UCITS governed by European Directive 2009/65/EC

OSTRUM SRI CREDIT ULTRA SHORT PLUS

Mutual Fund

PROSPECTUS
DATED 1 SEPTEMBER 2023

I GENERAL CHARACTERISTICS

I.1 Form of the UCITS

► **Name:** OSTRUM SRI CREDIT ULTRA SHORT PLUS

► **Legal form of the Fund:** French mutual fund (hereinafter the "**FCP**" or the "**Fund**")

► **Inception date and expected term:** Fund created on 27 November 2000 for a term of 99 years in the form of a simplified-procedure UCITS and then converted into a contractual UCITS on 11 February 2013. It became a Retail Investment Fund on 21 September 2015.

► **Date of AMF approval:**
The Fund was approved by the AMF on 8 September 2015 in the scope of its conversion into a Retail Investment Fund on 21 September 2015. It was subsequently approved by the AMF on 20 December 2017 in the scope of its conversion into a UCITS on 29 December 2017.

► **Summary of the management offer**

Unit classes	ISIN code	Allocation of distributable income	Base currency	Minimum initial subscription	Minimum subsequent subscription	Target subscribers	Initial net asset value
A (C)	FR0013268968	Accumulation	Euro	€300,000,000	One ten-thousandth of a unit	All subscribers	€10,000
I (C)	FR0013231453	Accumulation	Euro	€100,000	One ten-thousandth of a unit	All subscribers, and in particular institutional investors.	€1,000
SI (C)	FR0007053749	Accumulation	Euro	€500,000	One ten-thousandth of a unit	All subscribers, and in particular institutional investors.	€1,000
N (C)	FR0014002LE9	Accumulation	Euro	One ten-thousandth of a unit	One ten-thousandth of a unit	All subscribers, and in particular investors subscribing via distributors or intermediaries that are subject to	€1,000

						national legislation prohibiting all retrocessions to distributors, or that provide an independent advisory service as defined by the European MiFiD II regulation or an individual portfolio management service under mandate	
R (C)	FR001400CFA4	Accumulation	Euro	One ten-thousandth of a unit	One ten-thousandth of a unit	All subscribers, and in particular private individuals	€100
RE (C)	FR001400KCZ1	Accumulation	Euro	One ten-thousandth of a unit	One ten-thousandth of a unit	All subscribers, and in particular life-insurance and advisory platforms	€100

❒ ***ADDRESS FROM WHICH THE LATEST ANNUAL AND INTERIM REPORTS, AS WELL AS THE ASSET COMPOSITION DETAILS, MAY BE OBTAINED:***

These documents will be sent to the unitholder within eight working days of receipt of a written request to:

Natixis Investment Managers International
43 avenue Pierre Mendès-France, 75013 Paris, France
These documents are available on request from the following email address:
Email: ClientServicingAM@natixis.com

ADDRESS FROM WHICH THE LATEST NET ASSET VALUE MAY BE OBTAINED:

The Fund's net asset value may be obtained from Natixis Investment Managers International at the following email address:
Email: ClientServicingAM@natixis.com

ADDRESS FROM WHICH INFORMATION ON PAST PERFORMANCE MAY BE OBTAINED:

Past performance is updated each year in the KIID. This will be sent to the investor within eight business days of receipt of a written request to:
Natixis Investment Managers International
43 avenue Pierre Mendès-France, 75013 Paris, France
Or via email to the following address: ClientServicingAM@natixis.com

PROCEDURES AND COMMUNICATION DEADLINES FOR INFORMATION RELATING TO RISK PROFILE, LIQUIDITY RISK MANAGEMENT, LEVERAGE AND COLLATERAL MANAGEMENT:

Information relating to the management of liquidity risk, the maximum leveraging that the Fund may use, the right to re-use the pledged assets of the Fund, and guarantees provided by leverage arrangements, if any, is provided in the Fund's annual report.

► Date and frequency of net asset value calculation:

The net asset value is calculated on every Euronext Paris trading day, with the exception of French public holidays in accordance with the French Labour Code.

The net asset value may be obtained from:
Natixis Investment Managers International - 43 avenue Pierre Mendès France - 75013 Paris, France
Website: www.im.natixis.com

► ***Information for professional investors:***
Natixis Investment Managers International may send the breakdown of the UCI's portfolio to professional investors under the control of the ACPR (Autorité de contrôle prudentiel et de résolution [French prudential supervision and resolution authority]), the AMF or equivalent European authorities, for the sole purpose of calculating regulatory requirements under Directive 2009/138/EC (Solvency II).

I.2 Parties involved

► MANAGEMENT COMPANY:

Natixis Investment Managers International
Legal form: société anonyme (public limited company)
Approved by the Autorité des Marchés Financiers, the French financial markets authority, hereinafter referred to as "the AMF", under number GP 90-009
43 avenue Pierre Mendès France, 75013 Paris, France

The Fund is managed by the management company in accordance with the guidelines specified for the Fund. The management company acts in all circumstances on behalf of the unitholders and has the exclusive right to exercise the voting rights attached to the securities held in the Fund.

To cover potential risks in terms of liability for professional negligence to which the management company may be exposed in the course of managing the Fund, the management company has chosen to provide additional funds of its own and not take out specific professional liability insurance.

► INTERMEDIARY

NATIXIS TradEx Solutions
Legal form: société anonyme (public limited company)
Authorised by the ACPR on 23 July 2009 as a bank providing investment services
59 avenue Pierre Mendès France, 75013 Paris, France

The purpose of the intermediation company is to provide intermediation services (i.e. to receive, transmit and execute orders on behalf of third parties) for the management company. The management company sends NATIXIS TradEx Solutions almost all of its orders in financial instruments resulting from management decisions. NATIXIS TradEx Solutions also handles almost all temporary purchases/sales of securities.

► Depositary and custodian by delegation of the management company:

CACEIS Bank
Legal form: Credit institution approved by the ACPR (French Prudential Control Authority)
Registered office: 89–91 rue Gabriel Péri – 92120 Montrouge, France
Postal address: 12 place des États-Unis - CS 40083 - 92549 Montrouge CEDEX, France
The depositary carries out the duties for which it is responsible under the laws and regulations in force and those contractually entrusted to it by the portfolio management company. Above all, it must ensure that decisions taken by the portfolio management company are lawful. Where applicable, it must take any protective measures it deems necessary. In the event of a dispute with the management company, it shall inform the French Financial Markets Authority (Autorité des marchés financiers – AMF).

Under the authority of the management company, the depositary has been entrusted with the liability accounting for the Fund and, to this end, is responsible for clearing and processing subscription and redemption requests relating to the Fund's units. Accordingly, as issuer account-keeper, the depositary manages the relationship with Euroclear France for all transactions requiring its intervention.

▶ **Institution responsible for the clearing of subscription and redemption orders and for keeping the registers of units by delegation from the management company:**

The clearing of subscription and redemption orders and the keeping of the registers of units are, by delegation from the management company, performed by:

CACEIS Bank
Legal form: société anonyme (public limited company)
Credit institution authorised by the ACPR (formerly CECEI)
Registered office: 89–91 rue Gabriel Péri – 92120 Montrouge, France
Postal address: 12 place des États-Unis - CS 40083 - 92549 Montrouge CEDEX, France
For subscription and redemption orders placed by investors via the Natixis IM customer portal:

FundsDLT
Legal form: company incorporated in Luxembourg
7 avenue du Swing, L-4367 Belvaux, Grand Duchy of Luxembourg

The management company for the UCI has not identified any conflicts of interest that may arise from delegating the management of the issuance account to FundsDLT and CACEIS BANK.

▶ **Primary broker:** None

▶ **Statutory auditor:** Cabinet MAZARS - 61 rue Henri Regnault, 92075 LA DEFENSE CEDEX, France

▶ **Marketing agents**: Natixis Investment Managers International

▶ **Party responsible for accounting:**
Company name: CACEIS FUND ADMINISTRATION, which provides the Fund’s accounting management and valuation on behalf of Natixis Investment Managers International
Registered office: 89–91 rue Gabriel Péri – 92120 Montrouge, France
Postal address: 12 place des États-Unis - CS 40083 - 92549 Montrouge CEDEX, France
Nationality: French

The main duties of the party responsible for accounting is to provide, in France and abroad, services to support the management of financial assets, in particular the valuation and administrative and accounting management of the financial portfolios.

Delegation of financial management:
Company name: OSTRUM ASSET MANAGEMENT
Legal form: Public limited company (société anonyme) authorised as a portfolio management company under number GP18000014 Registered office: 43, avenue Pierre Mendès France, 75013 Paris, France

The management company has not identified any conflicts of interest that may arise from such arrangements.

► **Advisors:** None.

II OPERATING AND MANAGEMENT PROCEDURES

II.1 General features

▶ **ISIN codes:**

Unit	ISIN codes
SI (C)	FR0007053749
N (C)	FR0014002LE9
I (C)	FR0013231453
A (C)	FR0013268968
R (C)	FR001400CFA4
RE (C)	FR001400KCZ1

▶ **Unit features:**

- Rights associated with the unit class:

Each unitholder has co-ownership rights proportional to the number of units held.
Unitholders may be informed about changes affecting the Fund by any means that conform to AMF guidelines. Management of the Fund, which has no corporate personality and for which the rules concerning undivided ownership and companies have been waived, is carried out by the management company, acting on behalf of the unitholders and in their exclusive interest.

- Listing of units on Euroclear France: yes

- Entry in a register or establishment of procedures for liability accounting: Liability accounting is provided by CACEIS BANK.

- Voting rights: the units do not carry any voting rights. The management of the Fund is carried out by the management company, which acts on behalf of the holders and in their exclusive interest.

The management company's voting policy may be viewed at the registered office of the management company or at www.im.natixis.com.

- Type of units: bearer and registered form

- Division of units: units are split into ten-thousandths of a unit.

▶ **Financial year-end:**

The last net asset value published in December.
The first financial year ended on 31 December 2001

▶ **Information on the taxation system:**

The Fund is not subject to taxation in and of itself. Depending on your tax system, any capital gains and income related to the holding of any UCI shares or units may be subject to taxation. The applicable tax system therefore depends on the tax provisions pertaining to the unitholder's individual situation and place of residence. Investors are advised to consult their usual financial adviser for information on the procedures that apply to their personal circumstances. We recommend that you seek advice on this matter.

