



LA FRANCAISE CARBON IMPACT INCOME

**STATUTORY AUDITOR'S REPORT
ON THE ANNUAL ACCOUNTS
Financial year ending on 31 December 2021**



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Financial year ending on 31 December 2021**

LA FRANCAISE CARBON IMPACT INCOME
UCITS ESTABLISHED IN THE FORM OF A MUTUAL FUND (FONDS COMMUN DE PLACEMENT)
FEEDER
Governed by the Monetary and Financial Code

Management company
LA FRANCAISE ASSET MANAGEMENT
128, boulevard Raspail
75006 PARIS

Opinion

In the performance of the role entrusted to us by the management company, we have audited the annual financial statements of the UCITS established as a feeder mutual fund LA FRANCAISE CARBON IMPACT INCOME for the year ending 31 December 2021, as attached to this report.

We hereby certify that the annual accounts give a true and fair view of the results of operations for the past financial year and of the financial situation and the assets of the UCITS established in the form of a mutual fund at the end of said financial year, in conformity with French accounting regulations and principles.

Basis of the opinion

Auditing standard

We have carried out our audit in accordance with the professional standards applicable in France. We deem the evidence gathered to be a sufficient and suitable basis for our opinion. Our responsibilities in accordance with our obligations under these standards are defined in the section "*Auditor's Responsibilities for the Audit of the Annual Accounts*" of this report.

Independence

We carried out our audit in accordance with the independence rules stipulated by the Commercial Code and the professional Code of Ethics applicable to statutory auditors, from 1 January 2021 to the date of publication of our report.

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Documents supporting our findings

The global crisis caused by the COVID-19 pandemic has created special conditions for the preparation and auditing of the accounts for this financial year. Indeed, this crisis and the exceptional measures taken within the framework of the state of health emergency have caused a whole range of consequences for undertakings for collective investment, their investments and the valuation of the corresponding assets and liabilities. Some of these measures, such as travel restrictions and remote working, have also had an impact on the operational management of undertakings for collective investment and on how audits are carried out.

It is in this complex and constantly evolving context that – in accordance with the provisions of Article L.823-9 and R.823-7 of the Commercial Code pertaining to the documentation supporting our findings – we bring to your attention only those findings which, according to our professional judgement, were the most important for the audit of the annual accounts for the financial year, concerned the appropriateness of the accounting principles applied as well as the reasonableness of the significant estimates made and the overall presentation of the accounts.

The assessments made form part of the process of auditing the annual accounts, taken in their entirety and contributing to the formulation of our opinion expressed above. We will not express an opinion on items in these annual accounts that are viewed in isolation.

Specific checks

We also carried out the specific checks provided for by legal and regulatory requirements in accordance with the professional standards applicable in France.

We have no comments concerning the accuracy of the information stated in the management report drafted by the Management Company and its consistency with the annual accounts.

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Accountancy firm duly registered with the Regional Council of Paris - Ile-de-France. Audit firm, member of the Compagnie Régionale de Versailles. Société par Actions Simplifiée (simplified joint stock company) with a capital of EUR 2,510,460. Head office: 63, rue de Villiers, 92200 Neuilly-sur-Seine. RCS Nanterre 672 006 483. VAT – FR 76 672 006 483. Siret – 672 006 483 00362. APE code 6920 Z. Offices: Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Nantes, Nice, Paris, Poitiers, Rennes, Rouen, Strasbourg and Toulouse.



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Management company responsibilities with regard to the annual accounts

The management company must draw up annual accounts which are a true and faithful representation of the business in accordance with French accounting rules and principles, and implement any internal controls it deems necessary in order to prepare annual accounts that do not include any significant anomalies whether due to fraud or error.

When drafting the annual accounts, it is the responsibility of the management company to evaluate the fund's ability to continue its operations, to present in these accounts, where appropriate, the necessary information relating to the continuity of operations and to apply the accounting policy on a going concern basis, unless it is intended to liquidate the fund or to cease trading.

