paribas S.A. is Custodian or when a group relationship exists between the Asset Management Company and the Custodian).

In order to manage these situations, the Custodian has introduced and updates a policy for managing conflicts of interest, the aim of which is to:
- Identify and analyse potential conflicts of interest
- Record, manage and monitor conflicts of interest by:
  (i) Relying on permanent measures in place to manage conflicts of interest, such as segregation of duties, separation of hierarchical and functional lines, monitoring of internal insider lists, dedicated IT environments, etc.;
  (ii) Implementing on a case-by-case basis:
    (a) appropriate preventive measures such as the creation of ad hoc monitoring lists, new Chinese walls or by checking that transactions are processed appropriately and/or informing the customers concerned
    (b) or refusing to manage activities that may give rise to conflicts of interest.

Description of any custodial functions delegated by the Custodian, list of agents and sub-agents and identification of any conflicts of interest that may arise from such delegation

As the Custodian of the Fund, BNP Paribas S.A., is responsible for the safekeeping of the assets (as defined in article 22.5 of Directive 2009/65/EC as amended by Directive 2014/91/EU). In order to offer asset custody services in a large number of countries, enabling UCITS to achieve their investment objectives, BNP Paribas S.A. has appointed sub-custodians in countries where BNP Paribas S.A. does not have 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 process for appointing and supervising sub-custodians meets the highest quality standards, including the management of potential conflicts of interest that may arise in connection with these appointments.

- **Auditors**

Name: Deloitte & Associés
Registered Office: 6, place de la Pyramide, 92908 Paris- La Défense Cedex
Signatory: Olivier Galienne

- **Distributors**

La Financière Responsable
Legal form: Simplified joint stock company
Registered Office: 52, rue de Ponthieu, 75008 Paris

- **Agent - Accounting manager:**

Name: BNP Paribas S.A.
Registered Office: 16, Boulevard des Italiens, 75009 Paris

II. Operating and Management Procedures

This section contains all the operating and management details of the Fund.

II-1 General - characteristics:

- **Unit class characteristics:**

  - **Nature of the right attached to the unit class:** each unitholder has a co-ownership right to the Fund's assets that is proportional to the number of units held.

  - **Entry in a register or details of liability management procedures**: the issuer account is managed by BNP Paribas S.A. (transfer agent and liabilities manager) in conjunction with Euroclear France, with which the Fund is registered.

  - **Voting rights:** no voting rights are attached to the units, as decisions are taken by the asset management company in the interests of the unitholders.

  - **Form of units:** bearer, administered registered units or registered units.

  - **Decimalisation (splitting)**: in thousandths of units.

- **Annual balance sheet date**: the last trading day of the Paris Bourse in December and for the first time in December 2008.

- **Tax regime:** The Fund is not subject to corporation tax. However, distributions and capital gains are taxable at the level of the unitholders. Accordingly, the tax regime applied to the amounts distributed by the Fund and to its unrealised or realised capital gains and losses depends on the tax provisions and/or the investment jurisdiction of the Fund. Investors' attention is drawn in particular to any element concerning their specific situations. If you are unsure about your tax situation, you should contact an adviser or professional.
  Under US tax regulations known as FATCA (Foreign Account Tax Compliance Act), investors may be required to provide the UCI, the asset management company or their agent with information on their personal identity and place of residence (domicile and tax residence), in order to identify US persons within the meaning of FATCA. This information may be transmitted to the US tax authorities via the French tax authorities. Any failure by investors to comply with this obligation could result in a flat-rate withholding tax of 30% being imposed on US-source financial flows. Notwithstanding the due diligence carried out by the asset management company in respect of FATCA, investors are invited to ensure that the financial intermediary they have used to invest in the Fund has Participating FFI status. For further details, investors should consult a tax adviser.

- **The Fund is eligible for PEA personal equity savings plans.**

II-2 Specific characteristics:

• ISIN code:

FR0010526079	I Unit
FR0010585307	GP unit
FR0010585281	P Unit
FR0010649350	M Unit
FR0011802685	L Unit
FR0013143203	E Unit

• Investment objective

The investment objective is to outperform the Euro Stoxx 50 index (net dividends reinvested), net of fees, over the recommended minimum investment period of 5 years, by investing at least 90% in securities (of which at least 75% from European Union countries), selected on the basis of extra-financial (ESG) criteria and using a proprietary SRI methodology called “Integral Value Approach IVA®”. This approach combines the implementation of a "Socially Responsible Investment" strategy with financial profitability.

• **Benchmark**

The Euro Stoxx 50 index (net dividends reinvested) - Bloomberg code SX5T - is a comparative equity index given for information purposes only to reflect the standardized performance of the investment universe. It does not integrate ESG criteria. Due to its management objective and discretionary strategy, no relevant benchmark can be indicated for this Fund. The Euro Stoxx 50 index is made up of fifty major listed companies in the Eurozone. It is calculated by Stoxx Ltd. Information on this index is available at www.stoxx.com. The administrator of the Euro Stoxx 50 (Net Dividend Reinvested) benchmark index, Stoxx Ltd., is listed in the register of administrators and benchmark indices maintained by ESMA (European Securities and Markets Authority). The asset management company has a procedure specifying the measures to be implemented in the event of substantial changes to or cessation of the supply of the reference indicator.

• **Investment strategy**

1. **Description of strategies used:**

The purpose of the LFR Euro Développement Durable ISR fund is to invest at least 90% of its net assets in shares of companies whose registered office is located in a European Union country (min. 75% of net assets) and/or in other OECD member countries (max. 25% of net assets) and which meet so-called "socially responsible" criteria.

Socially responsible investment (SRI) covers all approaches that integrate social, environmental and governance criteria, or more broadly, criteria of responsibility towards society, into investment decisions and the management of the portfolio, in addition to financial criteria.

These approaches take different forms:

- Sustainable development: The criteria are based on the integration of the three dimensions of performance (economic, social and environmental), as well as other extra-financial dimensions (governance, social responsibility, etc.), when valuing companies.
- Exclusions: Companies engaged in certain practices that are deemed to be contrary in themselves to the convictions of the management team are excluded from the portfolios: companies that lay off employees without providing them with additional support, that violate human rights, that have a direct link with activities related to cluster bombs and anti-personnel mines and that are involved in the exploitation or use of coal according to the terms of the coal policy formalised by the LFR teams.
  Also excluded are companies that do not disclose the financial and/or non-financial information necessary for shareholder decision-making.
- Shareholder engagement: The requirement for social responsibility is applied not only in the stock selection process, but also in the relationship with companies making up the portfolio (use of voting rights at general meetings, pressure expressed in the relationship with management).

The fund has been awarded the French Label ISR.

• Investment process

Stock picking is based on a combination of strategic analysis, extra-financial analysis (ESG) and financial analysis.

The investment strategy of LFR Euro Développement Durable ISR is based on an active and discretionary selection of companies in the fund's investment universe (head office in a European Union country and/or other OECD member countries), using a "best-in-universe" approach consisting of giving preference to the best-rated companies from an extra-financial point of view, independently of their sector of activity, by assuming sectoral biases, since sectors that are generally considered to be more virtuous will be more represented. This approach will be applied without any claim to application in the strict sense of the word.

Stock picking is a two-stage process based on extra-financial criteria and SRI methodology:
- initially on a selection filter, based on sustainable development criteria.
  A filter is applied to the universe of stocks to select those that best meet sustainable development criteria. Company actions are assessed on their socially responsible behaviour in 6 areas: human resources, respect for the environment and human rights, relations with shareholders, with civil society and relations with their customers or suppliers.
- secondly, the stock picking process implemented by the asset management company incorporates an investment process based on the following steps in particular:
  - Macroeconomic analysis: identifying promising macroeconomic trends as a basis for investment;
  - ESG exclusions: check that the companies under review are not concerned by the ESG exclusion criteria adopted by La Financière Responsable (direct or indirect link with activities related to cluster bombs and anti-personnel mines, proven controversies in the field of human rights, unaccompanied redundancy practices over the last three years, refusal to communicate the extra-financial and/or financial information essential to the analysis, involvement in the exploitation or use of coal in accordance with the terms of the coal policy formalised by the LFR teams);
  - IVA®: seeking consistency between the strategic, extra-financial and financial analyses of companies.

Integral Value Approach IVA® is applied mainly to equity universe, to select equities that best meet sustainable development criteria. The investment strategy implemented as part of the fund's management is based on a bottom-up approach to selecting equities on the basis of their fundamental qualities (strategic fundamental analysis taking into account the consistency of standard financial ratios) with extra-financial indicators and the company's growth model. The asset manager looks at the company in terms of both its non-financial aspects and its financial results, in order to arrive at an assessment that takes account of all these parameters and their interactions in its overall environment.

The company's growth and development are examined from various angles: social relations, relations with customers, suppliers and subcontractors, links with civil society and the environment, as well as its mode of governance and the management of its executives. Consistency between strategy, stakeholder engagement and financial performance is a key factor in the fund's stock selection process.

La Financière Responsable has developed a proprietary extra-financial database containing more than 135 indicators on nearly 200 European companies. Updated annually since 2006, it is used by the management team as part of IVA®. By way of example, the following ESG indicators can be taken into account as part of the extra-financial analysis of companies: the proportion of waste recycled, the proportion of energy consumed from renewable sources, water consumption, the proportion of fixed-term contracts, the absenteeism rate, the severity rate of workplace accidents, the number of hours of employee training, the percentage of employee share ownership, the separation of the functions of chairman and chief executive, the proportion of independent directors, the proportion of women on executive committees.