II.2 Specific provisions

▶ **CLASSIFICATION**
Bonds and other debt securities denominated in euros.

❑ ***HOLDING OF UNITS OR SHARES OF OTHER UCIs (UCITS OR AIFs) OR INVESTMENT FUNDS***
Up to 10% of net assets

▶ **Management objective:**

The Fund’s objective is to achieve an annualised performance that is higher than that of the capitalised €STR, respectively:

- 0.50% for SI (C), N (C) and I (C) units
- 0.55% for A (C) units
- 0.40% for R (C) units
- 0.05% for RE (C) units

over its minimum recommended investment period of two years, after deduction of the fixed operating and management charges applicable to the Fund, while systematically incorporating a socially responsible investment (SRI) strategy.

This Fund promotes environmental, social and governance (ESG) criteria, but its objective is not sustainable investment. It may invest partially in assets with a sustainable objective, e.g. those defined by the European Union classification.

The pre-contractual information on environmental or social characteristics of this Fund, required by Regulations (EU) 2019/2088 “SFDR” and (EU) 2020/852 “TAXONOMY”, are appended to this prospectus.

▶ **Benchmark index:**
The €STR (European Short-Term Rate).

The €STR is a new money market benchmark, calculated and published by its administrator, the ECB, which has been gradually replacing another short-term rate, the EONIA, since 2 October 2019.
The €STR is the market benchmark interbank interest rate in the eurozone.

It is calculated every day using data collected from several European banks.

Further information on the benchmark index is available on its administrator’s website: www.ecb.europa.eu.

The administrator of the benchmark index is not listed on the register of administrators and benchmark indices held by ESMA, as the ECB is exempt.

In accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016, the management company has a procedure for monitoring the reference indices that it uses, wherein the measures to be implemented in the event of a substantial change to an index, or of that index no longer being provided, are described.

The benchmark index as defined by Regulation (EU) 2019/2088 on sustainability reporting in the financial services sector (known as the “SFDR Regulation”) does not intend to seek alignment with the environmental or social ambitions promoted by the Fund.

▶ **Investment strategy:**

1) <u>Description of strategies used:</u>

In order to achieve its management objective in accordance with its risk profile, the Fund, which may be exposed at up to 120% in interest rate products, will put in place a selection and use strategy for debt securities and similar securities, financial instruments and term deposits subject exclusively to the limits described in the "2) Description of asset classes and financial contracts in which the Fund intends to invest and their contribution to achieving the management objective" section and complying with the management company's quality and prudential criteria, while systematically incorporating an SRI analysis.

More specifically, the main criteria for selecting debt securities and financial instruments used by the management company are quantitative criteria and qualitative criteria:

- quantitative criteria: debt securities and similar securities, futures and term deposits must have financial features (duration, indexation, currency, etc.) that are compatible with the Fund's "MANAGEMENT OBJECTIVE" and "RISK PROFILE" as described in this Prospectus, or directly related to their issue terms, or indirectly when backed by one or more financial instruments (primarily various swaps) forming an exclusive part of those described in the "2) Description of asset classes and financial contracts in which the Fund intends to invest and their contribution to achieving the management objective" section;

- qualitative criteria: debt securities and financial instruments must meet the management company's minimum securities rating requirements. These qualitative criteria are explained below in the "1) Debt securities, similar securities and financial instruments" section. The credit institutions with which the term deposits are made must meet the management company's credit quality criteria.

These criteria for selecting debt securities are combined with the implementation of a socially responsible investment (SRI) strategy. The investment teams systematically assess, for each underlying issuer, whether the non-financial factors have an impact on the issuer's credit risk profile, both in terms of risk and opportunity, as well as their likelihood of occurrence. Non-financial factors are thus systematically incorporated into the risk assessment and the fundamental analysis of issuers.

Specific strategies relating to the specific nature of certain instruments are developed following the description of these instruments in the "2) Description of asset classes and financial contracts in which the Fund intends to invest and their contribution to achieving the management objective" section.

The Fund is permanently exposed to fixed income securities denominated in euros. Exposure to equity risk does not exceed 10% of net assets.

Non-financial investment strategy — SRI

The sectoral and exclusion policy is applied to the initial investment universe.

The Fund's SRI investment strategy is based on the following four components:

1. Application of sectoral policies and exclusion lists put in place by the management company, such as:
- Regulatory exclusions
- Sectoral and exclusion policies (for example: tobacco, coal, controversial weapons etc.)
- Exclusion of "worst offenders": the management company undertakes to exclude from its investments the assets and financial instruments from all types of issuers that have committed proven and serious infringements of a set of core standards of responsibility

2. ESG incorporation

The Fund takes non-financial criteria into account for all portfolio lines, including environmental, social and governance (ESG) criteria.
The investment teams systematically assess, for each underlying issuer, whether the non-financial factors have an impact on the development and sustainability of the issuer, both in terms of risk and opportunity, as well as the

likelihood of material events occurring, if applicable. Therefore, the objective is to assess the materiality of specific criteria and their impacts on the overall assessment of issuers.

ESG factors are thus systematically incorporated into the risk assessment and the fundamental analysis of both private and public issuers.

Being private sector issuers, the ESG incorporation process is based on the management company's belief that material ESG factors, just like any other material factor, can have an impact on an issuer's credit risk and accordingly influence the assessment of its core standards. The credit incorporation process is a combination of an "issuer-by-issuer" approach and a sector-based approach. Qualitative and quantitative ESG factors are systematically integrated into the analysis of issuers, both in terms of risks and opportunities, as soon as they are considered to be material regarding sustainability for the issuer. The details of Ostrum's ESG incorporation policy can be found on its website.
The proportion of issuers in the portfolio that issue securities "eligible" for the SRI label and are subject to an ESG analysis must remain above 90% of net assets.

3. Non-financial analysis of issuers

The Fund's SRI analysis covers at least 90% of net assets, calculated on securities eligible for SRI analysis: debt securities issued by private and quasi-public issuers.

Although securities issued by public issuers are subject to ESG assessment, the results of the assessment are not measurably reflected in the SRI strategy described below. These government securities may represent up to 20% of the net assets of the Fund.

The analysis of the eligible universe is based on a tool with multiple non-financial rating sources made available to the management company.

The Investment Manager analyses a set of quantitative and qualitative indicators based on the environmental, social and governance pillars. The following examples are provided for information purposes only.

The non-financial rating of both private and quasi-public issuers is based on four pillars allowing for a pragmatic and differentiating analysis:
- Responsible governance: this pillar aims to assess the organisation and effectiveness of powers within each issuer (e.g. for companies, assessing the balance of powers, executive remuneration, business ethics or tax practices).
- Sustainable management of resources: this pillar makes it possible, for example, to study the environmental impacts and human capital of each issuer (e.g. quality of working conditions, management of relations with suppliers).
- Economic and energy transition: this pillar makes it possible, for example, to assess each issuer's strategy in favour of the energy transition (e.g. greenhouse gas reduction approach, response to long-term issues).
- Territorial development: this pillar makes it possible, for example, to analyse each issuer's strategy for access to basic services.

Several criteria are identified for each pillar and monitored through indicators collected from non-financial rating agencies. Ultimately, the management company is the sole judge of the non-financial quality of the issuer, which is expressed in a final rating of between 1 and 10, with the SRI score of 1 representing high non-financial quality and 10 representing low non-financial quality.

4. SRI selection process for issuers

The Fund has received the SRI label. As such, the Fund uses SRI criteria to select issuers to improve ESG performance in a sustainable and meaningful way, using the "average rating" method. More specifically, the SRI selection process for issuers must allow the Fund's portfolio to maintain an average ESG rating over time that is better than that of the initial investment universe used for comparison, defined as follows:

o For 50%: Bloomberg Euro Corporate Bond 1-3 Years index, from which the 20% of issuers with the lowest ESG ratings will be excluded (including the most controversial issuers according to Ostrum's exclusion and sectoral policies, as well as the lowest-rated issuers).

- For 50%: Bloomberg Euro High Yield 1-3 Years BB index, from which the 20% of issuers with the lowest ESG ratings will be excluded (including the most controversial issuers according to Ostrum's exclusion and sectoral policies, as well as the lowest-rated issuers).

It should be noted that, unless any specific exclusions have been decided by the management company, all securities of the above indices and all other securities meeting the quantitative or qualitative criteria set out in "1) Description of the strategies used" are eligible for the Fund's portfolio.

At the same time, for each of the SRI pillars—Environment, Social, Governance, Human Rights—the management company has defined a specific indicator that will be used to measure and compare the Fund's portfolio and the initial investment universe. These indicators are described in detail in the Fund's Transparency Code.

Limitations of the selected approach: the desire to improve the SRI profile of the Fund's portfolio according to the investment process described above may result in under-representation of certain sectors due to a poor ESG rating or due to the sector exclusion policies, as well as less diversification of issuer risk due to the need to comply with various constraints, particularly the average rating.

2) Description of asset classes and financial contracts in which the Fund intends to invest and their contribution to achieving the management objective:

1 Debt securities, similar securities and financial instruments:

The Fund's assets will be composed of debt securities, similar securities and financial instruments of all kinds, whether French or foreign, acquired by outright purchase, repo or any similar techniques, and term deposits, as defined by the French Monetary and Financial Code.

Typical issuer profile:
Debt securities and similar securities eligible for the Fund's assets will primarily be issued by private sector issuers (up to 120% of assets). At up to 20% of the Fund's net assets, the manager will be able to select government securities issued or guaranteed by the government, local authorities and public companies, or similar issuers.

Debt securities and similar private sector securities that may be acquired by the Fund without any specific limit must have been issued by issuers whose registered office nationality is of a Member State of the OECD.

At up to 20% of its net assets, the Fund may invest in debt securities and similar private sector securities issued by issuers whose registered office nationality is of a non-Member State of the OECD.

With regard to debt securities or similar securities issued by securitisation vehicles or equivalent, subscribers' attention is drawn to the fact that, within the scope of its management, the Fund may acquire, at up to 20% of its net assets, Asset-Backed Commercial Papers (ABCPs). Consequently, the Fund may therefore be directly subject to the specific risks attached to such financial instruments.