The management company prepared the annual accounts.

Auditor's responsibilities for the audit of the annual accounts

Audit objective and procedure

It is our responsibility to draft a report on the annual accounts. Our objective is to obtain reasonable assurance that the annual accounts as a whole do not contain any material misstatement. Reasonable assurance corresponds to a high level of assurance; however, it does not guarantee that an audit carried out in accordance with the standards of professional practice may systematically detect any significant anomaly. Misstatements may arise from fraud or error and are considered significant when it can reasonably be expected that, whether taken individually or cumulatively, they may influence the financial decisions taken by users of the accounts on the basis of the information provided in them.

As stated in Article L.823-10-1 of the Commercial Code, our role in terms of the certification of accounts is not to guarantee the viability or the quality of the management of the fund.

Throughout the audit, carried out in accordance with the professional standards applicable in France, the statutory auditor shall exercise their professional judgement. In addition:

- they shall identify and assess the risks that the annual accounts contain significant anomalies, whether due to fraud or error, establish and implement audit procedures to tackle these risks and gather elements which they consider sufficient and appropriate to base their opinion on. The risk of material misstatement not being detected is higher when it results from fraud than with one resulting from an error because fraud may involve collusion, forgery, voluntary omissions, misrepresentation or the bypassing of internal controls;

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- they shall take note of the internal controls relevant to the audit in order to establish appropriate audit procedures, without expressing an opinion on the effectiveness of internal controls;
- they shall evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management company, as well as the information associated with them provided in the annual accounts;
- they shall evaluate the suitability of the application by the management company of the accounting policy on a going concern basis and, according to the elements collected, the existence or not of a significant uncertainty in terms of events or circumstances likely to call into question the fund's ability to continue its business operations. This evaluation is based on the evidence collected up to the date of the report; please note, however, that subsequent circumstances or events could jeopardise the ability of the UCI to continue as a going concern. If they conclude that there is significant uncertainty, they shall draw the reader's attention to the information provided in the annual accounts about this uncertainty or, if this information has not been provided or is irrelevant, they shall issue a certificate with reservations or refuse to issue a certificate;
- they shall evaluate the overall presentation of the annual accounts and assess whether the annual accounts reflect the underlying operations and events in order to provide a true and faithful representation.

In accordance with the law, we inform you that we were not able to issue this report within the regulatory deadlines given the late receipt of certain documents necessary for the completion of our work.

Neuilly-sur-Seine, date of electronic signature

Document authenticated by electronic signature
Statutory Auditor
PricewaterhouseCoopers Audit
Frédéric SELLAM

2022.06.08 17:57:07 +0200

LA FRANCAISE CARBON IMPACT INCOME

Balance sheet assets

	Financial year 31/12/2021	Financial year 31/12/2020
Deposits	-	-
Financial instruments	18,277,095.60	18,351,577.48
Securities in undertakings for collective investment	18,277,095.60	18,351,577.48
Master UCI	18,277,095.60	18,351,577.48
Temporary securities transactions	-	-
Other temporary transactions	-	-
Financial futures	-	-
Transactions on a regulated or similar market	-	-
Other transactions	-	-
Receivables	2,441.76	2,300.18
Forward exchange transactions	-	-
Other	2,441.76	2,300.18
Financial accounts	35,060.82	31,694.42
Liquidity	35,060.82	31,694.42
TOTAL ASSETS	18,314,598.18	18,385,572.08

