

Paris, 28/03/2022

Subject: Merger by way of absorption of the mutual fund CPR FOCUS INFLATION US

ISIN codes:

P unit: FR0010323287

I unit: FR0011607324

SI unit: FR0013233467

Dear Sir/Madam,

You hold units in the mutual fund **CPR Focus Inflation US**, and we would like to thank you for the confidence you have placed in us.

What changes are going to be made to your mutual fund?

We would like to inform you that by a decision dated 28/01/2022, CPR Asset Management, the Management Company of the mutual funds **CPR Focus Inflation US** (hereinafter the “absorbed Fund”) and **CPR Focus Inflation** (hereinafter the “absorbing Fund”), has decided to merge your mutual fund **CPR Focus Inflation US** into the mutual fund **CPR Focus Inflation** within the framework of streamlining of its range of UCIs.

Management of both mutual funds is based on a similar strategy but **CPR Focus Inflation** (the “absorbing Fund”) has a broader investment universe, and therefore presents more possibilities for diversification from a geographical point of view. However, due to this broadening of the investment universe (OECD countries for the absorbing fund compared to the United States for the absorbed fund), your investment will involve more risk.

The differences between the two mutual funds are in particular in terms of management objective, geographical exposure and benchmark.

The merger transaction will also have the following consequences:

- On the effective date of the merger, the assets and liabilities of your mutual fund **CPR Focus Inflation US** will be transferred to the mutual fund **CPR Focus Inflation**.
- The mutual fund **CPR Focus Inflation US** will be dissolved and you will become a holder of units in the mutual fund **CPR Focus Inflation**.

When are these changes going to be made?

This merger by way of absorption will take place on 18/05/2022 on the net asset values calculated on 17/05/2022 and published on 18/05/2022, under the supervision of the Statutory Auditors.

The units of the mutual fund **CPR Focus Inflation US** will be absorbed by the following classes of the mutual fund **CPR Focus Inflation**:

CPR Focus Inflation US Absorbed units		CPR Focus Inflation Absorbing units	
P	FR0010323287	P	FR0010832469
I	FR0011607324	I	FR0010838722
SI	FR0013233467	I	FR0010838722

Please note that for these transactions to be completed smoothly, you will not be able to subscribe to new units or request the Redemption of your units from 12.01pm on 13/05/2022 to 12.01pm on 18/05/2022. Since the mutual fund CPR Focus Inflation US is valued daily, the Fund's last net asset value on which subscriptions or redemptions may be executed before the merger transaction will be the net asset value on 13/05/2022.

If you agree with these changes, after this transaction, without having to take any action, you will receive in return for your units in the mutual fund CPR Focus Inflation US (the absorbed fund), equivalent units in the mutual fund CPR Focus Inflation (the absorbing fund), according to the technical terms of the merger set out in the appendix.

If you do not agree with these changes, you have the option of redeeming your units, free of charge, from the date of receipt of this letter, until 12.01pm on 13/05/2022. This redemption would be subject to the taxation applicable to capital gains on disposals of transferable securities.

If you are unsure about this transaction, please contact your usual adviser.

What is the impact of these changes on the risk/return profile of your investment?

- **Change to risk/return profile:** YES
- **Increase in the risk profile:** YES
- **Potential increase in fees:** YES *
** This potential increase in costs is due to the change in the triggering threshold for the outperformance fee and the increase in financial and administrative management fees for the unit*
- **Scope of change to the risk/return profile:** VERY SIGNIFICANT



This change in the Risk/Return profile can be explained by the difference in geographical areas of intervention: OECD countries (mainly the United States and the eurozone) for the absorbing Fund compared to the United States for the absorbed Fund.

What impact does this transaction (or these transactions) have on your tax?

The tax consequences for you can vary, depending, among other things, on the conditions under which the transaction is carried out and the country of your residence for tax purposes. We therefore suggest that you contact your usual tax adviser to ascertain the consequences of this transaction in the light of your personal tax situation.

What are the main differences between the mutual fund in which you currently hold units and the future mutual fund?

Here are the main differences between your Fund **CPR Focus Inflation US** (the "absorbed Fund") and the Fund **CPR Focus Inflation** (the "absorbing Fund") :

	Before CPR Focus Inflation US (the absorbed fund)	After CPR Focus Inflation (the absorbing Fund)
General features		
Existing units / ISIN codes	P unit: FR0010323287 I unit: FR0011607324 SI unit: FR0013233467	P unit: FR0010832469 I unit: FR0010838722 R unit: FR0013294659 PM unit: FR0013462520
Investment strategy		
Management objective	The Fund's objective is to outperform the Markit iBoxx USD Breakeven 10-Year Inflation (EUR) Hedged Index over the recommended investment term.	The Fund seeks to benefit from the increase in inflation expected by the US and European markets and to do so, aims to outperform the composite index 50% Markit iBoxx USD Breakeven 10-Year Inflation (EUR) Hedged + 50% iBoxx EUR Breakeven 10-Year Inflation France & Germany Index .
Benchmark	Markit iBoxx USD Breakeven 10-Year Inflation (EUR) Hedged	The benchmark is a composite index: 50% Markit iBoxx USD Breakeven 10-Year Inflation (EUR) Hedged + 50% Markit iBoxx EUR Breakeven 10-Year Inflation France & Germany Index .
Geographical area	USA <u>. Geographical areas of the Issuers of the securities:</u> USA: Min. 30% - Max. 110% Eurozone: Min. 0% - Max. 30%	OECD countries, mainly the USA and the eurozone <u>. Geographical areas of the Issuers of the securities:</u> OECD: Min. 0% - Max. 110%
Geographical area	<u>. Currency of denomination of the securities:</u> . USD: Min. 30% - Max. 110% . EUR: Min. 0% - Max. 30%	<u>. Currency of denomination of the securities:</u> . Euro: Min. 0% - Max. 110% . Currencies other than the euro: Min. 0% - Max. 110%