Legal and financial characteristics of typical debt securities and similar securities, and financial instruments:
These are transferable securities with the legal characteristic of a "debt security". In particular:

- negotiable debt securities: these are debt securities more specific to money market and interbank markets, usually with a maturity of less than one year but which may be longer. These include short-term negotiable securities, fixed-rate treasury bills (BTF), Commercial Paper and Euro Commercial Paper, etc.;

- bonds and various similar debt securities with the special feature of having had at issue a term generally exceeding one year and therefore likely to pay one or more intermediate coupons. These are bonds in the strict sense, medium-term notes (BMTN, EMTN, etc.);

These debt securities must have a 'dated' capital repayment, either by reference to a single repayment date (lump sum), or by reference to one or more partial repayment dates ('amortisable' debt), or by reference to multiple optional repayment dates at the discretion of the holder ('puttable' debt).

These debt securities may be issued in all currencies. However, in order to comply with the Fund's "***INVESTMENT STRATEGY",*** any foreign exchange risks will be excluded. Any debt security acquired whose nominal value and/or interest would be in a currency other than the euro must therefore be fully backed to one or more currency swaps in order to convert it into a debt in euros so as to meet the Fund's management objective (see currency swaps below).

These debt securities may bear interest at fixed or variable rate. They may be backed to one or more interest rate and/or currency swaps in order to convert them into debt securities that comply with the Fund's "***INVESTMENT STRATEGY***" so as to meet its management objective (see "interest rate swaps" and "currency swaps" below).

These debt securities may have "structured" interest or capital redemption conditions. In such cases, they must therefore be fully backed to one or more currency swaps in order to convert them into debts that meet the Fund's "***INVESTMENT STRATEGY"*** so as to meet its management objective.

The holding of convertible bonds, ORA (bonds reimbursable in shares) or OBSA (bonds with share subscription warrants), is limited to 10% of the Fund's net assets.
The holding of contingent convertible bonds is limited to 10% of the Fund's net assets. Exposure to equity risk following a conversion into equities does not exceed 10% of net assets.

Characteristics of debt securities and similar securities, and financial instruments, in terms of maturity:

With regard to the maximum residual maturity of each debt security, similar security or financial instrument held in the portfolio, this may not exceed two years.

Characteristics of the Fund's overall portfolio, in terms of maturity:

The maximum weighted average life (WAL) of the portfolio until the redemption date of the financial instruments may not exceed one year.

Exposure to the interest rate risk of debt securities and similar securities held in the portfolio:

Debt securities and similar securities may bear all types of coupon and/or indexation according to their conditions of issue (fixed rate, variable rate, adjustable rate, structured coupon, indexed coupon, etc.).
For debt securities and similar securities having, according to their conditions of issue, a coupon and/or indexation other than a fixed rate or a simple reference to the €STR or a simple reference to the EURIBOR of 1 to 12 months, a backstop will be systematically set up by a rate swap ("interest rate swap", "structured swap", etc.) to create a synthetic exposure of the debt or similar security concerned at a fixed rate or at the €STR or EURIBOR of 1 to 12 months.

Exposure to the Fund's interest rate risk taken as a whole

With regard to exposure to the Fund's interest rate risk as a whole, a minimum of 50% of the assets will be indexed to the €STR, either by the conditions of issue of debt securities and similar securities, or by the implementation of currency transactions with rate conditions ("interest rate swaps").

Exposure to currency risk

The Fund may not be exposed to currency risk. However, for the sake of diversification, the Fund may purchase debt securities and similar securities denominated in a currency other than the euro and/or whose coupons are paid in a currency other than the euro. In such cases, the currency risk of these debt securities and similar securities will each be systematically fully hedged through the implementation of currency swaps for this purpose.

Credit rating of securities and sensitivity to credit risk:

In the scope of management, the management company does not exclusively or mechanically use the ratings mentioned below but may take them into account in its own analysis, in the same way as other elements, in order to assess the credit quality of these assets and to decide, where appropriate, upon their acquisition or sale.

The manager may invest up to 50% of the Fund's net assets in unrated securities or in securities with a rating below BBB- (for S&P and/or Moody's) or Baa3 (Moody's), or with an equivalent rating from the management company.
A security is considered rated if it meets at least one of the following three conditions:

- The security is given a rating by one of three agencies: Standard & Poor's, Moody's or Fitch Ratings.
- The security's issuer is given a rating by one of three agencies: Standard & Poor's, Moody's or Fitch Ratings.
- The security's issuer is given a rating by the management company.

Thus, in the event that a security is not rated, it is the rating of the issuer that is taken into account, subject to the management company's analysis.

A security's rating scale is determined based on the rating(s) of a security by one or more of the three rating agencies, namely Standard & Poor's, Moody's and Fitch Ratings. In the event that a security is not rated by any of these agencies, its rating is instead based on the rating(s) of the security's issuer by the same agencies, subject to the management company's analysis. In the event that both a security and its issuer are not rated by these agencies, and only in this case, its rating is based on an equivalent rating given by the management company.

Subject to the management company's own credit risk analysis, where there is a discrepancy between the three aforementioned agencies' ratings, the rating used is determined based on the following method:

• If there are three ratings, only the two highest ratings are considered; if these two ratings are different, the lower rating is used; if these two ratings are the same, this rating is used.

• If there are two ratings, the lower rating is used.

• If there is only one rating, this rating is used.

If the rating of an issue already included in the portfolio falls below the minimum rating, the management company will conduct its own credit risk analysis and decide whether or not to retain the relevant securities in the portfolio. The primary consideration in making this decision will be the shareholders' interests.

2 Modified duration range

Modified duration range of the interest rate portion of the portfolio: 0 to +0.5.
Summary table:

<table>
<tr><th colspan="2"></th><th>Minimum</th><th>Maximum</th></tr>
<tr><td colspan="2">Modified duration range for credit spreads</td><td>0</td><td>2</td></tr>
<tr><td colspan="2">Modified duration range for interest rates</td><td>0</td><td>0.5</td></tr>
<tr><td rowspan="2">Issuers' geographic region*</td><td>OECD zone exposure</td><td>0%</td><td>100%</td></tr>
<tr><td>Exposure outside the OECD zone</td><td>0%</td><td>20%</td></tr>
</table>

*Calculated as a % of the Fund's total exposure

3 Holdings of shares or units in other UCITS, AIFs or investment funds

The Fund may hold units or shares in UCITS, AIFs or investment funds up to a limit of 10%:

UCITS under French law*	X
UCITS under European law*	X
AIFs under French law that comply with Article R. 214-13 of the French Monetary and Financial Code*	
AIFs under European law which comply with Article R. 214-13 of the French Monetary and Financial Code*	
Investment funds under foreign law which comply with Article R. 214-13 of the French Monetary and Financial Code*	

*These UCITS/AIFs/investment funds may not themselves hold more than 10% of their assets in UCITS/AIFs/investment funds.

The UCIs held in the Fund may be managed by the management company or a legally affiliated company.
If these are not internal UCIs, disparities in the SRI approach may exist between those used by the Fund's management company and those adopted by the management company which manages the selected external UCIs. In addition, some UCIs may not have an SRI approach.

4 Derivatives:

To achieve its management objective, the Fund may be exposed to (derivative) forward financial instruments traded on French and foreign regulated or organised markets or on over-the-counter markets, as set out in the table below. The Fund's overall exposure may reach 200% of its net assets.

On these markets, the Fund may invest in the following products:
- Interest rate derivatives (interest rate swaps);
- Equity derivatives (equity swaps);
- Forex derivatives (currency swaps);
- Index derivatives (index swaps); and
- Credit default swaps (CDS) in index or single-name form.

All these instruments can be used to hedge the portfolio against or expose the portfolio to the following risks:
- Credit risk;
- Interest rate risk;
- Exchange rate risk (hedging only);
- Equity risk (hedging only).

TABLE OF DERIVATIVES

Type of instruments used	***MARKET TYPE***			***RISK TYPE***					***OPERATION TYPE***			
	*Admission to regulated markets**	*Organised markets*	*Over-the-counter markets*	*Equity*	*interest rate*	*exchange rate*	*credit*	*other risk(s)*	*Hedging*	*Exposure*	*Transfer*	*Other strategy(-ies)*
Futures on												
equities												
interest rate												
exchange rate												
indices												
Options on												
equities												
interest rate												
exchange rate												
indices												
Swaps												
equities			X	X					X			
interest rate			X		X				X	X		
exchange rate			X			X			X			
indices			X	X	X	X	X		X			
Forward foreign exchange												
currency(-ies)			X			X			X			
Credit derivatives												
Credit Default Swap (CDS)			X				X		X	X		
First-to-default												
First-loss credit default swap												

*See the management company's policy on order execution available at www.im.natixis.com

5 Securities with embedded derivatives:

The Fund may also invest in securities with embedded derivatives.
The table below details the conditions that apply to the Fund's investment in derivatives and securities with embedded derivatives. The use of securities with embedded derivatives aims to achieve the Fund's management objective by:
- hedging the portfolio against equity and/or currency and/or credit risks;
- Increasing its exposure to interest rate and/or credit risks.

The Fund may commit up to 100% of its net assets in securities with embedded derivatives.

TABLE OF SECURITIES WITH EMBEDDED DERIVATIVES

Type of instruments used	RISK TYPE					OPERATION TYPE			
	equity	interest rate	exchange rate	Credit	other risk(s)	Hedging	Exposure	Transfer	*Other strategy(-ies)*
Warrants on									
equities									
interest rate									
exchange rate									
indices									
Subscription warrants									
equities									
interest rate									
Equity link									
Convertible bonds									
Exchangeable bonds	X	X		X		X	X		
Convertible bonds	X	X		X		X	X		
Contingent convertible bonds	X	X		X		X	X		
Callable interest rate products		X				X	X		
Puttable interest rate products		X				X	X		
Structured MTNs/EMTNs									
Structured MTNs	X	X	X	X		X	X		
Structured EMTNs	X	X	X	X		X	X		
Credit-linked notes (CLN)									
Other (to be specified)									

*See the management company's policy on order execution available at www.im.natixis.com

5 bis: Information relating to OTC financial agreements:

The counterparties are leading credit institutions and/or investment companies. They are selected and regularly assessed in accordance with the counterparty selection procedure, which is available on the portfolio management company's website: www.im.natixis.com (see section "Our commitments", "Intermediary/counterparty selection policy") or upon request from the portfolio management company. These transactions are systematically covered by a contract signed between the Fund and the counterparty that defines the procedures for reducing counterparty risk.

6 Deposits:
To contribute to the achievement of its management objective, the Fund may make forward deposits up to a limit of 10% of its net assets.