Balance sheet liabilities

	Financial year 31/12/2021	Financial year 31/12/2020
Shareholders' equity	-	-
Capital	18,353,847.79	19,127,664.40
Prior undistributed net capital gains and losses (a)	-	-
Balance carried forward (a)	-	-
Net capital gains and losses for the financial year (a, b)	63,034.02	-700,114.81
Profit or loss for the financial year (a, b)	-135,546.95	-86,361.80
Total shareholders' equity (= amount representative of net assets)	18,281,334.86	18,341,187.79
Financial instruments	-	-
Sale of financial instruments	-	-
Temporary securities transactions	-	-
Payables representing securities loaned under repurchase agreements	-	-
Payables representing securities borrowed	-	-
Other temporary transactions	-	-
Financial futures	-	-
Transactions on a regulated or similar market	-	-
Other transactions	-	-
Payables	33,263.32	44,384.29
Forward exchange transactions	-	-
Other	33,263.32	44,384.29
Financial accounts	-	-
Current bank overdrafts	-	-
Loans	-	-
TOTAL LIABILITIES	18,314,598.18	18,385,572.08

(a) Including accruals.

(b) Less prepayments made during the financial year

Off-balance sheet

	Financial year 31/12/2021	Financial year 31/12/2020
Hedging transactions		
Commitments on regulated markets or similar		
Over-the-counter commitments		
Other positions		
Other transactions		
Commitments on regulated markets or similar		
Over-the-counter commitments		
Other positions		

Profit and loss account

	Financial year 31/12/2021	Financial year 31/12/2020
Profit on financial transactions	-	-
Profit on equities and similar securities	-	-
Profit on bonds and similar securities	-	-
Profit on debt securities	-	-
Profit on temporary purchases and sales of securities	-	-
Profit on financial futures	-	-
Profit on deposits and financial accounts	-	-
Other financial income	-	-
TOTAL I	-	-
Loss on financial transactions	-	-
Fees on temporary purchases and sales of securities	-	-
Loss on financial futures	-	-
Fees on financial debts	-183.72	-340.56
Other financial expenses	-	-
TOTAL II	-183.72	-340.56
Profit or loss for financial transactions (I + II)	-183.72	-340.56
Other income (III)	-	-
Management fees and depreciation charges (IV)	-137,367.68	-86,160.26
Net profit or loss for financial year (I + II + III + IV)	-137,551.40	-86,500.82
Adjustment of income for the financial year (V)	2,004.45	139.02
Prepayments made on profit or loss during the financial year (VI)	-	-
Profit or loss (I + II + III + IV + V + VI)	-135,546.95	-86,361.80

Accounting principles and methods

The annual accounts are presented in the form provided for by ANC Regulation 2014-01, as amended. The accounts have been drawn up by the Management Company using the data available in light of the ongoing COVID-19 crisis.

The accounting currency is the euro.

All transferable securities in the portfolio are recorded at historical cost, excluding fees.

Fixed-term securities, options and financial futures held in the portfolio which are denominated in foreign currencies are converted into the accounting currency at the exchange rate quoted in Paris on the valuation date.

The portfolio is valued at each net asset value calculation and at the end of the accounting period, according to the following methods:

Transferable securities

UCIs: at the last known net asset value or at the last estimated value. The net asset values of the securities of foreign undertakings for collective investment that are valued on a monthly basis are confirmed by the Fund administrators. The valuations are updated on a weekly basis based on estimates notified by the administrators of these UCIs and are validated by the manager.

Financial management fees

- 0.562% (incl. tax) maximum for I units

- 1.162% (incl. tax) maximum for R units

The allocation is calculated on the basis of net assets. These costs (excluding transaction costs) will be directly charged to the Fund's profit and loss account.

These fees comprise all the costs billed to the UCI, with the exception of transaction fees. Transaction fees include intermediation costs (brokerage, stock exchange tax, etc.) and any turnover fees charged in particular by the Depositary and the Management Company.

Administrative costs external to the management company

- 0.238% (incl. tax) maximum rate on the basis of the net assets for I and R units.

Research costs

None

Outperformance fee

None

Rebates on management fees

None

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Accounting method for interest

Accrued interest.

Allocation of realised profits

Capitalisation for I units
Capitalisation for R units

Allocation of net realised capital gains

Capitalisation for I units
Capitalisation for R units

Changes affecting the fund

From 31/12/2021: Change of fund name: formerly La Francaise Multi-Asset Income.