The extra-financial analysis carried out on the basis of the ESG indicators selected enables the asset manager to assess the companies analysed and classify them according to the typology shown in the table below:

Investissable	Leader	Comprehensive and exemplary communication High-quality extra-financial results Solid progression program
	Good performer	Communication almost comprehensive Satisfactory extra-financial results Engaged and constructive dialogue
	Promising	Communication in early stages but improving Patchy but satisfactory results Active dialogue to identify areas for improvement
Non investissable	Dilettante	Practices deemed insufficient Minimum engagement No significant improvement
	Communicator	Prioritises communication for limited extra-financial practices Significant extra-financial risk
	Not involved	Absence or lack of interest in non-financial issues Few indicators provided

Companies classified by the asset manager as "Dillettante", "Communicator" or "Not involved" are not eligible for investment in the fund portfolio. The investment strategy seeks to generate performance by applying the discretionary stock selection process described above. It is based on an in-depth analysis of stocks and business sectors: this process should enable to identify stocks with potential added value.

In addition, following the entry into force of the SFDR regulation, La Financière Responsable has developed and implemented a sustainability risk assessment methodology designed to reduce exposure to these risks. They are addressed in the following ways:

- Environment: issues relating to physical risks and transition in the field of climate/climate change (air pollution, carbon intensity, greenhouse gas emissions, etc.), natural resource and waste management within companies, impact on housing, resources (water, natural disasters, etc.) or issues relating to local and international environmental regulations.
- Social: issues relating to the rights, well-being, health and safety of employees and customers, parity, discrimination and relations with suppliers.
- Governance: issues relating to corporate strategy, reputation, creation of shareholder value, corporate culture, balance of power, risk of shareholder disengagement, risk of lack of dialogue, policies to prevent the risk of money laundering and terrorist financing, and policies to prevent corruption.

These themes, assessed as part of the extra-financial analysis integrated into the Integral Value Approach (IVA) process, are used to establish a sustainability risk assessment gauge based on the following model:

- whether the potential impact on the share is low, medium or high;
- whether the probability of occurrence is low, medium or high;
- and whether the identification and control of the risk is low, medium or high.

Legend for sustainability risk assessment

- Risk well identified and well controlled by the company; low to medium impact
- Low to medium risk; low to acceptable control; medium impact; monitoring required and, if necessary, via the commitment activity
- Significant risk with little or no control by the company; potential impact on value deemed medium or significant put the company under surveillance if it is in the portfolio, or even do not to invest

The level of extra-financial analysis will exceed 90% of the fund's net assets.
This selective SRI approach allows a reduction of at least 20% in the investment universe.
The main methodological limitation of the extra-financial strategy is that the asset management company relies mainly on information provided by companies to determine the internal rating.
The investment process aims to reduce sustainability risk, as defined in the "Risk profile" section (see dedicated section).
A periodic report on non-financial characteristics is made available to investors.

<u>SFDR classification (EU Regulation 2019/2088) of the fund:</u>

The SFDR Regulation defines three categories of products:
- products that do not focus on specific environmental, social and governance characteristics or do not have a sustainable investment objective (so-called "Article 6" products).
- products that promote, among other characteristics, environmental or social characteristics, or a combination of these characteristics (so-called "Article 8" products);
- products with a sustainable investment objective (so-called "Article 9" products);

The Fund meets the definition of Article 9 of Regulation (EU) 2019/2088 SFDR (Sustainable Finance Disclosure Regulation) by taking into account extra-financial aspects in investments. According to its definition, this is a financial product whose objective is sustainable investment, and which therefore seeks to make a positive contribution to aspects of sustainability, whether environmental or social, always with a view to financial performance. It aims to reduce, as far as possible, any negative environmental and social impact, while integrating respect for human rights and the fight against corruption into investment decisions.

A sustainable investment within the meaning of the SFDR Regulation consists of:
- An investment in economic activities considered to be sustainable within the meaning of the Taxonomy Regulation by contributing to one or more of the six objectives defined by the said Regulation and cited below;
- Investment in economic activities that are not considered environmentally sustainable under the Taxonomy Regulation, the interpretation of which is left to the asset manager. These activities are not necessarily harmful to the environment or unsustainable and can make a positive contribution to the environment;
- An investment in an economic activity that contributes to a social objective, in particular an investment that contributes to the fight against inequality, promotes social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities;

However, these investments must not cause significant harm to any of the six objectives defined by the Taxonomy Regulation and the companies in which the investments are made must apply good governance practices, in particular with regard to good management structures, relations with employees, remuneration of competent employees and compliance with tax obligations.

As part of its extra-financial approach, La Financière Responsable incorporates the risks associated with sustainable investment into its investment decisions. The asset management company is committed to a minimum target of 100% sustainable investment in environmental and social terms, as defined in the annex of the prospectus dedicated to the extra-financial aspects of the investment process and under in the SFDR Regulation. **Further information on the Fund's environmental and social characteristics can be found in the annex referred to the SFDR regulation in this document.**
La Financière Responsable also takes into account principal adverse impacts (PAIs) on sustainability factors in the management of the Fund by applying its Integral Value Approach (IVA®) as part of its sustainable investment approach.

The main aim behind analysing extra-financial aspects is to identify the sustainability risks of issuers in the investment universe, but also to limit the risks of issuers in their environment (concept of double materiality) by taking the PAIs into account. In addition, La Financière Responsable undertakes to comply with the transparency requirements of the SFDR and Taxonomy Regulations, within the deadlines set by the regulatory authorities.

Regulations relating to the European Taxonomy (EU Regulation 2020/852) of the mutual fund:

The aim of the European Union's Taxonomy Regulation is to identify economic activities considered to be environmentally sustainable ("Sustainable Activities").
The Taxonomy Regulation identifies these activities according to their contribution to six major environmental objectives:

(i) Climate change mitigation,
(ii) Climate change adaptation,
(iii) Sustainable use and protection of water and marine resources,
(iv) Transition to a circular economy,
(v) Pollution prevention and control,
(vi) Protection and restoration of biodiversity and ecosystems.

To be considered sustainable, an economic activity must demonstrate that it makes a substantial contribution to one or more of the six objectives, that it does not cause significant harm to any of these objectives (the "DNSH" principle) and that it is carried out in compliance with the minimum guarantees set out in Article 18 of the Taxonomy Regulation.
The principle of "cause no significant harm" applies only to investments underlying the financial product that take into account the European Union's criteria for environmentally sustainable economic activities. Investments underlying the remaining portion of this financial product do not take into account the European Union's criteria for environmentally sustainable economic activities, within the meaning of the Regulation.

At the date of the last update of the prospectus, the strategy implemented in the Fund does not take into account the European Union's criteria for environmentally sustainable economic activities. The target percentage for alignment with the Taxonomy Regulation is 0%.

For further information, please refer to the La Financière Responsable website (www.la-financiere-responsable.fr), in particular in the section "SRI/ESG regulatory documentation" as well as the annex to the prospectus setting out the social and environmental characteristics promoted by the fund.

• Investment universe

Because it is eligible for the PEA, at least 75% of the Fund is permanently invested in shares of companies that have their registered office in the European Union. The remaining 25% of the net assets may be invested outside the European Union in shares of companies whose registered office is in another OECD member country. Investments in shares of small and mid-cap listed companies (less than €3.5bn) are limited to 40% of the fund's net assets.

Its exposure to one or more equity markets is always within a range of between 90% and 100% of the net assets.

The remainder of the assets may also be invested directly or indirectly in fixed income and/or cash products via French or foreign UCIs (up to a maximum of 10% of the net assets) in order to reduce the portfolio's exposure to the equity markets, where appropriate, through diversification. The targeted debt securities and money market instruments will be denominated in euros, will be investment grade (rated BBB- or above by Standard & Poor's or deemed equivalent by the asset manager) and will be issued by both the public and private sectors, depending on market opportunities.

Up to 35% of the Fund's net assets may be exposed to currency risk on currencies of European Union countries outside the eurozone and/or currencies of OECD countries outside the European Union.

2. Assets (excluding embedded derivatives)

Equities:

At least 90% of the Fund's net assets will be invested in equities (of all market capitalisations and in all sectors), including:
- a minimum of 75% in shares of companies with their registered office in a European Union country, making the fund eligible for PEA personal equity savings plans;
- 25% maximum in companies with their registered office in another OECD member country.

Investments in shares of small and mid-cap listed companies (less than €3.5bn) are limited to 40% of the fund's net assets.

Debt securities and money market instruments

The Fund may also invest (up to a maximum of 10% of net assets), directly or indirectly via UCIs, in euro-denominated bonds, debt securities or money market instruments.

The targeted debt securities and money market instruments will be denominated in euros, will "be investment grade" (rated BBB- or above by Standard & Poor's or deemed equivalent by the asset manager) and will be issued by both the public and private sectors, depending on market opportunities. The list of bonds and debt securities that may be held in the portfolio is as follows: Treasury bills, commercial paper, certificates of deposit, fixed-rate or floating-rate bonds.

Units or shares in UCITS, AIFs and other foreign law investment funds

The Fund may also invest up to 10% of its net assets in UCITS governed by French or European law, in AIFs governed by French law or established in other EU Member States and in investment funds governed by foreign law which meet the conditions set out in 1° to 4° of Article R214-13 of the French Monetary and Financial Code. In accordance with article 321-52 of the AMF General Regulations, it is stated that these UCIs may be managed by the asset manager or an affiliated company. They can be used to manage cash flow.

3. Derivatives used to achieve the investment objective:

Derivative instruments: n/a

Securities with embedded derivatives

The Fund may hold equity warrants on an ancillary basis, in particular as part of securities transactions, used to hedge the portfolio against equity market risks.

Deposits: n/a

Cash borrowing: The fund is not intended to be a cash borrower. However, it may carry out temporary cash borrowing transactions up to a limit of 10% of its net assets.