7 Liquid assets:
The Fund may hold liquid assets to the extent required in managing its flows.

8 Cash borrowings:
The Fund may borrow cash up to a limit of 10% of its assets.

9 Temporary purchase and sale of securities:

The Fund may carry out temporary purchases and sales of securities (also known as securities financing transactions) up to 100% of the assets. It is expected that 100% of the assets under management will be subject to securities financing transactions.

Types of transactions used	
Repurchase and reverse repurchase agreements in accordance with the French Monetary and Financial Code	X
Securities lending and borrowing in accordance with the French Monetary and Financial Code	
Other	

Types of operation, all of which must be limited to achieving the management objective	
Cash management	X
Optimisation of Fund earnings and performance	X
Possible contribution to the Fund leverage effect	X
Other	

To achieve the Fund's management objective, and more specifically for cash management purposes, as well as to optimise the Fund's income and contribute to the Fund's performance, the management company may carry out temporary purchases and sales of securities involving all the Fund's assets. Temporary purchases and sales of securities will be guaranteed pursuant to the principles set out under "Contracts constituting collateral" below.

Details of the fees associated with these transactions are given in the "Fees and commissions" section.

Information on the use of temporary sales and purchases of securities:

The purpose of using temporary sales of securities is to obtain an additional return for the Fund and therefore to contribute to its performance. Furthermore, the Fund may enter into reverse repurchase agreements as part of the reinvestment of cash collateral and/or into repurchase agreements to meet liquidity needs.
Temporary purchases and sales of securities will be guaranteed pursuant to the principles set out under "Contracts constituting collateral" below.

10 Contracts constituting collateral:

In connection with the conclusion of financial contracts and/or securities financing transactions, the Fund may receive/pay collateral in the form of a transfer of the full ownership of securities and/or cash.

Securities received as collateral must meet the criteria laid down by the regulations and must be granted by credit institutions or other entities that meet the legal, country and other financial criteria set out in the French Monetary and Financial Code.

The level of collateral and the discount policy are set by the management company's eligibility policy for collateral in accordance with the regulations in force, and include the following categories:

- Cash collateral in various currencies according to a predefined list, such as EUR and USD;
- Collateral as debt or equity securities on the basis of a specific classification.

The eligibility policy for collateral explicitly defines the level of collateral required and the discounts applied to each type of collateral on the basis of rules that depend on their specific characteristics. In accordance with the regulations in force, it also specifies the rules for the diversification of risks, correlation, valuation, credit quality and regular stress tests on the collateral's liquidity.

In accordance with the conditions set out in the regulations, in the event that collateral is received in cash, it may only be:

- placed on deposit;
- invested in high-quality government bonds;
- used in reverse repurchase agreements;
- invested in short-term money-market undertakings for collective investment (UCI).

Collateral other than in cash received may not be sold, reinvested or pledged as security.

In accordance with the valuation rules laid down in this prospectus, the management company will conduct a daily valuation of collateral received on a mark-to-market basis. Margin calls will be made on a daily basis.

The collateral received by the Fund will be held by the Fund's depositary or, failing that, by any third-party depositary that is subject to prudential supervision and that has no connection with the provider of the collateral.

The risks associated with securities financing transactions and the management of inherent collateral are described in the risk profile section.

▶ Information on the principal adverse impacts of investment decisions on sustainability factors taken into account by the Delegated Investment Manager:

Information on the principal adverse impacts of this Fund taken into account by the Delegated Investment Manager can be found in the pre-contractual information on environmental or social characteristics, attached to this prospectus and available in the Fund's annual report in accordance with Article 11(2) of Regulation (EU) 2019/2088 (the SFDR).

▶ Information on the Taxonomy Regulation (EU) 2020/852:

Information on the Taxonomy relating to this Fund can be found in the pre-contractual information on environmental or social characteristics attached to this prospectus.

▶ Risk profile:

Your money will be mainly invested in financial instruments selected by the management company. These instruments will be subject to market trends and risks.

The net asset value may vary by significant amounts due to the financial instruments included in the portfolio. This means that you may not get back all the capital you invested; this applies equally for investments made for the recommended investment period.

These risks may lead to a fall in the net asset value of the Fund.

The various risks to which the Fund may be exposed as part of its management are:

Capital risk:
Investors should be aware that the Fund's performance may not meet their objectives and that they may not recover the full amount of the capital they have invested. The Fund does not benefit from any guarantee or protection.

Discretionary management risk:
The Fund's discretionary management style is based on anticipating trends in the various markets. Consequently, there is a risk that the Fund will not be invested in the best-performing markets at all times.

Interest rate risk:
Interest rate risk is the risk of a change in the value of financial instruments arising from fluctuations in interest rates. When rates rise, the price of a bond falls. The portfolio may see its value fall even in the event of a fall in rates if its modified duration is negative.

Risk associated with emerging markets:
Market and credit risks are greater for investments in emerging countries, where market movements (both upwards and downwards) can be more pronounced and occur faster than on major international stock exchanges.

Credit risk:
Credit risk is the risk of a deterioration in the quality of an issuer (e.g. downgrading of rating due in particular to its financial and economic situation), or a default of an issuer (inability to meet its financial commitments). Consequently, credit risk is likely to lead to a fall in the value of the security from the issuer in question, and thus a drop in the Fund's net asset value. The Fund shows a credit risk due to the holding of negotiable debt securities, money market instruments and bonds, issued by public and/or private entities. However, the strict selection process for issuers limits this risk.

Specific risk of ABCPs (asset-backed commercial papers):
For these instruments, the credit risk is largely determined by the quality of the underlying assets, which may vary in nature (bank debt, debt securities, etc.). These instruments are complex and may involve legal risks and specific risks linked to the characteristics of the underlying assets. Should these risks materialise, the Fund's net asset value may fall.

Liquidity risk:
The portfolio's liquidity risk arises from the liquidity of the investment vehicles used. This may sometimes decline more or less sharply following specific or exogenous events and is likely to cause a decline in the net asset value.

Risk associated with overexposure:
Taking account of financial instruments in the portfolio, the Fund's portfolio may be overexposed in the markets in which the manager has a maximum of 100% of its net assets and this may increase the overall exposure of the Fund's portfolio in markets in which the manager is active to 200% of the Fund's net assets.
The Fund's exposure may thus amplify market movements and, consequently, the net asset value may fall to a greater extent than the market. This overexposure will not, however, be in use all the time. Any such use will be at the discretion of the manager.

Counterparty risk:
The Fund may entail a counterparty risk. Counterparty risk measures losses incurred by an entity as a result of its commitments to a counterparty in the event of the bankruptcy of that party or its inability to fulfil its contractual obligations. This risk is present in over-the-counter transactions. The risk will be limited due to a rigorous counterparty selection process.

Market risk:
This is the risk of a fall in the value of investments made by the Fund and the instruments held in its portfolio, depending on economic, political or market conditions.

Risk associated with temporary purchases and sales of securities) and the management of collateral:
Temporary purchases and sales of securities are likely to create risks for the Fund, such as the counterparty risk defined above. The management of collateral can create risks for the Fund, including liquidity risk (i.e. the risk that a security received as collateral is not sufficiently liquid and cannot be sold quickly in the event the counterparty defaults), and, as the case may be, the risks associated with the re-use of cash and securities collateral

(i.e. primarily the risk that the collateral received by the Fund cannot be returned to the counterparty in the case of securities collateral or that the counterparty cannot be reimbursed in the case of cash collateral).

Risks associated with contingent convertible bonds:
The Fund may invest in subordinated debt known as "contingent convertibles", which are fixed-income securities that include either an equity conversion option or a security depreciation option, which is exercised if the issuer's level of capital falls below a predetermined threshold. In addition to the credit risk and interest rate risk inherent in bonds, the exercise of this option may cause the Fund's net asset value to fall more significantly than would be caused by the issuer's other conventional bonds.

Equity risk:
This is the risk of depreciation of equities, linked to the equity exposure of the portfolio. A fall in equity markets could lead to a drop in net asset value.

Risks linked to specific features of the investment strategy:

Risk linked to changes in real rates:
In the event of an increase in real rates, the value of inflation-indexed bonds may fall.

Volatility risk:
The Fund may be invested in instruments of an optional nature and, as such, be exposed to fluctuations in the volatility of the various underlying instruments.

Risk linked to spread swaps:
This is the risk of underperformance of swap quotes compared to government bonds with the same maturity. This risk is present in the Fund as a result of its investments in supranational securities, agencies, Pfandbriefe, Cedulas, etc.

Sustainability risk:
This Fund is subject to sustainability risks, defined in Article 2(22) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the so-called "SFDR Regulation") as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.
The investment process implemented by the Fund manager also respects all ESG policies as determined by OSTRUM ASSET MANAGEMENT (sector-specific security exclusion policy, controversy management policy, voting policy and commitment policy). In addition, OSTRUM ASSET MANAGEMENT systematically incorporates sustainability risks into its analysis of issuers. All these policies, as well as the sustainability risk management policy, are available on the management company's website.

► Target subscribers and typical investor profile:

The units of the Fund, including A (C) units, are for all subscribers, and:
- I (C) and SI (C) units are specifically intended for institutional investors;
- N (C) units are specifically intended for investors subscribing via distributors or intermediaries that are subject to national legislation prohibiting all retrocessions to distributors or that provide an independent advisory service as defined by the European MiFID II regulation or an individual portfolio management service under mandate;
- R (C) units are specifically intended for individuals;
- RE (C) units are specifically intended for life-insurance and advisory platforms.

Minimum recommended investment period: 2 years

Subscribers residing in the territory of the United States of America are not permitted to subscribe to this Fund.

Taking into account the provisions of Council Regulation (EU) 833/2014, subscription to units of this Fund is prohibited to any Russian or Belarusian national, to any natural person residing in Russia or Belarus, and to any legal person, entity or body incorporated in Russia or Belarus, except for nationals of a member state or any natural person holding a temporary or permanent residence permit in a member state.

The amount that it is appropriate to invest in this Fund depends on the personal situation, whether regulated or unregulated, and the tax situation of each investor. To determine this amount, investors should consider their personal assets, the applicable regulations, their current and future financial needs over the recommended investment horizon, and the extent to which they are prepared to take risks or whether they would prefer to opt for a more cautious investment.

Investors/unitholders are strongly advised to sufficiently diversify their investments so that they are not exposed solely to the risks of this Fund.