Changes in net assets

	Financial year 31/12/2021	Financial year 31/12/2020
Net assets at the beginning of the financial year	18,341,187.79	17,099,938.22
Subscriptions (including subscription fees for the UCI)	349,754.30	2,431,967.74
Redemptions (less redemption fees paid to the UCI)	-802,269.66	-1,994,781.52
Capital gains realised on deposits and financial instruments	63,643.52	9,584.99
Capital losses realised on deposits and financial instruments	-	-646,033.44
Capital gains realised on financial futures	-	-
Capital losses realised on financial futures	-	-
Transaction fees	-	-
Exchange rate differences	-	-2.82
Variation in the valuation difference on deposits and financial instruments:	466,570.31	1,527,015.44
Valuation difference for financial year N	1,477,040.85	1,010,470.54
Valuation difference for financial year N-1	-1,010,470.54	516,544.90
Variation in the valuation difference on financial futures:	-	-
Valuation difference for financial year N	-	-
Valuation difference for financial year N-1	-	-
Distribution on net capital gains and losses for the previous financial year	-	-
Distribution of profits for the previous financial year	-	-
Net profit or loss for the financial year before accrued income	-137,551.40	-86,500.82
Prepayment(s) made during the financial year on net capital gains and losses	-	-
Prepayment(s) made on profit or loss during the financial year	-	-
Other items	-	-
Net assets at the end of the financial year	18,281,334.86	18,341,187.79

Additional information 1

	Financial year 31/12/2021
Commitments received or made	
Commitments received or made (capital guarantee or other investments) (*)	-
Current value of financial instruments in the portfolio representing collateral	
Financial instruments received as collateral and not recognised on the balance sheet	-
Financial instruments given as collateral and recognised under their original line item	-
Financial instruments in the portfolio issued by the service provider or entities of the same group	
Deposits	-
Shares	-
Interest rate securities	-
UCI	18,277,095.60
Temporary purchases and sales of securities	-
Swaps (nominal)	-
Current value of financial instruments which are the subject of temporary acquisitions	
Repurchased securities	-
Securities under repurchase agreements	-
Securities borrowed	-

(*) For guaranteed UCIs, the information is given in the accounting principles.

Additional information 2

	Financial year 31/12/2021	
Issues and redemptions during the financial year	Number of securities	
Class category I (Currency: EUR)		
Number of securities issued	8.29554	
Number of securities redeemed	32.92365	
Class category R (Currency: EUR)		
Number of securities issued	208.92183	
Number of securities redeemed	331.17337	
Subscription and/or redemption fees	Amount (EUR)	
Subscription fees paid to the UCI	-	
Redemption fees paid to the UCI	-	
Subscription fees received and reassigned	-	
Redemption fees received and reassigned	-	
Management fees	Amount (EUR)	% of average net assets
Class category I (Currency: EUR)		
Management and operating fees (*)	116,246.10	0.69
Outperformance fees	-	-
Other fees	-	-
Class category R (Currency: EUR)		
Management and operating fees (*)	21,121.58	1.29
Outperformance fees	-	-
Other fees	-	-
Rebates on management fees (all units)	-	

(*) For UCIs whose financial year is not equal to 12 months, the percentage of average net assets is the average annualised rate.

Breakdown of receivables and payables by type

	Financial year 31/12/2021
Breakdown of receivables by type	
Tax credit to be recovered	
Deposit – euros	
Deposit – other currency	
Cash collateral	
Valuation of currency futures purchases	
Countervalue of futures sales	
Other debtors	2,441.76
Coupons receivable	
TOTAL RECEIVABLES	2,441.76
Breakdown of payables by type	
Deposit – euros	
Deposit – other currency	
Cash collateral	
Provision for borrowing charges	
Valuation of currency futures sales	
Countervalue of futures purchases	
Fees and charges owed	33,263.32
Other creditors	
Provision for market liquidity risk	
TOTAL PAYABLES	33,263.32