Temporary purchases and sales of securities: N/A

• Risk profile

Your money will mainly be invested in financial instruments selected by the asset manager. These instruments will be subject to changes and uncertainties on the markets.
The Fund is exposed to a number of risk factors:
(I) Risk of capital loss: investors are warned that the performance of the Fund may not be in line with their objectives and that their invested capital (less subscription fees) may not be returned in full.
(II) Equity risk: Fluctuations in the equity markets may lead to significant fluctuations in assets, which may result in a fall in the net asset value of the mutual fund. The Fund's exposure to equity risk will be between 90% and 100% of the Fund's net assets.
(III) Sustainability risk: a sustainability risk is an environmental, social or governance event or situation which, if it occured, could have a significant actual or potential negative impact on the value of an investment.

Sustainability factors include environmental, social and employee-related issues, employees, respect for human rights and the fight against corruption and bribery. The Fund is exposed to a wide range of sustainability risks.
Details of La Financière Responsable's sustainability risk integration policy for the Fund, including, but not limited to, a description of how sustainability factors and risks are identified and, subsequently, how they are integrated into the investment decision-making processes, are available at: www.la-financiere-responsable.fr
(IV) Small and mid-cap risk: the Fund may invest up to 40% of its assets in small and mid-cap companies. Investors' attention is therefore also drawn, where necessary, to the fact that the regulated market in France or other equivalent markets abroad are markets designed to host small and mid-cap companies which, due to their specific characteristics, may present risks for investors. On these markets, the volume of shares listed on the stock exchange is small, so market movements are more pronounced on the downside and faster than on large caps. The fund's net asset value may therefore fall quickly and sharply.
(V) Discretionary asset management risk: the discretionary management style is based on anticipating trends on the various equity markets in the investment universe. The fund's performance depends on the companies selected by the manager. There is therefore a risk that the manager may not select the best-performing securities.
(VI) Currency risk: This is the risk that the investment currencies will fall against the portfolio's reference currency, the euro. If a currency falls against the euro, the net asset value may fall.

Ancillary risks (up to 10% of net assets):
(I) Interest rate risk: The interest rate risk corresponds to the risk linked to a rise in bond market rates, which causes a fall in bond prices and consequently a fall in the net asset value of the Fund.
(II) Credit risk: this is the risk that the credit quality of a private issuer will decline or that the issuer will default. The value of the debt securities in which the Fund invests may fall, causing the net asset value to fall.

• Capital guarantee or protection:

The Fund offers no guarantee or protection.

• Eligible investors and profile of the typical investor:

Eligible investors:

I Unit:	Reserved for investors with a minimum initial subscription of €100,000.
P Unit:	All investors.
GP Unit:	Reserved for investors transmitting their orders via a distributor or for funds of funds.
M Unit:	Reserved for institutional investors.
L Unit:	Reserved for legal entity investors and large private investors.
E Unit:	Reserved for legal entity investors and large private investors.

- **Profile of the typical subscriber**:

The fund is primarily intended for investors looking to diversify their equity investments over the long term. The recommended minimum investment period is five years. The fund is aimed at investors who are prepared to bear equity market risk, as at least 75% of the fund's net assets will be invested in equities of companies whose registered office is in a European Union country.

Units of this UCITS have not been and will not be registered in the United States under the U.S. Securities Act of 1933, as amended ("Securities Act of 1933") or admitted under any U.S. law. These units may not be offered, sold or transferred in the United States (including its territories and possessions) or benefit, directly or indirectly US Person (within the meaning of Regulation S of the Securities Act of 1933).

-**Proportion of financial assets that it is reasonable to invest in the fund**: The amount that it is reasonable to invest in the Fund depends on the personal situation of each investor. To determine this, investors should take into account their assets, current and medium-term needs but also their appetite for risk or a preference for prudent investing. It is also highly recommended that investors diversify their investments sufficiently so as not to expose them solely to the risks of the Fund.

- Recommended holding period: over 5 years.

• Determination and allocation of amounts available or distribution

The net income for the year is equal to the amount of interest, arrears, dividends, premiums, bonuses and directors' fees and all other income from securities that constitute the sub-fund's portfolio, plus income from temporary cash holdings, less management fees and borrowing costs.
Amounts available for distribution consist of:
1° Net income plus retained earnings and increased or decreased by the balance of the income adjustment account;
2° Realised capital gains, net of fees, less any realised capital losses, net of fees, recorded during the plus any net capital gains of the same kind recorded during previous periods that have not been distributed or accumulated, and plus or minus the balance of the capital gain adjustment account.

Amounts available for distribution are fully capitalized, with the exception of those subject to compulsory distribution by law.

• Unit characteristics:

Unit	ISIN code	Allocation of amounts available for distribution	Currency	Initial net asset value	Minimum subscription amount (*)	Eligible investors
I Unit:	FR0010526079	Accumulation	EUR	€ 1,000	€ 100,000	Institutional investors and large private investors
P Unit	FR0010585281	Accumulation	EUR	€ 100	N/A	All investors
GP Unit	FR0010585307	Accumulation	EUR	€ 100	N/A	Reserved for investors transmitting their orders via a distributor or for funds of funds
M Unit	FR0010649350	Accumulation	EUR	€ 1,000	€ 15,000,000	Institutional investors
L Unit	FR0011802685	Accumulation	EUR	€ 10,000	€ 5,000,000	Legal entity investors and large private investors
E Unit	FR0013143203	Accumulation	EUR	€ 10,000	€ 5,000,000	Legal entity investors and large private investors

* Minimum initial subscription amounts do not apply to subscriptions made by the asset manager and/or the investment funds it manages.

• Subscription and redemption terms:

Subscriptions and redemptions, expressed in amounts or in thousandths of units, are received by BNP Paribas S.A. (9 Rue du Débarcadère, 93500 Pantin), are centralised each trading day before 11 a.m. and are carried out on the basis of the net asset value calculated at the closing price on the subscription or redemption day D. Settlement is made on D+2.

Orders will be executed as shown in the table below. Subscription and redemptions terms are expressed in business days. D = the day on which the net asset value is established:

Processing of subscription and redemption orders	NAV date (calculated to D+1)	Calculation and publication of the net asset value dated D	Settlement and of subscriptions and redemptions
D before 11 a.m.[1]	D the day the NAV is established	D+1 business day	D+2 business days

[1]Unless otherwise agreed with your financial institution.

In exceptional circumstances, the absence of gates may result in the fund's inability to honour redemption requests, thereby increasing the risk of a complete suspension of subscriptions and redemptions from this fund.

• Date and frequency of net asset value establishment and calculation

The net asset value is calculated daily. When the market is closed (reference calendar: Euronext) and on public holidays, the net asset value is calculated on the next trading day.
The net asset value is available from the asset manager (52, rue de Ponthieu, 75008 Paris -01 75 77 75 00-) www.la-financiere-responsable.fr).

• Information on fees and commissions

- Subscription and redemption fees:
Subscription and redemption fees increase the subscription price paid by investors and reduce the redemption price they receive. The fees paid to the Fund are used to offset the costs incurred by the Fund to invest or disinvest the assets entrusted to it. Any fees that are not kept by the Fund are paid to the asset manager and/or distributor.

Fees charged to investors upon subscription or redemption	Base	Maximum fee
Subscription fee not paid to the UCITS	NAV x number of units	I, P, GP Units: Maximum 4% M, L and E Units: Maximum 6%
Subscription fee paid to the UCITS	NAV x number of units	N/A
Redemption fee not paid to the UCITS	NAV x number of units	N/A
Redemption fee paid to the UCITS	NAV x number of units	N/A

- Operating and management fees
These fees and charges include all those charged directly to the fund except for transaction expenses. Transaction fees include intermediation fees (brokerage, stamp duties, etc. and turnover fees, where applicable, which may be collected by the custodian.

The following may be added to the operating and management fees:
- performance fees. These remunerate the asset manager when the UCITS has exceeded its objectives. They are therefore invoiced to the UCITS;
- turnover fees owed to the custodian and charged to the UCITS.

Fees and expenses charged to the fund		Base	Maximum fee
1	Financial management fees	Net assets	I Unit: Max. 1.60% incl. tax L Unit: Max. 0.80% incl. tax E Unit: Max. 1.00% incl. tax M Unit: Max. 0.60% incl. tax GP Unit: Max. 1.10% incl. tax P Unit: Max. 2.20% incl. tax
2	Administrative fees external to the asset manager (auditor, custodian, etc.)	Assumed by the asset manager.	
3	Maximum indirect expenses (management expenses and fees)	Net assets	Not significant*
4	Turnover fee kept by the custodian	Charged on each transaction	Equities, money market instruments and other fixed income products: €22 for French equities €35 for foreign equities
5	Performance fee	Assets net of fixed costs, before variable costs	25% (incl. tax) of the outperformance of the benchmark index (subject to a positive performance condition) for I, P, GP, M and L units 15% (incl. tax) of the performance of the benchmark index (subject to a positive performance condition) for E units

* the sub-fund invests less than 10% of its assets in other UCIs.

Method used to calculate the performance fee:

Class:	I, E, L, M, GP, P
Base of the performance fee:	Assets net of fixed costs, before variable costs
Benchmark index:	Euro Stoxx 50 net dividends reinvested
I and F benchmark ticker:	SX5T Index
Provisioning rate:	25% (incl. tax) of the outperformance of the benchmark index (subject to a positive performance condition) for I, P, GP, M and L units 15% (incl. tax) of the performance of the benchmark index (subject to a positive performance condition) for E units
Frequency of collection:	Annually on 31 December

The performance fee is based on a comparison between the performance of the LFR Euro Développement Durable ISR mutual fund and the benchmark index defined below, over the financial year. In all that follows, it will be assumed that, for 2022, the financial year begins on 1 January 2022 and ends on 31 December 2022.

The performance fee is calculated on the basis of a comparison between the fund's assets after operating and management costs and a benchmark asset that has performed identically to the benchmark over the calculation period, with the same variations due to subscriptions and redemptions of the fund.