► Procedure for determining and allocating distributable income:

The Fund is an accumulation mutual fund.

► Unit features:

Unit	ISIN code	Base currency	Unit division	Initial net asset value	Minimum subscription
A (C)	FR0013268968	Euro	Ten-thousandths	€10,000	€300,000,000
I (C)	FR0013231453	Euro	Ten-thousandths	€1,000	€100,000
SI (C)	FR0007053749	Euro	Ten-thousandths	€1,000	€500,000
N (C)	FR0014002LE9	Euro	Ten-thousandths	€1,000	Ten thousandth of a unit
R (C)	FR001400CFA4	Euro	Ten-thousandths	€100	1/10,000
RE (C)	FR001400KCZ1	Euro	Ten-thousandths	€100	1/10,000

► Subscription and redemption procedures:
Subscription and redemption orders can be submitted at any time and are cleared on each net asset value calculation day (D) at 12:30 p.m. at the latest. These orders are executed on the basis of the next asset value.

Orders are executed in accordance with the table below:

D	D	D: NAV calculation day	D + 1 business day	D + 2 business days	D + 2 business days
Clearing before 12:30 p.m. of subscription orders*	Clearing before 12:30 p.m. of redemption orders*	Execution of order at the latest on D	Publication of the net asset value	Settlement of subscriptions*	Settlement of redemptions*

**Unless a specific deadline has been agreed with your financial institution.*

<u>Addresses of the institutions appointed to receive subscriptions and redemptions:</u>
CACEIS Bank: 12 place des États-Unis - CS 40083 - 92549 Montrouge CEDEX, France
FundsDLT: 7 avenue du Swing, L-4367 Belvaux, Grand Duchy of Luxembourg

Unitholders are reminded that, when sending orders to FundsDLT, they must take into account that the deadline for clearing orders applies to CACEIS Bank. As a result, FundsDLT may apply its own cut-off time, which may precede the cut-off time mentioned above, so as to allow them to meet their order transmission deadline with CACEIS Bank.

▶ Date and frequency of net asset value calculation:

The net asset value is calculated on every Euronext Paris trading day, with the exception of French public holidays in accordance with the French Labour Code.

▶ Location and terms of publication and communication of net asset value:
The net asset value may be obtained from:

- the management company:

Natixis Investment Managers International
43 avenue Pierre Mendès France – 75013 Paris, France
Website: www.im.natixis.com

Redemption capping mechanism (gates mechanism):

The Management Company may implement the so-called "gates mechanism" to spread redemption requests of the Fund's unitholders over several net asset values when they exceed a certain level, determined in an objective manner.

It may decide not to execute all redemptions at the same net asset value, irrespective of the implementation of the management strategy, in the event of "unusual" market conditions degrading liquidity on the financial markets and if the interests of unitholders so dictate.

Description of the method used:

The Management Company may decide not to carry out all redemptions at the same net asset value if its predetermined threshold is reached at the same net asset value.

Fund unitholders are reminded that the threshold for triggering the gates mechanism is linked to the ratio between:
- The difference, at the same clearing date, between the number of units or shares of the undertaking for collective investment whose redemption is requested, expressed as an amount (number of units or shares multiplied by the last net asset value), and the number of units or shares of the same undertaking for collective investment for which subscription is requested or the total amount of these subscriptions; and
- The net assets or the total number of units or shares of the UCI or sub-fund in question.

Redemption capping may be triggered by the Management Company when a 5% threshold of net assets is reached.

The trigger threshold is the same for all Fund unit classes.

When redemption requests exceed the trigger threshold, the Management Company may decide to honour them beyond said threshold and thus execute some or all orders that may be blocked.

The maximum period for applying the redemption capping mechanism is 20 net asset values over three months.

Information procedures for unitholders:

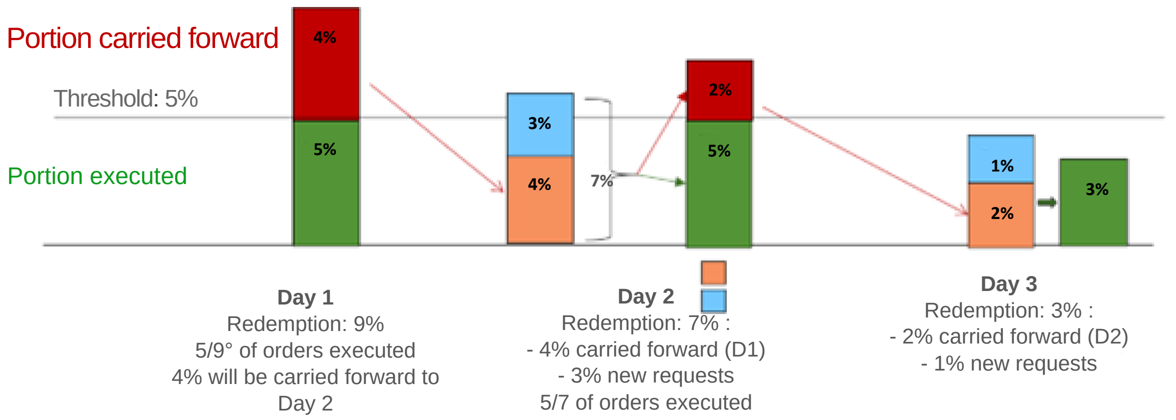
If a redemption capping mechanism is activated, unitholders will be informed by any means on the website: https://www.im.natixis.com.
The Fund's unitholders whose orders have not been executed will receive a specific notification as soon as possible.

Processing of non-executed orders:

Redemption orders will be executed in the same proportions for Fund unitholders having requested a redemption from the last clearing date. Non-executed orders will automatically be carried forward to the next net asset value and will not take priority over new redemption orders sent for execution at the following net asset value.

In any event, redemption orders that are not executed and are automatically carried forward may not be cancelled by the Fund unitholders concerned.

<u>Example of implementing the mechanism on the Fund:</u>



Day 1: Assuming that the threshold is set at 5% and that total redemption requests amount to 9% for Day 1, ≅ 4% of requests cannot be executed on Day 1 and will be carried forward to Day 2.
Day 2: Let's assume that total redemption requests amount to 7% (including 3% new requests). As the threshold is set at 5%, ≅ 2% of the requests will therefore not be executed on Day 2 and will be carried forward to Day 3.

▶ Fees and commissions:

1 - Subscription and redemption fees:

Subscription and redemption fees increase the subscription price paid by the investor or reduce the redemption price. The fees charged by the Fund serve to offset the charges it incurs when investing and divesting investors' holdings. Remaining fees are paid back to the management company, marketing agent, etc.

Fees charged to the investor, payable at the time of subscription or redemption	Base	Rate scale
Maximum subscription fee not payable to the Fund	net asset value X number of units	SI (C) units: None I (C) units: None N (C) units: 2% R (C) units: None RE (C) units: 2.5%
Subscription fee not retained by the Fund	net asset value X number of units	A (C) units: 5%
Maximum redemption fee not payable to the Fund	net asset value X Number of units	None
Redemption fee retained by the Fund	net asset value X number of units	none

Exemption:

The following are exempt from the redemption fee (including units paid to the Fund):
- the management company and
- subscription/redemption transactions carried out on the basis of the same net asset value and for the same amount.

2 - Management fees:

These fees cover:
- Financial management fees;
- Operating and service fees (statutory auditor, depositary, distribution, lawyers).

I. All fund registration and listing fees

- All costs related to the registration of the UCI in other Member States (including costs charged by advisers (lawyers, consultants etc.) for carrying out marketing procedures with the local regulator on behalf of the portfolio management company);
- UCI listing fees and publication of net asset values for investor information;
- Distribution platform fees (excluding retrocessions); agents in foreign countries involved in distribution: local transfer agent, paying transfer agent, facility agent etc.

Fund promotion fees, such as advertising, customer events and retrocessions to distributors, are excluded

II. All customer and distributor information costs

- Costs of compiling and distributing KIIDs/KIDs/prospectuses and regulatory reports;
- Costs related to the disclosure of regulatory information to distributors;

- Provision of information to unitholders by any means (publication in the press, other);
- Information specific to direct and indirect unitholders: letters to unitholders etc.;
- Website administration costs;
- Translation fees specific to the UCI.

Letters to unitholders are excluded if they relate to mergers, absorptions and liquidations.

III. All data charges
- Licensing costs of the benchmark index used by the UCI;
- Costs of data used for redistribution to third parties (e.g. reuse of issuer ratings, index compositions, data etc.);
- Costs arising from specific client requests (e.g. a request to add two specific non-financial indicators to the reporting as requested by the client);
- Data charges for single products that cannot be amortised over several portfolios. Example: an impact fund requiring specific indicators;
- Audit fees and label promotion costs (e.g. SRI label, Greenfin label).

This excludes research fees in the interest of maintaining the current approach of displaying research fees outside the table described in Annex XIV of AMF Instruction 2011-19 and financial and non-financial data charges for financial management (e.g. Bloomberg messaging service and data visualisation).

IV. All custodian, legal, audit, tax fees etc.
- Statutory auditors' fees;
- Fees related to the custodian;
- Fees related to account-holders;
- Fees related to the delegation of administrative and accounting management;
- Audit fees;
- Tax expenses including lawyers and external experts (recovery of withholding taxes on behalf of the Fund, local tax agent etc.);
- Legal fees specific to the UCI;
- Guarantee fees;
- Costs of creating a new sub-fund that can be amortised over five years.

- Maximum indirect costs (commissions and management fees) if the Fund invests more than 20% of its assets in other UCITS or investment funds;
- Transfer fees;
- Performance fees.

Fees invoiced to the Fund:	Base	Interest rate scale
Financial management fees	Net assets	A (C) units: Maximum rate of 0.13% incl. tax I (C) units: Maximum rate of 0.35% incl. tax R (C) units: Maximum rate of 0.40% incl. tax SI (C) units: Maximum rate of 0.20% incl. tax N (C) units: Maximum rate of 0.20% incl. tax RE (C) units: Maximum rate of 0.65% incl. tax
Operating and service fees	Net assets	Maximum rate of 0.05% incl. tax
Transaction fees (100% paid to the management company)	None	None
Performance fee	Positive difference between valued assets and reference assets	For A (C), I (C) and RE (C) units: None For SI (C), N (C) and R (C) units: 20% incl. tax of the performance relative to the index method defined below

<u>Method for calculating performance fee</u>

Model for calculating the performance fee, for SI (C), N (C) and R (C) units only:

The performance fee applicable to a particular unit class is calculated according to an "indexed asset" approach, i.e. based on a comparison of the Fund's valued assets and its reference assets that serves as the basis for calculating the performance fee.
The Fund's valued assets are defined as the Fund's assets in accordance with the rules applicable to assets and after taking into account actual operating and management fees.
The Fund's reference assets are the assets recorded on the start date of the reference period, adjusted to take into account the (same) amounts of subscriptions/redemptions applicable at each valuation and valued in accordance with the performance of the benchmark index of the Fund.