Breakdown of instruments by legal or economic type

	Financial year 31/12/2021
Off-balance sheet	
Hedging transactions	
Rates	-
Shares	-
Other	-
Other transactions	
Rates	-
Shares	-
Other	-

Breakdown of assets, liabilities and off-balance sheet items by rate type

	Fixed rate	Floating rate	Adjustable rate	Other
Off-balance sheet				
Hedging transactions	-	-	-	-
Other transactions	-	-	-	-

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Breakdown of assets, liabilities and off-balance sheet items by residual maturity

	[0 - 3 months]	[3 months - 1 year]	[1 - 3 years]	[3 - 5 years]	> 5 years
Off-balance sheet					
Hedging transactions	-	-	-	-	-
Other transactions	-	-	-	-	-

Breakdown of assets, liabilities and off-balance sheet items by currency listing

	Currency
Assets	None
Master UCI	-
Temporary securities transactions	-
Other financial instruments	-
Receivables	-
Financial accounts	-
Liabilities	None
Temporary securities transactions	-
Payables	-
Financial accounts	-
Off-balance sheet	None
Hedging transactions	-
Other transactions	-

As at 31 December 2021, the portfolio contains only financial instruments denominated in the reference currency

Allocation of profit or loss

Class category I (Currency: EUR)

Allocation table for distributable amounts related to profit or loss

	Financial year 31/12/2021	Financial year 31/12/2020
Amounts to be allocated		
Balance carried forward	-	-
Profit or loss	-115,439.91	-68,367.68
Total	-115,439.91	-68,367.68
Allocation		
Distribution	-	-
Balance carried forward for the financial year	-	-
Capitalisation	-115,439.91	-68,367.68
Total	-115,439.91	-68,367.68
Information on securities with distribution rights		
Number of securities	-	-
Unit distribution	-	-
Tax credits and tax assets related to distribution of income		
Total tax credits and tax assets		
for the financial year	-	-
for the financial year N-1	-	-
for the financial year N-2	-	-
for the financial year N-3	-	-
for the financial year N-4	-	-

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Allocation table for distributable amounts relating to net gains and losses

	Financial year 31/12/2021	Financial year 31/12/2020
Amounts to be allocated		
Previous undistributed net gains and losses	-	-
Net capital gains and losses for the financial year	57,649.61	-636,100.95
Prepayments made on net capital gains and losses for the financial year	-	-
Total	57,649.61	-636,100.95
Allocation		
Distribution	-	-
Undistributed net gains and losses	-	-
Capitalisation	57,649.61	-636,100.95
Total	57,649.61	-636,100.95
Information on securities with distribution rights		
Number of securities	-	-
Unit distribution	-	-

LA FRANCAISE CARBON IMPACT INCOME

Class category R (Currency: EUR)

Allocation table for distributable amounts related to profit or loss

	Financial year 31/12/2021	Financial year 31/12/2020
Amounts to be allocated		
Balance carried forward	-	-
Profit or loss	-20,107.04	-17,994.12
Total	-20,107.04	-17,994.12
Allocation		
Distribution	-	-
Balance carried forward for the financial year	-	-
Capitalisation	-20,107.04	-17,994.12
Total	-20,107.04	-17,994.12
Information on securities with distribution rights		
Number of securities	-	-
Unit distribution	-	-
Tax credits and tax assets related to distribution of income		
Total tax credits and tax assets		
for the financial year	-	-
for the financial year N-1	-	-
for the financial year N-2	-	-
for the financial year N-3	-	-
for the financial year N-4	-	-

LA FRANCAISE CARBON IMPACT INCOME

Allocation table for distributable amounts relating to net gains and losses

	Financial year 31/12/2021	Financial year 31/12/2020
Amounts to be allocated		
Previous undistributed net gains and losses	-	-
Net capital gains and losses for the financial year	5,384.41	-64,013.86
Prepayments made on net capital gains and losses for the financial year	-	-
Total	5,384.41	-64,013.86
Allocation		
Distribution	-	-
Undistributed net gains and losses	-	-
Capitalisation	5,384.41	-64,013.86
Total	5,384.41	-64,013.86
Information on securities with distribution rights		
Number of securities	-	-
Unit distribution	-	-

