

## KEY INVESTOR INFORMATION

This document provides with key investor information about the Fund. It is not a marketing material. Information made available are required by law to help one understand the nature and risks associated with an investment in this Fund. It is advised that one reads this material carefully to make an informed decision about whether to invest.

# LONGCHAMP SOLFERINO CREDIT FUND

Share Class I1C (ISIN FR0013442597)

Sub-Fund of the LONGCHAMP SICAV managed by Longchamp Asset Management

## OBJECTIVES AND INVESTMENT POLICY

The Longchamp Solferino Credit Fund (the "Sub-Fund") is a UCITS fund. The objective of the Sub-Fund's share I is to deliver an annualized performance net of fees higher than that of the €STR +8.5 bps +2% over a recommended investment period of 2 years minimum, through discretionary management on the bond markets.

The Sub-Fund seeks to achieve its investment objective primarily by investing in high yield (speculative grade) bonds, i.e. issued by sub-investment grade rated companies, with a flexible approach in its exposure, depending on the evolution of the credit market cycle. The Sub-Fund will therefore be able to increase its exposure to high yield bond securities during the early stages of the cycle. Conversely, the Sub-Fund may adopt a more defensive positioning during the later phases.

In general, the Sub-Fund will be exposed to High Yield bond market (speculative grade) as well as bank subordinated debt (Lower Tier2 and AT1), including Contingent Convertible bonds ("CoCo"). The Sub-Fund focuses on identification and investment in all types of bonds (guaranteed, senior, subordinated, convertible, of all maturities including perpetual or "CoCos" (Contingent Convertibles: hybrid products, straddling debt and equity. Issued as debt, they can be automatically converted into equities when the issuer faces difficulties), with fixed or variable coupons) without any particular rating constraint. Longchamp considers these bonds undervalued ("value approach") compared to the company's balance sheet analysis – debt coverage by the value of its assets – and of the issuer's capacity and willingness to honor its debts. These assets are speculative, i.e. have ratings lower than BBB- (S&P) / Baa3 (Moody's) or ratings deemed equivalent by the Investment Manager.

Issuing companies are domiciled in Europe in the geographical sense (until 100% of the portfolio's high yield exposure). The Sub-Fund may be exposed to bonds from issuers located in emerging markets up to a limit of 30%. Exposure to CoCos will be limited to 50% maximum of net assets. The Sub-Fund invests its assets in bonds with a primary exposure to the European market, across any sector or industry as determined by the Investment Manager in its sole discretion. The Sub-Fund may invest in other UCITS Funds/AIF such as Exchange Traded Funds (ETF) subject to the overall limit of 10% of the net assets. The Sub-Fund may also invest in equities up to 10% of the net assets.

Net long exposure to high yield bonds will typically range from 50% to 100%. However, keeping the objective of generating positive returns throughout the entire credit cycle, the portfolio may also reduce exposure to the instruments mentioned in the previous paragraph without duration limitations, by potentially investing the entire portfolio in money market instruments from the OECD, precious metals such as gold through UCITS ETFs, government bonds from G20 countries with any maturity.

The Sub-Fund may also invest in credit insurance products such as index CDS single name CDS referencing a specific issuer.

The Sub-Fund may also, opportunistically and for a limited time, exceed 100% exposure, although it should be quickly offset by hedges reducing its exposure to 100% of net assets. The Sub-Fund maximum gross long exposure is limited to 150% of the net asset value. All bonds in the portfolio will have minimum issue amounts of \$250 million or equivalents.

The Sub-Fund may hedge currency, interest rate, equity and credit risks on organized or over-the-counter derivatives markets.

The Sub-Fund may invest up to 100% of the net assets in monetary instruments and bonds and may be exposed to an additional 50% in bonds through repos, securities lending or derivatives such as Total Return Swaps (TRS), which could lead to a gross exposure in bonds of 150% maximum.

The Sub-Fund's sensitivity to interest rates will target to range between 3 and 8.

This share class will be exposed to currency risk. It will be limited to 50%, the excess being hedged over time or its exposure limited using currency options.