The benchmark index used to calculate the performance fee is the capitalised €STR at closing price, denominated in euros, plus 0.50% per year for SI (C) and N (C) units, and 0.40% for R (C) units.

Performance reference period:
The reference period, which corresponds to the period during which the performance of the Fund is measured and compared to that of the benchmark index, is capped at five years. The management company shall ensure that, over a management period of up to five (5) years, any underperformance of the Fund in relation to the benchmark index is compensated for before performance fees become payable;
The start date of the reference period and starting value of the performance reference assets will be reset if underperformance has not been compensated for and ceases to be relevant as the five-year period elapses.

For information purposes, the start date of the five-year performance reference period begins on 1 January 2022 for SI and N units.
The R unit performance reference period starts on DD MM 2022.

Definition of the observation period and crystallisation frequency:
1/ The observation period corresponds to the financial year, running from 1 January to 31 December.
2/ The crystallisation frequency is the frequency at which a provisioned amount is considered definitive and payable.

The performance fee is crystallised (paid) once a year at the end of each financial year according to the calculation method described below:

- If, during the observation period, the Fund's valued assets are higher than the reference assets above, the variable portion of the management fees will represent up to 20% inclusive of tax of the difference between these two assets.
- If, over the observation period, the Fund's valued assets are lower than the reference assets, the variable portion of the management fees will be zero.
- If, during the observation period, the Fund's valued assets are higher than the reference assets, this difference will be subject to a provision for variable management fees at the time of the net asset value calculation.

If this is not the case, the previously approved provision will be reduced accordingly.
Reductions in provisions must not exceed the previous allocations.

This performance fee is only collected at the end of the accounting period if, over the elapsed period, the Fund's valued assets exceed the reference assets at the time of the final net asset value for the reference period.

In the event of redemption, the portion of the provision corresponding to the number of shares redeemed is permanently retained by the management company.

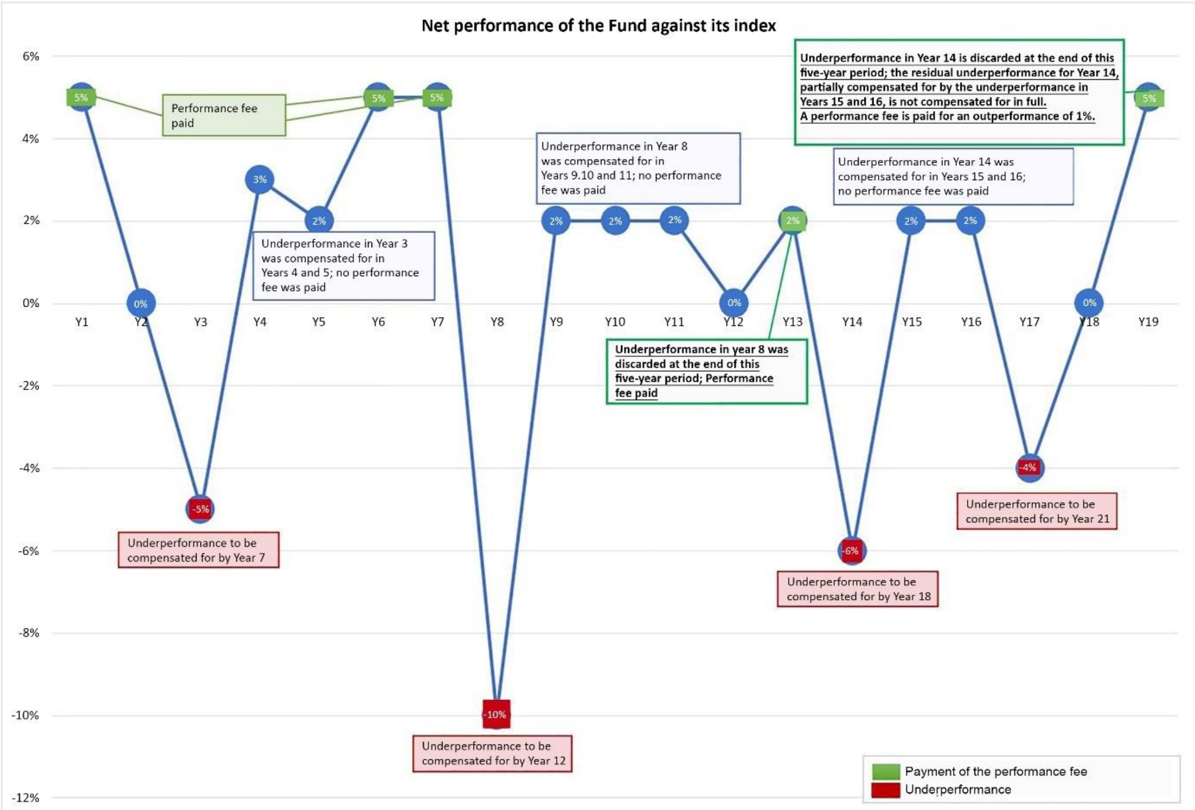
Summary of the different cases where the performance fee is or is not charged:

Case	Performance of the Fund	Performance of the index	Configuration	Performance fee charged?
No. 1	Positive	Positive	The Fund outperforms its index over the reference period (Fund performance > Index performance)	YES
No. 2	Positive	Negative		YES
No. 3	Negative	Negative		NO
No. 4	Positive	Positive	The Fund underperforms its index over the reference period (Fund performance < Index performance)	NO
No. 5	Negative	Positive		NO
No. 6	Negative	Negative		NO

Example of calculating and charging a 20% performance fee:

Year No. (year-end date)	Performance of the Fund's assets at year-end	Performance of the reference assets at year-end	Underperformance/Outperformance recorded	Underperformance to be compensated for from the previous year	Payment of performance fee	Comments
31 December of Year 1	10%	5%	Performance of +5% Calculation: 10% - 5%	X	Yes 5% x 20%	
31 December of Year 2	5%	5%	Net performance of 0% Calculation: 5% - 5%	X	No	
31 December of Year 3	3%	8%	Underperformance of -5% Calculation: 3% - 8%	-5%	No	Underperformance to be compensated for by Year 7
31 December of Year 4	4%	1%	Performance of +3% Calculation: 4% - 1%	-2% (-5% + 3%)	No	
31 December of Year 5	2%	0%	Performance of +2% Calculation: 2% - 0%	0% (-2% + -2%)	No	Underperformance from Year 3 rectified
31 December of Year 6	-1%	-6%	Performance of +5% Calculation: -1% - (-6%)	X	No (5% x 20%)	
31 December of Year 7	4%	-1%	Performance of +5% Calculation: 4% - (-1%)	X	Yes (5% x 20%)	

31 December of Year 8	-10%	+0%	Underperformance of -10% Calculation: -10% - 0%	-10%	No	Underperformance to be compensated for by Year 12
31 December of Year 9	-1%	-3%	Performance of 2% Calculation: -1% - (-3%)	-8% (-10% + 2%)	No	
31 December of Year 10	-5%	-7%	Performance of +2% Calculation: -5% - (-7%)	-6% (-8% + 2%)	No	
31 December of Year 11	0%	-2%	Performance of +2% Calculation: 0% - (-2%)	-4% (-6% + 2%)	No	
31 December of Year 12	1%	1%	Net performance of +0% Calculation: 1% - 1%	-4%	No	The underperformance from Year 12 to be carried over to the following year (13) is 0% (not -4%). The residual underperformance (-10%) from Year 8 has not been compensated for (-4%) at the end of the five-year period. It is therefore discarded.
31 December of Year 13	4%	2%	Performance of +2% Calculation: 4% - 2%	No	Yes (2% x 20%)	
31 December of Year 14	1%	7%	Underperformance of -6% Calculation: 1% - 7%	-6%	No	Underperformance to be compensated for by Year 18
31 December of Year 15	6%	4%	Performance of +2% Calculation: 6% - 4%	-4% (-6% + 2%)	No	
31 December of Year 16	5%	3%	Performance of +2% Calculation: 5% - 3%	-2% (-4% + 2%)	No	
31 December of Year 17	1%	5%	Underperformance of -4% Calculation: 1% - 5%	-6% (-2% + -4%)	No	Underperformance to be compensated for by Year 21
31 December of Year 18	3%	3%	Net performance of 0% Calculation: 3% - 3%	-4%	No	The underperformance from Year 18 to be carried over to the following year (19) is -4% (not -6%). The residual underperformance (-6%) from Year 14 has not been compensated for at the end of the five-year period. It is therefore discarded.
31 December of Year 19	7%	2%	Performance of 5% Calculation: 7% - 2%	X + 1% (-4% + 5%)	Yes (1% x 20%)	The underperformance from Year 18 has been rectified



Description of the procedure for selecting intermediaries:

The management company has implemented a selection and assessment procedure for intermediaries, which takes into account such objective criteria as quality of research, commercial monitoring and execution. This procedure can be found on the Natixis Investment Managers International website at www.im.natixis.com (under the section "Our commitments", "Intermediary/counterparty selection policy").

Information on remuneration generated by temporary purchases/sales of securities:

Any proceeds resulting from the temporary purchase and sale of securities are paid to the Fund, net of operational costs.
Temporary sales of securities may be transacted with NATIXIS TradEx Solutions, a company belonging to the management company's group. In certain cases, such transactions may be made with market counterparties through the intermediary of NATIXIS TradEx Solutions. NATIXIS TradEx Solutions shall receive remuneration equal to 40% inclusive of tax of the income generated by temporary purchases and sales of securities.

Information on risks of potential conflicts of interest associated with the use of temporary purchases/sales of securities:
The delegated financial manager has entrusted the intermediation service to NATIXIS TradEx Solutions, a French public limited company ("société anonyme") with share capital of €15 million; NATIXIS TradEx Solutions obtained a banking licence for investment services from the ACPR on 23 July 2009. Both companies belong to the same group.