Table of income and other characteristic items for the last five financial years

Class category I (Currency: EUR)

	29/12/2017	31/12/2018	31/12/2019	31/12/2020	31/12/2021
Net asset value (in EUR)					
C units	12,791.11	11,307.00	11,865.75	12,429.36	12,704.62
Net assets (in EUR thousands)	23,110.79	14,630.16	14,530.41	16,667.77	16,724.01
Number of securities					
C units	1,806.78460	1,293.90193	1,224.56678	1,340.99972	1,316.37161

Payment date	29/12/2017	31/12/2018	31/12/2019	31/12/2020	31/12/2021
Unit distribution on net capital gains and losses (including deposits) (in EUR)	-	-	-	-	-
Unit distribution on profit or loss (including deposits) (in EUR)	-	-	-	-	-
Unit tax credit (*) natural persons (in EUR)	-	-	-	-	-
Unit capitalisation on net capital gains and losses (in EUR)					
C units	289.20	-714.80	-61.65	-474.34	43.79
Unit capitalisation on profit or loss (in EUR)					
C units	-145.77	-66.08	-172.83	-50.98	-87.69

(*) "The unit tax credit is determined on the date of payment, pursuant to the tax directive of 4 March 1993 (Ints. 4 K-1-93). The theoretical amounts, calculated according to the rules applicable to natural persons, are presented here as a guide. "Tax directive 4 J-2-99 of 8 November 1999 also states that the beneficiaries of tax credits other than natural persons are themselves responsible for calculating the amount of tax credits to which they are entitled."

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Class category R (Currency: EUR)

	29/12/2017	31/12/2018	31/12/2019	31/12/2020	31/12/2021
Net asset value (in EUR)					
C units	1,208.69	1,060.38	1,106.15	1,150.60	1,169.05
Net assets (in EUR thousands)	14,357.73	3,164.84	2,569.53	1,673.41	1,557.32
Number of securities					
C units	11,878.70230	2,984.61467	2,322.93031	1,454.37780	1,332.12626

Payment date	29/12/2017	31/12/2018	31/12/2019	31/12/2020	31/12/2021
Unit distribution on net capital gains and losses (including deposits) (in EUR)	-	-	-	-	-
Unit distribution on profit or loss (including deposits) (in EUR)	-	-	-	-	-
Unit tax credit (*) natural persons (in EUR)	-	-	-	-	-
Unit capitalisation on net gains and losses (in EUR)					
C units	27.32	-67.15	-5.77	-44.01	4.04
Unit capitalisation on profit or loss (in EUR)					
C units	-24.18	-14.84	-22.75	-12.37	-15.09

(*) The unit tax credit is determined on the date of payment, pursuant to the tax directive of 4 March 1993 (Ints. 4 K-1-93). The theoretical amounts, calculated according to the rules applicable to natural persons, are presented here as a guide. "Tax directive 4 J-2-99 of 8 November 1999 also states that the beneficiaries of tax credits other than natural persons are themselves responsible for calculating the amount of tax credits to which they are entitled."

LA FRANCAISE CARBON IMPACT INCOME

Inventory of financial instruments as at 31 December 2021

Asset and denomination of securities	Quantity	Price	Listing currency	Current value	Rounded % of the net assets
UCI securities				18,277,095.60	99.98
General purpose UCITS and AIF intended for non-professionals and equivalent in other Member States of the European Union				18,277,095.60	99.98
LA FRANCAISE LUX CARBON IMPACT INCOM FEC	16,788	1,088.70	EUR	18,277,095.60	99.98
Receivables				2,441.76	0.01
Payables				-33,263.32	-0.18
Deposits				-	-
Other financial accounts				35,060.82	0.19
TOTAL NET ASSETS			EUR	18,281,334.86	100.00