Each time the net asset value is established, the performance fee, defined as 25% (incl. tax) (I, P, GP, M and L units) or 15% (inclusive of tax) (E units) of the performance in excess of the Euro Stoxx 50 net dividend reinvested benchmark index (Bloomberg ticker: SX5T Index), is covered by a provision, or a reversal of provision limited to the existing allocation.

If, over the financial year in question (i), over the last five years (ii), or since the last crystallisation date (iii), the performance of the mutual fund is less than that of the benchmark asset, the performance fee will be nil and any underperformance in relation to the benchmark index will have to be made up before the performance fees become payable again.

It is understood that in the case of I, P, GP, L and E units, all reference periods are reset to zero on 1 January 2022. For each unit class concerned, the reference value for the different periods corresponds to the net asset value at 31/12/2021.

In the specific case of M units, for which the annual closing date for performance fees is currently 31 March each year, these units will be subject to deferred crystallisation on 31/12/2022.

If, during the year, the fund outperforms the benchmark asset over the three reference periods, a provision for an performance fee will be made when calculating the net asset value.

The three reference periods used are:

(i) The financial year in question, i.e. a 12-month period running from 1 January to 31 December each year;

(ii) The period begins on the closing date of the 5th financial year preceding the net asset value calculation date;

(iii) The period commencing on the last accounting closing date for which the provision for the performance fee has been crystallised, provided that this period does not exceed 5 years;

The performance fee will be provisioned when the three conditions listed above are met: (i) an outperformance over the current year AND (ii) since the end of the 5th financial year preceding the current financial year AND (iii) since the last accounting closing date giving rise to the crystallisation of the performance fee provision, provided that this does not exceed 5 years.

If another year of underperformance occurs within this first 5-year period and has not been made up by the end of this first period, a new period of up to 5 years begins from this new year of underperformance.

In the event of underperformance relative to the benchmark asset, the observation period will be extended by one year, so that any past underperformance can be made up before new performance fees become payable. Past underperformance that has not yet been offset is erased from the history after a period of five years.

It is specifically stated that the performance fee is conditional on the fund achieving a positive performance over the financial year. Any negative performance[1] by the fund during the financial year in question will result in the cancellation of the performance fee provision.

For each unit class, the basis for calculating outperformance is the net assets after deduction of fixed management fees and before allocation of provisions for the performance fee. These performance fee provisions are charged directly to the fund's income statement at each net asset value. The provision established is definitively crystallised and acquired by the asset manager at the end of each financial year. The provision, when positive, is therefore reset to zero each year.

If the fund outperforms during a financial year without this outperformance giving rise to a provision for an outperformance fee, the calculation file may be reset to zero at the end of the financial year at the discretion of the management company.
If redemptions are centralised while a provision for the outperformance fee has been made, the portion of the provisioned fee corresponding to the units redeemed is definitively acquired by and paid[2] to the asset manager.

[1] Compared with the previous year-end

[2] Crystallisations on redemptions may be paid immediately to the asset manager.

ILLUSTRATION

Year	Fund performance	Index performance	Out-/under-performance	Cumulated under-performance	Underperformance to be made up in T+1	Performance fee
Y1	5	3	2			YES
Y2	-4	-6	2			NO *
Y3	4	0	4			YES
Y4	-7	-2	-5	-5	-5	NO
Y5	7	9	-2	-7	-7	NO
Y6	3	2	1	-6	-6	NO
Y7	-2	-3	1	-5	-5	NO
Y8	2	2	0	-5	-2	NO
Y9	4	1	3			YES**
Y10	2	1	1			YES
Y11	2	-1	3			YES
Y12	3	5	-2	-2	-2	NO
Y13	2	0	2			NO
Y14	2	1	1			YES
Y15	1	4	-3	-3	-3	NO
Y16	3	0	3			NO
Y17	1	-2	3			YES
Y18	2	2	0			NO
Y19	2	0	2			YES

* The performance fee is nil in the event of negative performance over the financial year
** The unrecovered underperformance in Y4 is taken out of the 5-year history in Y9
At the end of a 5-year reference period, underperformance that has not been offset over the 5 years is erased year by year

At the end of a 5-year reference period, underperformance that has not been offset is erased.

The method used to calculate variable management fees is made available to unitholders.
Information on the selection of financial intermediaries is available on the La Financière Responsable website www.la-financiere-responsable.fr in the " Mentions Légales " section.

III. Marketing information

• Terms and conditions of distribution
The Fund's units are distributed by La Financière Responsable.

• Redemption and repayment of units
Subscriptions and redemptions of units are processed by BNP Paribas S.A.

• Dissemination of information about the Fund
To provide investors with regular information on the fund's performance, La Financière Responsable provides investors with a monthly performance report, which is available on request from the asset manager (52, rue de Ponthieu, 75008 Paris) or on the website www. la-financiere-responsable.fr.

Information on the environmental, social and governance criteria taken into account by the fund in its investment strategy is available on the La Financière Responsable website: www.la-financiere-responsable.fr.

• Restrictions on investment
The units have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "U.S. Securities Act"), or under any applicable state law, and the units may not be directly or indirectly transferred, offered or sold in the United States of America (including its territories and possessions) to any “U.S. Person” (as defined in Regulation S under the U.S. Securities and Exchange Commission's 1933 Act)", unless registration of the units is effected or an exemption is applicable with the consent of the Fund's asset manager.

The fund is not and will not be registered under the U.S. Investment Company Act of 1940. Any resale or transfer of Shares in the United States of America or to a U.S. Person may constitute a violation of U.S. law and requires the prior written consent of the Fund's asset manager. Persons wishing to acquire or subscribe for shares will be required to certify in writing that they are not U.S. Persons.
The asset manager has the power to impose restrictions on (i) the holding of units by a U.S. Person and thereby effect a compulsory redemption of Shares held, or (ii) the transfer of units to a U.S. Person. This power also extends to any person (a) who appears directly or indirectly to be in breach of the laws and regulations of any country or governmental authority, or (b) who may, in the opinion of the fund, cause damage to the Fund's asset manager that it would not otherwise have suffered or incurred.
The offering of the units has not been approved or rejected by the SEC, any state securities commission or any other U.S. regulatory authority, nor have such authorities issued an opinion on or endorsed the merits of the offering or the accuracy or adequacy of the offering materials. Any assertion to that effect is contrary to the law.
Unitholders must immediately inform the asset manager should they become a U.S. Person. Any unitholder who becomes a U.S. Person will no longer be permitted to acquire new units and may at any time be required to transfer his or her units to non-U.S. Persons. The asset manager reserves the right to proceed with the forced redemption of any units held directly or indirectly by a U.S. Person or if the holding of units by any person is contrary to law or the interests of Fund.

IV. Investment rules

In accordance with the provisions of articles L 214-20-55 and R 214-1-16 et seq. of the French Monetary and Financial Code, the asset composition rules set out in the Monetary and Financial Code and the risk spreading rules applicable to this UCITS must be complied with at all times. If these limits are exceeded for reasons beyond the asset manager's control or following the exercise of a subscription right, the asset manager's priority objective will be to rectify this situation, taking into account the interests of the unitholders of the Fund.

V. Overall exposure

The overall exposure is calculated using the commitment method.

VI Rules for valuing and recognising assets

Valuation at the reference market price is carried out in accordance with the procedures decided by the asset manager.

VI-1- Asset valuation rules

The net asset value of the unit is calculated taking into account the valuation rules set out below:

• **Securities**
Transferable securities traded on a French or foreign regulated market are valued at the market price according to the methods determined by the asset manager on the basis of the closing price (for French and European securities: closing price - Other foreign securities: last known price on their main market). Marketable securities whose price has not been recorded on the valuation day or whose price has been adjusted are valued at their probable trading value under the responsibility of the asset manager. These valuations and their justifications are communicated to the statutory auditor during audits. Foreign exchange rates are converted into euros using the exchange rate on the valuation date.

<u>However, the following instruments are valued using the following specific methods:</u>

- Negotiable debt securities with a maturity of more than three months
Negotiable debt securities traded on a significant scale are marked to market. However, in the absence of significant transactions, these securities are valued using an actuarial method based on a benchmark rate plus a margin reflecting the issuer's intrinsic characteristics.

• **Negotiable debt securities with a maturity of more than three months**
Negotiable debt securities with a residual life of less than 3 months are valued on a straight-line basis. However, if certain securities are particularly sensitive to market risks, this method will be disregarded.

• **Units or shares in UCITS are valued at the last known net asset value**

Units or shares in UCITS whose net asset value is published monthly may be valued on the basis of interim net asset values calculated on the basis of estimated prices.

• Futures and options contracts
Futures contracts are valued at present value on the basis of a price that is consistent with the price used to value the underlying asset. Off-balance sheet commitments are stated at liquidation value or the underlying equivalent.

• Over-the-counter contracts
Swap contracts are valued at present value (discounting of future cash flows) or at an estimated value, using methods determined by the asset manager. Contracts with a residual term of less than 3 months may not be valued if they are not particularly sensitive to market risk. Swaps are recorded at par value or, in the absence of a par value, at an equivalent amount.

• Securities financing transactions
- Securities purchased under resale agreements: securities purchased under resale agreements are valued at the contract price, using an actuarial method based on a reference rate corresponding to the term of the contract.
- Securities sold under repurchase agreements: securities sold under repurchase agreements continue to be valued at their market price. The liability for securities sold under repurchase agreements is calculated using the same method as for securities purchased under reverse repurchase agreements.
- Securities borrowing: Borrowed securities and debt representing borrowed securities are valued at the current value of the securities concerned.
- Securities lending: The receivable is valued at present value of the securities in question.