The purpose of this organisation is to provide an intermediation service (i.e. receipt/transmission and execution of orders for third parties) primarily with the Group's management companies.

As part of its activities, the delegated financial manager is required to place orders for the portfolios it manages. The delegated financial manager transmits almost all of its orders for financial instruments arising as a result of management decisions to NATIXIS TradEx Solutions.

In order to improve the portfolios' yields and financial income, the delegated financial manager may use securities borrowing/lending transactions and repurchase/reverse repurchase agreements. Almost all temporary purchases/sales of securities are also carried out by NATIXIS TradEx Solutions. Furthermore, the portfolios may enter into repurchase arrangements to replace collateral received in cash under these temporary purchases and sales of securities.

NATIXIS TradEx Solutions may act as "principal" or "agent". Acting as a "principal" corresponds to acting as a counterparty to portfolios managed by the delegated financial manager. Acting as "agent" corresponds to NATIXIS TradEx Solutions working as an intermediary between the portfolios and market counterparties. These may be entities belonging to the management company's group or to the depositary's group.
The volume of temporary sales transactions handled by NATIXIS TradEx Solutions means that it has sound knowledge of this market and the portfolios managed by the delegated financial manager are thus able to benefit from this knowledge.

For more information on risks, please consult the "Risk profile" and "Information on collateral" sections.

III. COMMERCIAL INFORMATION

COMMUNICATION OF THE PROSPECTUS AND ANNUAL AND INTERIM DOCUMENTS

• These documents will be sent to unitholders upon written request to:
Natixis Investment Managers International
Direction "Services Clients"
43 avenue Pierre Mendès France - 75013 Paris, France
Website: ClientServicingAM@natixis.com
These documents will be sent out within one week.

COMMUNICATION OF NET ASSET VALUE

The net asset value can be obtained from Natixis Investment Managers International

COMMERCIAL DOCUMENTATION

Commercial documentation is available to the Fund's unitholders and subscribers at NATIXIS branches and online at www.im.natixis.com.

NOTIFICATION OF CHANGES TO THE FUND'S OPERATING PROCEDURES

Unitholders are informed of any changes concerning the Fund in line with the procedures drawn up by the Autorité des marchés financiers (AMF).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CRITERIA:

Information on the procedures for taking into account criteria relating to compliance with environmental, social and governance (ESG) quality objectives can be found in the annual reports of the relevant UCITS and on the management company's website.

IV. INVESTMENT RULES

RATIOS APPLICABLE TO THE FUND

The UCITS complies with the investment rules for UCITS enacted by the French Monetary and Financial Code.

V. OVERALL RISK

The calculation method used by the Fund is the commitment method.

VI. ASSET VALUATION AND ACCOUNTING RULES

A Asset valuation rules

I Securities portfolio

The management company has delegated accounting management (including valuation of the Fund's portfolio) to CACEIS Fund Administration.

The Fund's portfolio is valued each time the net asset value is calculated and when the accounts are closed, at the closing price.

The Fund's annual financial statements are drawn up on the basis of the final net asset value for the financial year.

The Fund complies with the accounting rules and methods prescribed by current regulations and with the UCI's chart of accounts, which are as follows on the prospectus publication date:

Equities
French equities are valued on the basis of the latest quoted price in the case of securities admitted to a deferred settlement system or a spot market.
Foreign shares are valued on the basis of the latest price on the Paris stock exchange if the securities are listed in Paris, or on the last trading day of their main market, converted into euros in accordance with the WMR rate for the currency on the day of valuation.

Bonds
Bonds are valued on the basis of an average of contributed prices obtained daily from market makers and converted into euros, if necessary, at the WMR rate for the currency on the valuation date.

Transferable securities
Transferable securities for which the price has not been recorded on the valuation date or has been adjusted are valued by the management company at their likely trading value.

In the case of transferable securities that are not listed or those for which a price is not listed on the valuation date, as well as other items on the balance sheet, the management company adjusts its valuation on the basis of variations that seem likely in view of current events. These valuations and their justifications are disclosed to the statutory auditor when audits are carried out.
Foreign securities are converted into the equivalent value in euros at the WMR rate on the valuation date.

UCITS and AIFs

Units or shares of UCITS/AIFs are valued at the last known net asset value. Foreign undertakings for collective investment that carry out valuations at times that are incompatible with the calculation of the Fund's net asset value are valued on the basis of estimates supplied by the administrators of the undertakings, under the supervision and responsibility of the management company.

Negotiable debt securities:

Negotiable debt securities are valued in accordance with the following rules:
- BTANs (fixed-rate, annual interest treasury bills) and BTFs (fixed-rate bills) are valued based on an average of contributed prices obtained from market makers,
- unlisted variable-rate debt securities are valued at cost price, adjusted to take into account any potential variations in credit spreads.
- other fixed-rate negotiable debt securities (short-term negotiable securities of financial institutions, etc.) are valued based on their market price.

In the absence of an indisputable market price, transferable debt securities are valued by applying a yield curve, adjusted if necessary by a margin calculated on the basis of the characteristics of the security (of the issuer).

Temporary purchases and sales of securities

Contracts for temporary purchases and sales of transferable securities and equivalent transactions are valued at the contract rate, adjusted for any margin calls (valued in accordance with the conditions set out in the contract). In the case of transferable securities that are not listed or those for which a price is not listed on the valuation date, as well as other items on the balance sheet, the Executive Board of the management company adjusts the valuation on the basis of variations that are likely in view of current events.

Certain fixed-rate transactions with a maturity of over three months may be valued at the market price.

2 Futures and options transactions

Organised futures and options markets
Derivatives listed on an organised market are valued on the basis of the settlement price.

Swaps
Asset swaps are valued at market price, based on the issuer's credit spread, as indicated by the market makers. In the absence of a market maker, the spreads are obtained by any means from the available contributors.

Other swaps are valued at market price based on yield curves.

Complex instruments such as CDS, SES or complex options are valued according to their type using an appropriate method.

Forward exchange contracts:

These are valued at the exchange rate for the currencies on the valuation date, allowing for the amortisation of the carry-forward/discount.

3 Off-balance sheet commitments
Off-balance sheet commitments are valued as follows:

A) Commitments on futures markets:

1) Futures:
Commitment = settlement price x nominal contract value x quantity

With the exception of commitments under the Euribor contract traded on MATIF, which are recorded at their nominal value.

2) Swap commitments:
a) Interest rate swaps

interest rate swaps
.secured:
° Fixed rate/Variable rate
- valuation of the fixed-rate portion at the market price
° Variable rate/Fixed rate
- valuation of the variable-rate portion at the market price

.unsecured:
° Fixed rate/Variable rate
- valuation of the fixed-rate portion at the market price
° Variable rate/Fixed rate
- valuation of the variable-rate portion at the market price

b) Other swaps
These will be valued at their market value.

B) Commitments on options markets:
Commitment = quantity x nominal contract value (portion) x price of underlying x delta.

4 Currencies
Foreign currency prices are converted into euros at the WMR rate for the currency on the valuation date.

5 Unlisted financial instruments and other securities

- Financial instruments whose price has not been recorded on the valuation date are valued at the most recent officially published price or at their likely trading value, under the responsibility of the management company.

- Foreign securities are converted into the equivalent value in euros, in accordance with the WMR rate on the valuation date.

- The management company is responsible for appraising financial instruments not traded on a regulated market at their likely trading value.

- Other financial instruments are appraised at their market value as calculated by the counterparties, under the supervision and responsibility of the management company.

The valuations of unlisted financial instruments and the other securities referred to in this paragraph, together with the justifications for them, are passed on to the Statutory Auditor during their audits.

⇒ ***Swing-pricing mechanism of the net asset value with trigger threshold (applicable since 10 October 2016)***

On 10 October 2016, the management company implemented a method of adjusting the net asset value (NAV) with a trigger threshold.

This mechanism means that investors subscribing or redeeming units must bear the costs relating to transactions made using the Fund's assets as a result of the movement (subscription/redemption) of Fund liabilities. The purpose of this mechanism, which is governed by a policy, is to protect the holders who remain in the Fund by making them bear the lowest possible cost. This results in the calculation of an adjusted ("swung") NAV.

If, on a NAV calculation date, the total net subscription/redemption orders of investors over all the Fund's unit classes exceeds a predetermined threshold, on the basis of objective criteria by the management company as a percentage of net assets, the NAV may be adjusted upwards or downwards, to take into account readjustment costs attributable to net subscription/redemption orders, respectively. If the Fund issues more than one unit class, the NAV of each unit class is calculated separately, but any adjustment has the same impact on the total NAV of the unit classes of the Fund.

The cost parameters of readjustments and of the trigger threshold are determined by the management company and reviewed periodically. These costs are estimated by the management company on the basis of the transaction costs, the purchase and sale spreads, and any taxes applicable to the Fund.

It is not possible to predict accurately whether the adjustment mechanism will be applied in the future or the frequency at which the management company will make such adjustments.

Investors are notified that the volatility of the Fund's NAV may not reflect simply that of the securities held in the portfolio, due to the application of the adjustment mechanism.

The "swung" NAV is the Fund's only net asset value and the only one communicated to the Fund's unitholders. However, in the event of a performance fee, this is calculated on the NAV before the adjustment mechanism is applied.

B Accounting methods

Income is recognised using the accrued income method.

Trading fees are recorded in the specific Fund accounts and are not included in the price.

The weighted average cost method is used for the settlement of securities. For derivative products, however, the FIFO (First In, First Out) method is used.

The net asset value preceding a non-trading period (weekends and public holidays) does not take into account the accrued interest for this period. The date shall be the last day of the trading period.

VI. ADDITIONAL INFORMATION

The Fund was created on 27 November 2000. It was converted into a contractual Fund on 11 February 2013. The Fund was then approved by the AMF on 8 September 2015 as part of its conversion into a Retail Investment Fund on 21 September 2015.

The Fund's prospectus and the latest annual and interim reports will be sent to the unitholder within one week of receipt of a written request to:

- Natixis Investment Managers International
43 avenue Pierre Mendès France 75013 Paris, France
Email: ClientServicingAM@natixis.com

The "Voting Policy" document is available on the Natixis Investment Managers International website: www.im.natixis.com.

The AMF's website (www.amf-france.org) contains additional information on the list of regulatory documents and all the provisions relating to investor protection.