Change to risk/return profile			
	Before	After	
	Exposure ranges	Exposure ranges	Contribution to the risk profile compared to the previous situation
Changes to exposure to the different risk categories	Risk associated with securities issued in the United States: [30% - 110%] Risk associated with securities issued in the eurozone: [0 – 30%]	Risk associated with securities issued by OECD countries, including the United States and the eurozone: [0% - 110%]	+

Fees charged to the Funds		
	Before	After
Financial management and administrative fees external to the management company	P unit: 1.25% incl. tax maximum I unit: 0.65% incl. tax maximum SI unit: 0.40% incl. tax maximum	P unit: 1.20% incl. tax maximum ↘ I unit: 0.60% incl. tax maximum ↘ I unit: 0.60% incl. tax maximum ↗
Outperformance fee	20% of the discrepancy between the net assets of the unit and the net assets of the benchmark assets. Benchmark: Markit iBoxx USD Breakeven 10-Year Inflation Index (EUR) Hedged	20% of the discrepancy between the net assets of the unit and the net assets of the benchmark assets. Benchmark: 50% Markit iBoxx USD Breakeven 10-Year Inflation (EUR) Hedged + 50% Markit iBoxx EUR Breakeven 10-Year Inflation France & Germany Index ↗
Base for calculation of management fees	Net assets	Net assets excluding UCI
Actual costs as at 31/12/2020	P unit: 1.27% incl. tax I unit: 0.67% incl. tax SI unit: 0.42% incl. tax	P unit: 1.10% incl. tax ↘ I unit: 0.56% incl. tax ↘ I unit: 0.56% incl. tax ↗

This transaction was approved by the Autorité des Marchés Financiers on 18/03/2022.

Important things for investors to remember

If you agree with these changes, you do not need to do anything.

If you do not agree with these changes, under the relevant regulations, you have the option of obtaining, free of charge, the redemption of your shares, from the date of receipt of this letter until 12.01pm on 13/05/2022.

If you are unsure about this transaction, please contact your usual adviser.

We would like to remind you that it is important and necessary for you to read the Key Investor Information Document (KIID), which can be found on our website www.cpr-am.com.

If you wish, the legal documentation for the mutual funds may be sent to you by post on a written request to the following address: CPR Asset Management – Service Clients – 91-93 boulevard Pasteur – 75015 Paris.

Furthermore, your usual adviser will be happy to provide you with any further information you may require about this transaction. For all your investments, we invite you to keep in regular contact with your adviser.

Thank you for the confidence you have placed in us. Yours faithfully,

Nadine Lamotte
Deputy Managing Director

APPENDIX 1

Calculation of merger parities

The number of units of the mutual fund CPR Focus Inflation to be allocated to holders of units of the mutual fund CPR Focus Inflation US will be determined under the supervision of the Statutory Auditors.

Transaction schedule:

- Suspension of subscriptions and redemptions of units of the “absorbed Fund”: 12.01pm on 13/05/2022 and until 12.01pm on the day of the merger transaction;
- Date of net asset values used to determine exchange parities: 17/05/2022
- Completion of the merger transaction: 18/05/2022
- You have the option of redeeming your units in the absorbed fund until 12 noon on 13/05/2022.

For example, if the merger occurred on 21/03/2022:

→ P unit

$$\frac{\text{Net Asset Value of CPR Focus Inflation US} - \text{P: €472,40}}{\text{Net Asset Value CPR Focus Inflation} - \text{P: €73.96}} = 6,387 \text{ units}$$

the holder of units of the mutual fund CPR Focus Inflation US – P unit would have received 6,387 units of the mutual fund CPR Focus Inflation - P unit

→ I unit

$$\frac{\text{Net Asset Value of CPR Focus Inflation US} - \text{I: €112.389.81}}{\text{Net Asset Value CPR Focus Inflation} - \text{I: €157.88}} = 711,868 \text{ units}$$

the holder of units of the mutual fund CPR Focus Inflation US – I unit would have received 711,868 units of the mutual fund CPR Focus Inflation - I unit

→ SI unit

$$\frac{\text{Net Asset Value of CPR Focus Inflation US} - \text{SI: €: 10.415.053.75}}{\text{Net Asset Value CPR Focus Inflation} - \text{I: €157.88}} = 65.968,164 \text{ units}$$

the holder of units of the mutual fund CPR Focus Inflation US – SI unit would have received 65.968,164 units of the mutual fund CPR Focus Inflation - I unit

As the units of the absorbed and absorbing funds are split into thousandths of units, there will therefore be no balancing payment. Where applicable, the allocation of fractional units of the absorbing fund will be rounded up to the nearest thousandth of units.

Calculations will be done on all of the units you hold in the Fund CPR Focus Inflation US.

After this merger, a transaction notice will be sent to you, setting out the number of units you held in the mutual fund CPR Focus Inflation US on the day of the merger and also the exchange parity that has been applied.