• Securities not traded on regulated markets
Securities which are not traded on a regulated market are valued under the responsibility of the asset manager at their probable trading value. The terms and conditions used to value assets are specified in the notes to the financial statements.

VI-2 - Accounting method

The undertaking has complied with the accounting rules prescribed by the regulations in force, and in particular with UCITS' chart of accounts.
All securities in the portfolio are carried at historical cost, excluding expenses. Income is recorded on a coupon income.

VII. Information on remuneration

La Financière Responsable has defined and implemented a remuneration policy that respects the interests of the unitholders of the funds it manages, in line with the values, economic strategy and interests of the asset manager itself. Given its size and employee remuneration arrangements, the asset manager has invoked the principle of proportionality, maintaining the remuneration committee provided for in La Financière Responsable's Articles of Association. Details of this remuneration policy can be found on the company's website www.la-financiere-responsable.fr. The full text of the remuneration policy is available on the company's website.

Regulations

LFR EURO DEVELOPPEMENT DURABLE ISR

I Unit	FR0010526079
L Unit	FR0011802685
E Unit	FR0013143203
M Unit	FR0010649350
GP Unit	FR0010585307
P Unit	FR0010585281

The regulations set out all the rules applicable to the administrative management of the Fund: issue and redemption of units, income allocation, operation, mergers, liquidation and disputes.

A UCITS compliant with European Directive 2009/65/EU

LA FINANCIÈRE RESPONSABLE

MUTUAL FUND REGULATIONS

LFR EURO DEVELOPPEMENT DURABLE ISR

TITLE I
ASSETS AND UNITS

ARTICLE 1 - Co-Ownership of units

Co-ownership rights are expressed in units, with each unit corresponding to the same percentage of the Fund's assets. Each unitholder has a co-ownership right to the Fund's assets that is proportional to the number of units held.

The Fund’s term begins on 11 December 2007 and ends 99 years later, unless it is wound up prior to this or is extended as provided for in these rules.

Unit classes:
The characteristics of the various unit classes and the terms and conditions of their acquisition are set out in the Fund's prospectus.
The different unit classes may:
- benefit from different schemes for paying out income; (distribution or accumulation);
- be denominated in different currencies
- bear different management fees
- bear different subscription and redemption fees;
- have a different nominal value;
- be systematically hedged against systemic risk, partially or in full, as indicated in the prospectus. This hedging is ensured by means of financial instruments that reduce the impact of hedging operations on the other categories of units of the Fund;
- be reserved for one or more marketing networks;

The units may be divided, grouped or split by decision of the asset manager's Board of Directors or its CEO into tenths, hundredths, thousandths or ten-thousandths, referred to as "fractional units". Provisions herein governing the issue and redemption of units are applicable to fractional units, the value of which shall always be proportional to the value of the proportion they represent. All other provisions herein governing units apply to fractional units without need for further specification, unless otherwise stated. The asset manager's Board of Directors or its CEO may, at its sole discretion, divide units by creating new units which are allocated to unitholders in exchange for old units.

ARTICLE 2- Minimum asset requirement

Units cannot be redeemed if the Fund's assets fall below €300,000. If the Fund's assets remain below this amount for 30 days, the asset manager should make the necessary provisions to liquidate the Fund or proceed with one of the transactions referred to in article 411-17 of the AMF General Regulations (transfer of UCITS).

ARTICLE 3- Issuance and redemption of units

Units shall be issued whenever subscribed by unitholders, at their net asset value plus a subscription fee if applicable. Redemptions and subscriptions are carried out under the conditions and according to the procedures defined in the prospectus.
The Fund’s units may be listed on an exchange in compliance with regulations.

Subscriptions must be fully paid up by the date that the net asset value is calculated. This payment may be made in either cash and/or securities. The asset manager may refuse the securities offered in payment and has seven days from the date they are deposited to do so. If the securities are accepted, they shall be valued as indicated in Article 4 and the subscription shall be made at the first net asset value calculated after the securities are accepted. Units may be redeemed in cash.

Redemptions can also be made in kind. If a redemption in kind is for a representative portion of the portfolio assets Fund or the asset manager is only required to obtain the written and signed consent of the redeeming unitholder. When the redemption in kind is not for a representative portion of the portfolio assets, all shareholders must provide their written consent to allow the redeeming shareholder to have his/her/its shares redeemed in exchange for specific assets, as specified explicitly in the consent form. Notwithstanding the above, if the Fund is an ETF, redemptions in the primary market may be made in kind, with the asset manager's consent and if this is in the interest of the unitholders, pursuant to the terms and conditions of the Fund's prospectus or rules. The assets will then be delivered by the depositary / registrar pursuant to the terms and conditions of the Fund's prospectus. Redeemed assets will normally be valued in accordance with the rules set forth in Article 4 and redemptions in kind will be executed at the first net asset value that is determined after the securities are accepted. Redemptions will be paid by the depositary / registrar within five days after unit valuation.

However, if under exceptional circumstances redemption requires the prior realisation of the Fund's assets, this period may be extended but shall not exceed 30 days. Except in the case of inheritance or an inter-vivos distribution, the disposal or transfer of units between unitholders or from unitholders to a third party is equivalent to a redemption followed by a subscription. If a sale or transfer involves a third party the beneficiary shall, if necessary, supplement the amount of the transaction until the minimum subscription amount stipulated in the prospectus is reached.

In accordance with Article L. 214-8-7 of the French Monetary and Financial Code, redemption of units by the Fund and the issuance of new units may be suspended provisionally by the asset manager if required by exceptional circumstances and in the interests of unitholders. When the net assets of the Fund (or subfund, as the case may be) fall below the amount set by the regulations, units may not be redeemed (out of the subfund in question, as the case may be). Possibility of setting minimum subscription conditions in accordance with the terms set out in the prospectus.

The Fund may cease to issue units pursuant to the third paragraph of Article L.214-24-41 of the French Monetary and Financial Code, the Fund may stop issuing units in situations that objectively require subscriptions to be suspended, such as the reaching of a maximum number of units issued or a maximum amount of assets, or the expiration of a pre-determined subscription period. Unit-holders will be notified of any suspension of subscriptions using any appropriate means and will be informed of the objective situation and threshold limit that resulted in the decision to partially or completely suspend subscriptions. If subscriptions are partially suspended, the aforementioned notification must explicitly indicate the terms and condition under which the unitholders may continue to subscribe for units throughout the partial suspension period. Unitholders shall also be informed using any appropriate means of any decision by the fund or the asset manager to either terminate the partial or total suspension of subscriptions (when the suspension trigger threshold is no longer exceeded), or to maintain the suspension of subscriptions (if the threshold or the objective situation that resulted in the suspension is modified).

Such modification of the objective situation or of the suspension trigger threshold must always be made in the interest of unitholders. The aforementioned notification must indicate the precise reasons for such modifications.

ARTICLE 4 - Calculation of net asset value

The net asset value of the units will be calculated in accordance with the valuation rules indicated in the prospectus.

TITRE 2
FUND OPERATION

ARTICLE 5 - The asset manager

The Fund is managed by the asset manager in accordance with the Fund's strategy. The asset manager shall act on the behalf of unitholders under all circumstances and shall be the only party authorised to exercise the voting rights attached to the securities in the Fund's portfolio.

ARTICLE 5b – Operating rules

The instruments and deposits eligible for inclusion in the Fund's assets and the investment rules are described in the prospectus.

Article 5c – Listing on a regulated market and/or a multi-lateral trading facility

The units may be listed for trading on a regulated market and/or a multi-lateral trading facility, in compliance with applicable regulations. If the Fund's units are listed on a regulated market and it has an index-based investment objective, it must implement a system to ensure that the market price of its units does not deviate substantially from its net asset value.

ARTICLE 6 – Depositary

The depositary carries out the tasks entrusted to it by statutes and regulations in force, as well as those entrusted to it contractually. In the event of a dispute with the asset manager, it shall inform the AMF.

ARTICLE 7 - Statutory auditor

A statutory auditor is appointed by the asset manager's governance body for a term of six financial years, subject to the approval of the Autorité des Marchés Financiers.
The auditor certifies that accounts are true and fair.
The auditor may be reappointed.

The statutory auditor shall inform the AMF as soon as possible of any event or decision concerning the fund of which it gains knowledge in the course of its work and which may:
1° constitute a violation of the legislative or regulatory provisions applicable to this body and likely to have a significant impact on the financial situation, the results or the assets and liabilities;
2° prejudice the conditions or the continuity of its operation;
3° lead to the issue of reservations or the refusal to certify the accounts.
Asset valuations and the determination of exchange parities in transformations, mergers or demergers are carried out under the supervision of the auditor.
The auditor shall assess all contributions or redemptions in kind under its responsibility, except for redemptions in kind for an ETF on the primary market.
It verifies the asset mix and other items prior to publication.
The statutory auditor's fees are agreed between the auditor and the board of directors or the asset manager's management board on the basis of the estimated auditing work required.
It certifies the situations that serve as a basis for the distribution of down payments.

ARTICLE 8- Financial statements and management report
At the close of each financial year, the asset manager shall draw up the financial statements and a report on the Fund's management for the year. At least once every six months the asset manager will prepare an inventory of the Fund's assets under the depositary's supervision. All of the above documents are audited by the statutory auditor. The asset manager shall make these documents available to unitholders four months after the end of the financial year and shall inform them of the income to which they are entitled. These documents shall either be mailed to unitholders at their express request or made available to them at the asset manager's premises or at the depositary.