The Investment Manager has a proprietary process for credit risk assessment to select securities and assess issuers quality. It does not exclusively and mechanically use agencies' ratings. The agencies' ratings are one element among a set of criteria considered by the Investment Manager to assess bonds' credit quality and money market instruments.

**Allocation of income:** Capitalization.

**Recommended investment period:** 2 years minimum. This Sub-Fund would not be suitable for investors planning to pull out their investment before this period.

**Subscription and redemption terms:** The Sub-Fund's net asset value is calculated every Wednesday, except for bank holidays as defined in Article L. 3133-1 of the French Labor Code and/or days when the Paris Stock Exchange (official calendar of Euronext Paris SA) is closed. A net asset value is calculated on the last dealing day (as previously defined) of each month. Subscription orders are centralized by 12:00PM the business day preceding the net asset value date (DD-1). Redemption orders are centralized by 12:00PM, 5 business days preceding the net asset value date (DD-5). Delivery of shares and moneys for subscriptions shall occur within the following 3 business days (DD+3). Delivery of shares and moneys for redemptions shall occur within the following 4 business days (DD+3). The investment manager may apply a price adjustment mechanism (Swing Pricing).

## RISK - REWARD PROFILE



### MEANING OF THIS INDICATOR:

This indicator measures the level of volatility and risk of the Sub-Fund. The risk indicator was calculated incorporating simulated historical data and may not be a reliable indication of the Sub-Fund's future risk profile. The risk category shown is not guaranteed and may change over time. Note that a high potential gain also carries a high risk of loss. This Sub-Fund is classified as '5' given its exposure to market risks and its estimated volatility which may range between 5% and 10%. Funds classified as '1' mean that one's capital is exposed to low risk but that potential gains are also limited. However, such funds classified as '1' should not be seen as a risk-free investment.

### WHY THE UCITS IS IN THIS CATEGORY:

The UCITS is not capital guaranteed. It invests in the equity markets and/or uses techniques or instruments that can deal with quick and significant fluctuations that can lead to significant gains or losses.

### KEY RISKS NOT TAKEN INTO ACCOUNT IN THIS INDICATOR:

**Liquidity risk:** This risk relates to the difficulties that may occur of finding counterparties to buy or sell financial instruments at a reasonable price. In this case, the deterioration of prices due to lower liquidity could lead to a decrease of the Sub-Fund's net asset value. Occurrence of this risk could lead to a decrease of the Sub-Fund's net asset value.

**Credit risk:** The Sub-Fund invests in bonds and money market instruments. It is therefore exposed to the default risk of the issuer. The probability of such an event depends on the issuer's solvency. The default risk is usually higher for speculative securities.

**Risk associated with the use of derivative instruments:** the Sub-Fund uses derivatives for investment and / or hedging purposes. These instruments are volatile and may be subject to various types of risk including, but not limited to, market risk, liquidity risk, counterparty risk, legal risk and operational risk.

## FEES

Fees and commissions are used to cover the operating costs of the Sub-Fund, including those relating to the marketing and distribution of shares of the Sub-Fund, and come as a reduction of the potential growth of the investment.

FEES PAYABLE BEFORE OR AFTER INVESTMENT	
Subscription Fees	5% maximum
Redemption Fees	None

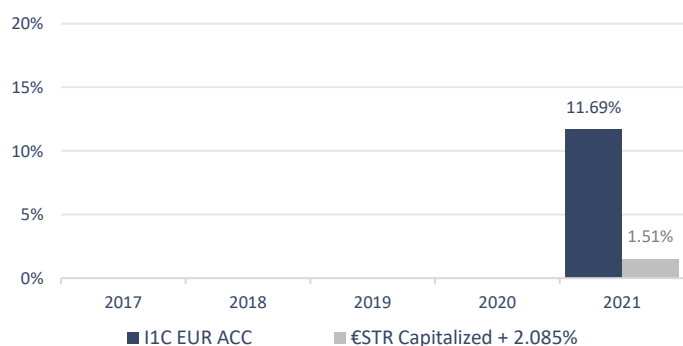
Fees indicated correspond to the maximum rate that can be applied to the subscription or redemption price on any dealing day. Investors may however incur lesser fees. Actual amount for subscription and redemption fee will be made available to shareholders by their advisors or distributors.