TITRE 3
METHOD FOR ALLOCATING INCOME

ARTICLE 9 - Allocation of amounts available for distribution

The net income for the year is equal to the amount of interest, arrears, dividends, premiums, bonuses and directors' fees and all other income from securities that constitute the Fund's portfolio (and/or that of each sub-fund), plus income from temporary cash holdings, less management fees and borrowing costs. Amounts available for distribution consist of:
1. Net income plus retained earnings and period increased or decreased by the balance of the income adjustment account for financial year ended;

2. capital gains, net of fees, minus any realised capital losses, net of fees, recorded during the plus any net capital gains of the same kind recorded during previous periods that have not been distributed or accumulated, and plus or minus the balance of the capital gain adjustment account.
The amounts available for distribution under points 1°) and 2°) above may be distributed independently of each other, in whole or in part.

Amounts available for distribution	I, P, GP, M, L, E Units
Allocation of net income	Accumulation
Allocation of net realised capital gains or losses	Accumulation

The amount to be distributed, the distribution of which is decided by the asset manager, is paid annually within five months following the end of the financial year.

TITRE 4
MERGER - SPLIT- DISSOLUTION - LIQUIDATION

ARTICLE 10 - Merger - Split

The asset manager may transfer all or part of the Fund's assets to another UCITS or AIF or split the Fund into two or more other mutual funds which it will manage. Such mergers or splits may only be carried out after unitholders have been notified. A new certificate indicating the number of units held by each unitholder will be issued for this purpose.

ARTICLE 11 - Dissolution - Extension

If the Fund's assets remain below the level indicated in Article 2 above for 30 days, the asset manager will duly inform the *Autorité des Marchés Financiers* and dissolve the Fund, unless it is merged with another fund. The asset manager may dissolve the Fund before it reaches its term. In this case it must inform unitholders of its decision and after this date will not accept subscription or redemption orders.

The asset manager shall also dissolve the Fund if the redemption of all units has been requested, if the depositary's appointment is terminated and no other depositary has been appointed, or upon expiry of the Fund's term if this term has not been extended. The asset manager shall inform the Autorité des Marchés Financiers by mail of the dissolution date and of the dissolution procedure adopted. It will then send a copy of the statutory auditor's report to the *Autorité des Marchés Financiers*. The asset manager may decide to extend the Fund’s term, with the depositary’s approval.
It must make this decision at least three months before the Fund's term is to expire and inform unitholders and the *Autorité des Marchés Financiers* of this decision.

ARTICLE 12 - Liquidation

In the event of dissolution, the duties of liquidator will be assumed by the asset manager or failing this, by the liquidator appointed by the court at the request of any interested party. For this purpose, liquidators shall be entrusted with full powers to sell assets, pay off any creditors and distribute the remaining balance among the unitholders in the form of cash or securities.

TITRE 5
DISPUTES

ARTICLE 13 - Competent courts - Jurisdiction

Any disputes concerning the Fund that may arise during its lifetime or upon its liquidation, either between the unitholders or between the unitholders and the asset manager or the depositary, shall be subject to the jurisdiction of the competent courts.

Pre-contractual annex SFDR

LFR EURO DEVELOPPEMENT DURABLE ISR

I Unit	FR0010526079
E Unit	FR0013143203
L Unit	FR0011802685
M Unit	FR0010649350
GP Unit	FR0010585307
P Unit	FR0010585281

Template for pre-contractual information for financial products referred to in Article 9 paragraphs 1 to 4bis of Regulation (EU) 2019/2088 and in the first paragraph of Article 5 of Regulation (EU) 2020/852.

A UCITS compliant with European Directive 2009/65/EU.

Updated on: 15/01/2023

LA FINANCIÈRE RESPONSABLE

ANNEX *III*

Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: LFR Euro Développement Durable ISR

Legal entity identifier: 969500NU1CAYDHMA7E10

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Sustainable investment objective

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☒ Yes ☐ No

☒ It will make a minimum of **sustainable investments with an environmental objective:** <u>**100%**</u>

- ☐ in economic activities that qualify as environmentally sustainable under the EU taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It will make a minimum of **sustainable investments with a social objective:** <u>**100%**</u>

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU taxonomy
- ☐ with a social objective

☐ It promotes E/S characteristics, but will not make any sustainable investments

What is the sustainable investment objective of this financial product?

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

LFR Euro Développement Durable ISR is a fund composed of a selection of listed European companies (minimum 90% of net assets) whose objective is to contribute to the development of responsible companies.

The management methodology used by La Financière Responsable to analyse stocks prior to investment in the fund (IVA® Integral Value Approach) is a concrete application of this approach. This requires systematic analysis, without exception, of the 3 E, S and G pillars of all the listed stocks selected, prior to financial and stock market analysis.

For La Financière Responsable, a responsible company is one that demonstrates practices that integrate the expectations of its various stakeholders. Responsibility implies the necessary interactions between the parties; it therefore requires a global view of the company, and therefore an examination of the 3 dimensions E, S and G, which are themselves inseparable from financial analysis.

As a result, all listed stocks selected must, WITHOUT EXCEPTION, be systematically analysed on the basis of their Environmental, Social and Governance (ESG), financial and stock market qualities before being invested in the LFR Euro Développement Durable ISR fund. The SRI typology applied to companies on the basis of this analysis only allows us to retain issuers that are 'leaders', 'good performers' or 'promising' in terms of ESG, and which have been validated as such by the monthly Investment Committee. This classification may change over time as a result of annual ESG updates or the emergence of controversies that could lead to the company being placed 'under surveillance'.

An integral analysis of all these criteria, without exception, and the existence of a shareholder engagement policy, are the essential characteristic of responsible and sustainable investment.

This is why LFR Euro Développement Durable ISR pursues a dual environmental and social objective within the meaning of the SFDR regulations. No benchmark has been designated against which to measure the achievement of the sustainable investment objective.

What sustainability indicators are used to measure the attainment of the sustainable investment objective for this financial product?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters..

The ESG analysis carried out by La Financière Responsable as part of its proprietary company selection methodology (IVA® Integral Value Approach) includes the examination and analysis of a variety of E, S and G indicators, thanks to its proprietary database, the Empreinte Ecosociale®, dedicated to ESG data and compiling over 170 ESG indicators for more than 240 European companies. This is based on a questionnaire sent to companies each year.

However, two main indicators have been chosen to measure the achievement of the sustainable investment objective pursued by LFR Euro Développement Durable ISR under SFDR regulations:

- An environmental indicator: the annual energy consumption of the selected companies, expressed in Mwh/€m of sales
- A social indicator: the year-on-year increase in the number of employees. This indicator seems to us to be the most significant in terms of both our management style (growth stocks) and the social impact of the companies we select.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective??

All listed stocks selected by the LFR Euro Développement Durable ISR fund must, without exception, be systematically analysed on the basis of their environmental, social and governance

(ESG), financial and stock market qualities. This is the essence of La Financière Responsable's portfolio management process (Integral Value Approach IVA®).

This analysis is based on the Empreinte Ecosociale®, a proprietary database of ESG data compiling over 170 ESG indicators for more than 240 European companies. Input is generated by a specific questionnaire developed in-house and sent to companies, and is updated annually. This questionnaire includes the mandatory and optional Principal Adverse Indicators ("PAI") of the SFDR regulation on all the extra-financial pillars defined in the regulation. They are assessed for each company in the light of its sector, its strategy and also the progression of the company's practices over time.

It is of course necessary for the company under review to provide sufficient information in its annual reference documents, or in response to our questionnaire, for us to be able to carry out the analyses we deem necessary. Although we have found that very high response rates are rare, we reserve the right to exclude companies that provide insufficient or superficial information.

The information we collect becomes meaningful, in both environmental and social terms, when we establish coherent links with the strategy chosen by the company (in the sense of Michael Porter's generic strategies). This quest for coherence gives ESG information a particular strength, as it is no longer simply a juxtaposition of data, but proof that management action is being implemented rationally within the company. As a result, the financial results and their projections for the future gain in solidity and credibility.
Our detailed analyses enable us to identify the sustainability risks that the company may face, based on the issues specific to the sector of activity and/or the businesses in which it operates.

Lastly, opportunities for improvement identified in the ESG and financial areas are the subject of commitments to the company's management, which is responsible for taking the appropriate decisions in response to our requests and suggestions.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Through the IVA® - Integral Value Approach management process, the research carried out by La Financière Responsable's managers-analysts ensures that the principal adverse impacts are taken into account at several stages of the process, via:

- Application of exclusion criteria;
- The assessment grid for the different sustainability risks for each ESG pillar for each of the companies selected;
- Controversy risks;
- The integration of all the Principal Adverse Impacts (PAIs) indicators into the ESG questionnaire of the Empreinte Ecosociale®. These indicators will also be recorded in a periodic report.
- Direct engagement with companies in the event of a lack of response, particularly to the PAIs mandatory criteria, as these are necessary for analysis before a decision is taken by the Monthly Investment Committee meeting, and may lead to exclusion of the stock if it is deemed relevant.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The companies selected by the LFR Euro Développement Durable ISR must be exemplary in terms of Human Rights.

To ensure that this is the case, the team of managers-analysts excludes companies that are the subject of controversy and proven breaches of social or human rights standards.

In addition, as part of the SRI label, an extra-financial objective has been set for the fund: companies that are signatories to the United Nations Global Compact must represent at least half of the companies in the portfolio.

Moreover, the IVA® analysis process also considers indicators relating to companies' tax practices as well as an assessment of controversies in the company's value chain (controversy monitoring and management policy).

Does this financial product consider the principal adverse impacts on sustainability factors?

Yes ☒

No ☐

For La Financière Responsable, addressing adverse impacts related to sustainability ("PAI") means selecting high-quality issuers committed to sustainable development within the fund. Such selection helps to reduce the negative externalities induced by its investments.
To achieve this, La Financière Responsable has developed a number of systems:

- The Empreinte Ecosociale®: a proprietary database containing a history of 174 indicators (68 social indicators, 67 environmental indicators and 39 indicators related to governance practices) updated annually since 2009 using a questionnaire developed by LFR teams and sent annually to more than 240 issuers;
- This database already includes the mandatory and optional PAI indicators set out in the SFDR regulation, covering all the extra-financial pillars defined in the regulation. The Principal Adverse Impacts (PAIs) indicators are also integrated into the ESG questionnaire of the Empreinte Ecosociale®. The indicators are assessed for each company in the light of its sector, its strategy and also the progression of the company's practices;
- An original investment process, notably through the SRI typology presented below;

- A formalised exclusion policy;
- A controversy management policy;
- A voting and engagement policy;

Finally, from 2023, LFR Euro Développement Durable ISR's annual ESG report will include indicators relating to the PAIs to report on LFR's Socially Responsible Investment (SRI) approach. This report will be available on the LFR website: https://www.la-financiere-responsable.fr/

What investment strategy does this financial product follow?

The **investment** strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

LFR Euro Développement Durable ISR, which is SRI labeled, is made up of a selection of listed European companies (at least 90% of net assets) whose selection process is based, in particular, on extra-financial criteria and according to an SRI methodology, Integral Value Approach or IVA®, specific to La Financière Responsable.

This unique and proprietary management method is a conviction-based approach and is applied to all listed stocks in the portfolio without exception.

It consists of selecting growth companies after a detailed analysis, divided into 3 inseparable parts:

1. Strategic analysis: analysis of the company's business and strategy, in its economic context;
2. Non-financial analysis: analysis of the implementation of this strategy, the practices of the management team and relations with all the company's stakeholders. This analysis is carried out entirely in-house using a proprietary database, the Empreinte Ecosocial®, dedicated to ESG data;
3. Financial and valuation analysis: analysis of the company's financial strength, profitability (past and future) and the value of its shares on the stock market.

One of the key features of IVA® is that extra-financial data is taken into account upstream of the financial analysis of companies.

At least 20% of the issuers in the investment universe are excluded when applying this investment strategy. This is also a requirement of the SRI Label to which LFR Euro Développement Durable ISR is subject.

In addition, as part of the SRI Label, LFR Euro Développement Durable ISR has set itself the following extra-financial objectives:

- Encourage the transition to a sustainable economy by targeting a majority of Global Compact signatory companies within the fund. The Global Compact is an initiative of the United Nations to promote a commitment to sustainable development, the fight against corruption and respect for human rights. The following indicator is used for this purpose: percentage of companies that are signatories to the Global Compact.
- To take into account the climate impact of its investments by ensuring that the carbon footprint of the portfolio is less than or equal to that of the benchmark index. To achieve this, the following indicator is considered: carbon intensity expressed per € million of sales.
- To be rooted in the real economy by selecting companies that are more dynamic in terms of employment than those making up the benchmark index. The following indicator is used for this purpose: average annual growth rate of workforce.
- Selecting companies that demonstrate a commitment to sustainable development on the part of their management, with the aim of selecting a majority of companies in the fund that have introduced social and environmental responsibility criteria into their management remuneration policies. To do this, the following indicator is considered: the proportion of companies that have introduced extra-financial criteria in executive remuneration.

The implementation of sustainable and ESG investment objectives defined in the SRI Label ensures a selection of listed companies committed to all the pillars of sustainable development (Social, Economic and Environmental).
These ESG indicators are monitored on a monthly basis as part of the portfolio monitoring process, and are included in the fund's monthly factsheet and in the dedicated annual ESG report.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

There are a number of constraints that come into play throughout the investment and company selection process in order to achieve the objective of sustainable investment:

- Application of exclusion criteria:

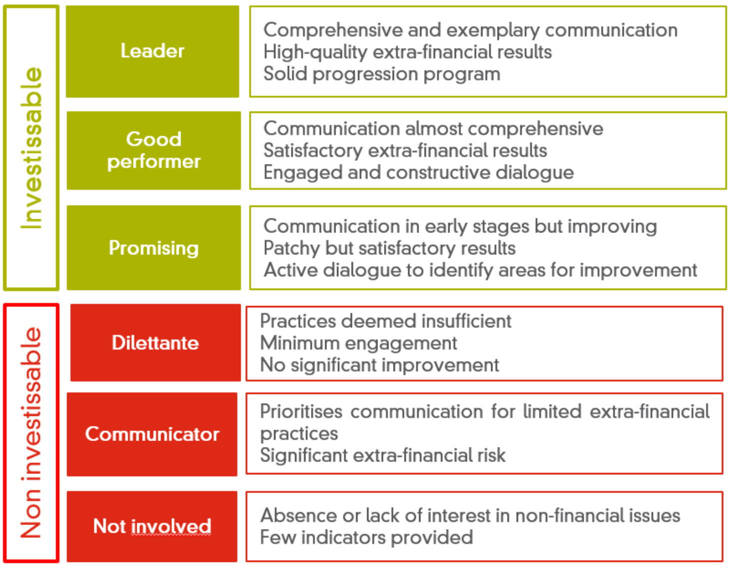
Prior to reviewing stocks using the IVA® integral management method, La Financière Responsable's investment process systematically excludes companies based on the following criteria:

- Environment: exclusion of companies that use coal as a source of energy or heat according to thresholds defined in la Financière Responsable's coal policy exclusion of companies that have a direct or indirect impact on the environment that is incompatible with the challenges of sustainable development
- Social: exclusion of companies with a proven record of Human Rights controversies; exclusion of companies that have made unaccompanied redundancies over the last three years
- Governance: exclusion of companies with direct links to activities linked to cluster bombs and anti-personnel mines; exclusion of companies that refuse to disclose the extra-financial and/or financial information required for IVA® analysis

LFR's exclusion criteria are constantly monitored by the LFR management team. The list of excluded companies is documented and periodically updated.

- The classification of companies according to their SRI typology, allowing them to be eligible or not:

As part of the investment process and the IVA® analysis, each company is assigned a classification according to the SRI typology developed by LFR's teams. This classification makes it possible to assess its extra-financial practices and to classify the companies subject to investment as follows:



The classification of companies according to this SRI typology makes it possible to define whether or not the company analysed is investable, as well as the quality of its extra-financial practices.

As a result, only companies with "Leader", "Good performer" or "Promising" status may be eligible for investment in the LFR Euro Développement Durable ISR fund.

However, it should be borne in mind that a company benefiting from this status may be placed on "under surveillance" for a period of 6 months (renewable once) if it is the subject of controversy likely to run counter to the SRI principles of La Financière Responsable. After analysis and in-depth study, being “under surveillance” may lead to a downgrading of the company's SRI status and therefore to its possible ineligibility for investment.

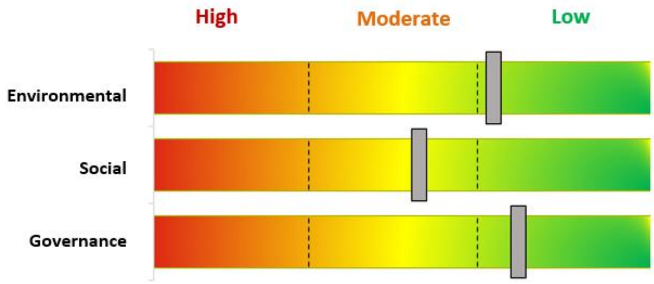
- Assessing the sustainability risks that may lead to companies being eligible or ineligible:

In order to reduce investors' exposure to the sustainability risks introduced by the European SFDR regulation, an assessment system has been put in place.

Sustainability risks are addressed in the following ways:

- Environmental: issues relating to physical risks and transition in the field of climate/climate change (air pollution, carbon intensity, greenhouse gas emissions, etc.), natural resource and waste management within companies, impact on housing, resources (water, natural disasters, etc.) or issues relating to local and international environmental regulations.
- Social: issues relating to the rights, well-being, health and safety of employees and customers, parity, discrimination and relations with suppliers.
- Governance: issues relating to corporate strategy, reputation, creation of shareholder value, corporate culture, balance of power, risk of shareholder disengagement, risk of lack of dialogue, policies to prevent the risk of money laundering and terrorist financing, and policies to prevent corruption.

As part of the non-financial analysis, the manager-analyst will use an assessment grid to gauge the various sustainability risks and will incorporate the following sustainability risk scale into the analysis:



Legend for sustainability risk assessment:

Risk well identified and well controlled by the company; low to medium impact

Low to medium risk; low to acceptable control; medium impact; monitoring required and, if necessary, via the commitment activity

Significant risk with little or no control by the company; potential impact on value deemed medium or significant put the company under surveillance if it is in the portfolio, or even do not to invest

As part of the extra-financial research, the manager-analyst must base the analysis on an assessment grid for each E, S and G risk, and will determine:

1) whether the potential impact on the share is low, medium or high;
2) whether the probability of occurrence is low, medium or high;
3) and whether the identification and control of the risk is low, medium or high.

The valuation proposed by the manager-analyst is assessed and validated by the monthly Investment Committee.
When examining the value, the latter identifies the relevant extra-financial indicators based on the company's business and/or strategy, and even the extra-financial challenges of its sector of activity.
LFR's managers-analysts reserve the right to consider the most relevant non-financial indicators for the company's sector of activity, on a case-by-case basis, in order to reach a conviction on the value.

This means that only stocks with low or moderate sustainability risks are eligible for investment in the portfolio.

Good governance practices relate to sound management structures, employee relations, staff remuneration and compliance with tax obligations.

What is the policy to assess good governance practices of the investee companies?