ANNUAL FEES PAYABLE TO THE SUB-FUND	
Ongoing Fees (*)	1.25%
ADDITIONAL FEES PAYABLE TO THE SUB-FUND	
Performance Fees	10% all taxes included of the annual outperformance net of fees of the Sub-Fund relative to the €STR capitalized +8.5 bps +2%, with High Water Mark (1.22% on last financial year)

(\*) "Ongoing charges" are based on figures for the previous year, ended December 2021. 'Ongoing Fees' exclude performance and brokerage fees except in the case of subscription and/or redemption fees paid by the Sub-Fund when buying or selling units or shares of other collective investment vehicle.

For more information on fees, please refer to the section "Fees" of the Sub-Fund's prospectus available online at [www.longchamp-am.com](http://www.longchamp-am.com)

## PAST PERFORMANCES



**WARNING: Past performance is not a guarantee of future performances. Performance may change over time.**

Performance is calculated assuming reinvestment of coupons and dividends, net of direct and indirect fees, and excluding subscription and redemption fee.

The Sub-Fund's Benchmark takes into account capitalization of interests.

Date of creation of I1C share	31/01/2020	Reference currency	Euro
Date of creation of the Sub-Fund	31/01/2020	Important changes during the period	None
Date of creation of the SICAV	22/08/2019		

## USEFUL INFORMATION

**CUSTODIAN:** Société Générale

**CONDITIONS FOR OBTAINING INFORMATION ON THE SUB-FUND (prospectus/financial statements):** may be made in written and will be sent in French (free of charge) within a week of receiving the request at:

Longchamp Asset Management - 30 rue Galilée - 75116 – Paris  
or by e-mail to [ir@longchamp-am.com](mailto:ir@longchamp-am.com)

**REQUEST FOR ADDITIONAL INFORMATION (INCLUDING THE SUB-FUND'S NET ASSET VALUE)** may be made to any institution eligible for centralizing subscription and redemption orders in the Sub-Fund. The net asset value and the details of the remuneration policy are available upon request to Longchamp Asset Management.

**MORE INFORMATION ON OTHER SHARE CLASSES CAN BE OBTAINED THROUGH (the Sub-Fund offers several share classes: I1C, I2C, I1D and R):** Longchamp Asset Management.

**TAX REGIME:** Depending on the investor's tax regime, capital gains and income resulting from the ownership of shares in the Sub-Fund may be subject to taxation.

The SICAV as such is not subject to corporate tax and fiscal transparency is applicable to the bearer of the share. Income and capital gains associated with holding shares of the SICAV may be subject to tax depending on the tax regime applicable to each investor.

**Addressed only to French tax residents and provided in accordance with the legislation in force in France to date, this information is given for information only and does not constitute or be interpreted in any way as personalized recommendations. The recipient cannot obtain any legal, accounting or tax advice from it and will be solely responsible for the use he makes of this information.**

**Shareholders are advised to seek the advice of their professional tax advisor.**

**COMPENSATION POLICY:** Longchamp Asset Management has implemented a compensation policy that complies with the requirements of the UCITS V Directive and ESMA Guidelines. This compensation policy is consistent and promotes a sound and effective risk management and does not encourage risk taking that would be incompatible with the risk profiles, the regulations and the constituent documents of the UCITS it manages. This policy is also consistent with the interests of UCITS and its investors. Please refer to the prospectus "VII. Remuneration Policy" section for further details.

**LONGCHAMP ASSET MANAGEMENT may be held liable solely on the basis of any information contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Sub-Fund's Prospectus. LONGCHAMP ASSET MANAGEMENT cannot therefore be held liable to the recipient for any direct or indirect damage resulting from the use of any other information provided therein.**

The Sub-Fund is approved by French Law and regulated by the Autorité des Marchés Financiers ("AMF").  
Longchamp Asset Management is authorized by the French law and regulated by the AMF.  
Investor's key information delivered in this prospectus are updated as of 28/02/2022.