La Financière Responsable's IVA® analysis process aims to integrate good governance practices on the part of the companies selected in the portfolios by analysing the organisation of corporate governance, its missions and its functions.
The issue is therefore systematically examined and measured against objective criteria. This enables us not only to assess the quality of the practice, but also to identify any sustainability risks that the company might encounter.
This analysis takes place at several levels in the management process:

- When applying Governance-related exclusion criteria: exclusion of companies with direct links to activities linked to cluster bombs and anti-personnel mines; exclusion of companies that refuse to disclose the extra-financial and/or financial information required for IVA® analysis
- When collecting the non-financial indicators in the Empreint Ecosocialet® questionnaire, such as compliance with applicable laws and regulations, the gender balance in management bodies, the organisation of the Chairman/Chief Executive Officer roles, the inclusion of ESG criteria in executive remuneration, the operation of boards and management committees, etc. It is of course necessary for the company under review to provide sufficient information in its annual reference documents, or in response to our questionnaire, for us to be able to carry out the analyses we deem necessary. Although we have found that very high response rates are rare, we reserve the right to exclude companies that intentionally provide insufficient or superficial information
- When identifying and monitoring controversies: this is a way of demonstrating the quality of companies' governance practices in the context of their activities, and of monitoring portfolio companies. These events may affect the issuer's stakeholders: employees, customers, suppliers, partners, the environment, society and shareholders. La Financière Responsable has formalised a controversy management policy as part of the LFR Euro Développement Durable ISR investment process, which is available here: https://www.la-financiere-responsable.fr/wp-content/uploads/Gestion-des-controverses-dans-la-gestion-de-LFR.pdf
- During dialogue with the company on governance issues that may lead to acts of engagement
- Within the framework of the voting policy: this is one of the acts of engagement made in the area of governance. Voting in this area is recorded and published in the annual report.

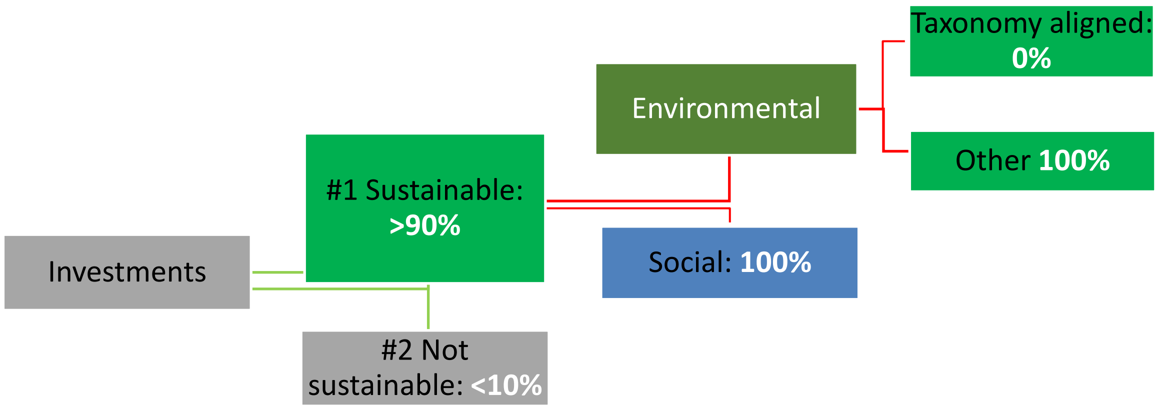
Finally, among the extra-financial objectives pursued by the fund and defined as part of the SRI Label, the LFR Euro Développement Durable ISR fund aims to encourage the transition to a sustainable economy by selecting a majority of Global Compact signatory companies within the portfolio. The Global Compact is an initiative of the United Nations to promote a commitment to sustainable development, the fight against corruption and respect for Human Rights. The share of Global Compact signatory companies in the LFR Euro Développement Durable ISR portfolio is monitored on a monthly basis as part of the portfolio monitoring process, and is included in the fund's monthly factsheet and in the dedicated annual ESG report.

What is the asset allocation and the minimum share of sustainable investments?

LFR Euro Développement Durable ISR, which is SRI labeled, is made up of a selection of listed European

Asset allocation describes the share of investments in specific assets.

companies (minimum 90% of net assets) within the limits described in the prospectus.
LFR Euro Développement Durable ISR may also hold, up to 10% of its net assets, units in one or several SRI funds (UCITS governed by French or European law; FIA governed by French law or established in other EU Member States; investment funds governed by foreign law that meet the conditions set out in 1 to 4 of article R214-13 of the French Monetary and Financial Code) which pursue the same sustainable investment objective and which are subject to the same investment process (IVA® integral management). In this case, the fund holds positions in the LFR Inclusion Responsable ISR fund, which shares the same sustainable investment objective.
Accordingly, 100% of the listed net assets of the LFR Euro Développement Durable ISR portfolio, including the UCITS units it holds, follow the sustainable investment objective defined above, excluding liquid assets.



Sub-category **# 1 Sustainable** covering sustainable investments with environmental or social objectives.
Category **#2 Non-sustainable** includes investments which do not qualify as sustainable investments: cash.

How does the use of derivatives attain the sustainable investment objective?

The LFR Euro Développement Durable ISR fund does not use derivatives.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of Investee companies.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

LFR Euro Développement Durable ISR has not defined a threshold for alignment with the European Taxonomy. However, 100% of the listed securities in the portfolio are subject to ESG analysis. Assets not covered by an ESG analysis are cash and cash equivalents.

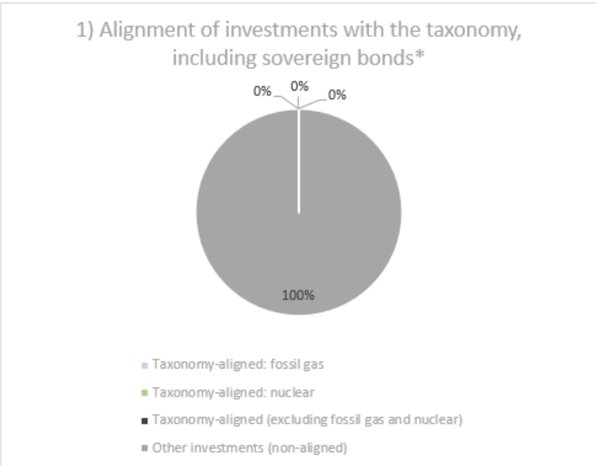
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

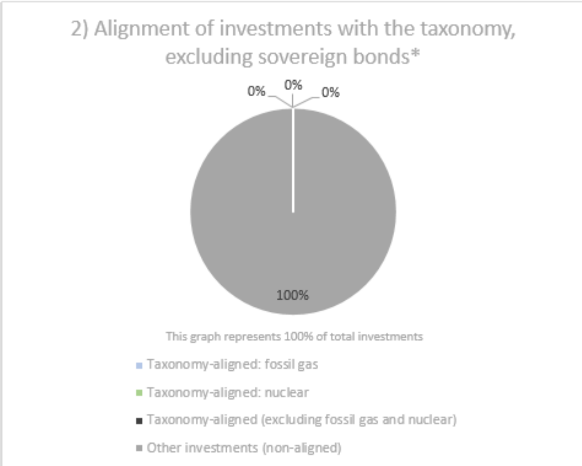
☐ Yes

☐ In fossil fuel ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* For the purposes of these graphs, sovereign bonds include all sovereign exposures.

What is the minimum share of investments in transitional and enabling activities?

LFR Euro Développement Durable ISR has not defined a minimum share of investments in the transitional and enabling activities of the European Taxonomy.

[1] Fossil gas and/or nuclear activities will only comply with the EU Taxonomy if they contribute to limiting climate change ("climate change mitigation") and do not cause significant harm to any objective of the EU Taxonomy - see explanatory note in the left margin. All the criteria applicable to economic activities in the fossil gas and nuclear energy sectors that comply with the EU taxonomy are defined in Commission Delegated Regulation (EU) 2022/1214.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

LFR Euro Développement Durable ISR has defined a minimum share of 100% of listed securities in the portfolio that are part of the sustainable investment objective on the environmental pillar defined above. La Financière Responsable's own investment process (IVA®), which combines quantitative and qualitative analysis, does not allow us to set a target for alignment with the EU Taxonomy. Nevertheless, LFR's teams are committed to publishing, a posteriori, the alignment of its portfolios with this framework for defining activities considered sustainable by EU regulation 2020/852, known as the "Taxonomy".

Assets not covered by an ESG analysis are cash and cash equivalents.

What is the minimum share of sustainable investments with a social objective?

LFR Euro Développement Durable ISR has defined a minimum share of 100% of listed securities in the portfolio that are part of the sustainable investment objective on the Social pillar defined above.

Assets not covered by an ESG analysis are cash and cash equivalents.

What investments are included under "#2 Non sustainable", what is their purpose and are there any minimum environmental or social safeguards?

Investments included in the "#2 Non-sustainable" category correspond to any cash holdings that may change within the limits defined in the fund prospectus and within regulatory limits.

To comply with the EU Taxonomy, the criteria for **fossil gas** include emission limits and a switch to renewable electricity or low-carbon fuels by the end of 2035. As far as **nuclear energy**is concerned, the criteria include comprehensive rules on nuclear safety and waste management.

Enabling activities directly enable other activities to make a substantial contribution to the achievement of an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available ad among others have greenhouse gas emission levels corresponding to the best performance.

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

Is a specific index designated as a reference benchmark to meet the sustainable objective?

No.

The benchmark index for the LFR Euro Développement Durable ISR fund is the Eurostoxx 50 DNR index. This index cannot be used to determine whether LFR Euro Développement Durable ISR is in line with its sustainable investment objective. Nevertheless, thanks to the Empreinte Ecosociale®, which is updated annually, the team of managers-analysts has access to the extra-financial data of the companies that make up the benchmark index.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

Where can I find more product specific information online?

More details on La Financière Responsable's investment strategy and the LFR Euro Développement Durable ISR fund are available on its website https://www.la-financiere-responsable.fr/lfr-euro-developpement-durable-isr/.

All documents relating to compliance with environmental and social objectives are available on the following page: https://www.la-financiere-responsable.fr/documentation-reglementaire-isr-esg/