The subscriber must receive the latest prospectus before subscribing.

VII. REMUNERATION

Details of the remuneration policy are available at www.im.natixis.com.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Product name: OSTRUM SRI CREDIT ULTRA SHORT PLUS
Legal entity identifier: 969500H7AHAGHSHCCC18

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	X 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 3% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make sustainable investments**

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.

What environmental and/or social characteristics are promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The fund promotes environmental and social characteristics by implementing an ESG (Environment, Social, Governance) strategy based on the selection of issuers to improve the ESG profile of the portfolio in a measurable and meaningful way. These characteristics are based on the following approach:

- Excluding controversial sectors and issuers through the delegated management company's sectoral, exclusion and controversy management policies;
- Holding at least 3% in sustainable investments.
- Selecting the highest-rated issuers based on an ESG rating with the objective of:
  - ensuring that the portfolio's average ESG score remains better than that of its initial filtered investment universe*;

- maintaining a portfolio carbon intensity that is lower than that of the initial investment universe;

These calculations are made excluding non-eligible assets within the meaning of the SRI label.

*The filtered initial investment universe is defined as the initial investment universe (50% Bloomberg Euro Corporate Bond 1-3 Years (I02134EU Index) + 50% Bloomberg Euro High Yield 1-3 Years BB (H28963EU Index)), which excludes 20% of issuers with the lowest ESG ratings within each issuer category (including the most controversial issuers according to Ostrum's exclusion and sectoral policies and the lowest-rated issuers) and sovereign debt

The non-financial rating of issuers, which applies to all asset classes, is based on four pillars that enables a pragmatic, differentiating analysis:

- Responsible governance: this pillar aims to assess the organisation and effectiveness of powers within each issuer (for example, for companies: to evaluate the balance of powers, executive remuneration, business ethics or tax practices).
- Sustainable management of resources: this pillar makes it possible, for example, to study the environmental impacts and human capital of each issuer (e.g. quality of working conditions, management of relations with suppliers).
- Energy transition: this pillar makes it possible, for example, to assess each issuer's energy transition strategy (e.g. greenhouse gas reduction approach, response to long-term issues).
- Territorial development: this pillar makes it possible, for example, to analyse each issuer's strategy for access to basic services.

No reference index has been designated with the aim of achieving the environmental or social characteristics promoted by the Fund.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

- Average ESG rating of the portfolio
- Average ESG rating of the initial filtered investment universe
- Carbon intensity of the portfolio
- Carbon intensity of the initial investment universe
- Proportion of sustainable investments

These calculations are made excluding non-eligible assets within the meaning of the SRI label.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Sustainable investment is an investment in an economic activity that contributes to an environmental or social objective. As part of its sustainable investments, the fund may invest in green bonds or sustainability-linked bonds whose funds raised finance activities that contribute to an environmental objective and/or in social bonds whose funds raised finance activities that contribute to a social objective.

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.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

In order to ensure that the sustainable investments of this fund do not cause any significant harm to a sustainable environmental or social objective, the manager considers the principal adverse impacts (PAIs) on sustainability factors when making investment decisions.

The methodology is available on the Ostrum website at https://www.ostrum.com/en/our-csr-and-esg-publications

In addition, the manager applies Ostrum Asset Management's exclusion policies

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

Ostrum AM takes PAIs into account on several levels, as described in the methodology that appears on the Ostrum AM website https://www.ostrum.com/en/our-csr-and-esg-publications and summarised below:

1. Quantitative measurement of PAIs

Each PAI (mandatory and optional) is calculated using data supplied by the data provider MSCI ESG Research for each issuer and aggregated at portfolio level.

2. ESG and Human Rights indicators and ESG ratings supplied by an external data provider

Ostrum AM takes into account PAIs corresponding to indicators monitored by the portfolio by integrating them into its rating methodology or establishing a fund-specific investment restriction.

For example, the fund's carbon intensity is monitored and must be lower than that of its filtered investment universe (these calculations exclude ineligible assets as defined by the French SRI label)

3. Sectoral and exclusion policies

Ostrum AM's exclusion and sectoral policies mean that any sector or issuer that does not comply with given criteria, some of which are directly linked to certain PAIs (for example, the exclusion of coal is linked to carbon emissions), can be excluded from the investment universe.

4. Engagement policy and campaigns

Ostrum AM uses its engagement policy and campaigns to influence companies and thereby mitigate the negative impact of its investment decisions on environmental, social, human rights and anti-corruption issues

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

The delegated investment manager applies exclusion, sectoral and worst offenders policies. They concern:

- Controversial weapons: Regulatory exclusion: issuers involved in the employment, development, production, marketing, distribution, storage or transfer of anti-personnel mines (APMs) and cluster munitions (CMs)*

  in accordance with the treaties signed with the French government, funds directly managed by Ostrum Asset Management do not invest in companies that produce, sell or store anti-personnel mines and cluster munitions.

- Worst offenders: Exclusion of issuers that do not meet certain fundamental criteria

- Blacklisted states: Exclusion of countries with strategic deficiencies in their anti-money laundering and anti-terrorist financing arrangements

- Oil & gas:

  - 2022: end of new investments in companies where more than 10% of production is related to these activities.

  - Complete exit from unconventional and/or controversial oil and gas exploration and production by 2030

- Tobacco: Exclusion of tobacco manufacturers and producers

- Coal: end of investments in companies according to strict criteria

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

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

X Yes

The Fund takes into account the 14 principal adverse impacts listed in Annex 1 on reporting the principal adverse impacts on sustainability of Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022.

The methodology is available on the Ostrum AM website at https://www.ostrum.com/en/our-csr-and-esg-publications.

If one or more PAIs are monitored by the fund, they are taken into consideration by the Delegated Investment Manager when analysing private or equivalent sovereign issuers and form part of the overall score that contributes to the investment decision.

For example, the management objective for the carbon intensity of the portfolio is to be below that of the initial investment universe.

☐ No

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

What investment strategy does this financial product follow?

The Fund's SRI investment strategy is based on the following four components:

1) Application of sectoral policies and exclusion lists put in place by the delegated management company, such as:

   - regulatory exclusions
   - sectoral and exclusion policies (for example: tobacco, coal, controversial weapons etc.)

- exclusion of "worst offenders": the delegated management company undertakes to exclude from its investments the assets and financial instruments from all types of issuers that have committed proven and serious infringements of a set of core standards of responsibility

2) ESG incorporation

The Fund takes non-financial criteria into account for all portfolio lines, including environmental, social and governance (ESG) criteria. The investment teams systematically assess, for each underlying issuer, whether the non-financial factors have an impact on the development and sustainability of the issuer, both in terms of risk and opportunity, as well as the likelihood of material events occurring, if applicable. Therefore, the objective is to assess the materiality of specific criteria and their impacts on the overall assessment of issuers. ESG factors are thus systematically incorporated into the risk assessment and the fundamental analysis of both private and public issuers. Being private sector issuers, the ESG incorporation process is based on the delegated management company's belief that material ESG factors, just like any other material factor, can have an impact on an issuer's credit risk and accordingly influence the assessment of its core standards. The credit incorporation process is a combination of an "issuer-by-issuer" approach and a sector-based approach. Qualitative and quantitative ESG factors are systematically integrated into the analysis of issuers, both in terms of risks and opportunities, as soon as they are considered to be material regarding sustainability for the issuer. The details of Ostrum's ESG incorporation policy can be found on its website. The proportion of issuers in the portfolio that issue securities "eligible" for the SRI label and are subject to an ESG analysis must remain above 90% of net assets.

3) Non-financial analysis of issuers

The Fund's SRI analysis covers at least 90% of net assets, calculated on securities eligible for SRI analysis: debt securities issued by private and quasi-public issuers. Although securities issued by public issuers are subject to ESG assessment, the results of the assessment are not measurably reflected in the SRI strategy described below. These government securities may represent up to 20% of the Fund's net assets.

The analysis of the eligible universe is based on a tool with multiple non-financial rating sources made available to the delegated management company.

The manager analyses a set of quantitative and qualitative indicators based on the environmental, social and governance pillars. The following examples are provided for information purposes only.

The non-financial rating of both private and quasi-public issuers is based on four pillars allowing for a pragmatic and differentiating analysis:

- Responsible governance: this pillar aims to assess the organisation and effectiveness of powers within each issuer (for example, for companies: to evaluate the balance of powers, executive remuneration, business ethics or tax practices).
- Sustainable management of resources: this pillar makes it possible, for example, to study the environmental impacts and human capital of each issuer (e.g. quality of working conditions, management of relations with suppliers).
- Energy transition: this pillar makes it possible, for example, to assess each issuer's energy transition strategy (e.g. greenhouse gas reduction approach, response to long-term issues).
- Territorial development: this pillar makes it possible, for example, to analyse each issuer's strategy for access to basic services.

Several criteria are identified for each pillar and monitored through indicators collected from non-financial rating agencies. Ultimately, the delegated management company is the sole judge of the non-financial quality of the issuer, which is expressed in a final rating of between 1 and 10, with the SRI score of 1 representing high non-financial quality and 10 representing low non-financial quality.

SRI selection process for issuers

The Fund has received the SRI label. As such, the fund uses SRI criteria to select issuers to improve ESG performance in a sustainable and meaningful way, using the "average rating" method. More specifically, the SRI selection process for issuers must allow the fund's portfolio to maintain an average ESG rating over time that is better than that of the initial investment universe used for comparison, defined as follows:

- For 50%: Bloomberg Euro Corporate Bond 1-3 Years index, from which the 20% of issuers with the lowest ESG ratings will be excluded (including the most controversial issuers according to Ostrum's exclusion and sectoral policies, as well as the lowest-rated issuers).
- For 50%: Bloomberg Euro High Yield 1-3 Years BB index, from which the 20% of issuers with the lowest ESG ratings will be excluded (including the most controversial issuers according to Ostrum's exclusion and sectoral policies, as well as the lowest-rated issuers).

It should be noted that, unless any specific exclusions have been decided by the delegated management company, all securities of the above indices and all other securities meeting the quantitative or qualitative criteria set out in "1) Description of the strategies used" are eligible for the fund's portfolio.

At the same time, for each of the SRI pillars—Environment, Social, Governance, Human Rights—the delegated management company has defined a specific indicator that will be used to measure and compare the fund's portfolio and the initial investment universe. These indicators are described in detail in the fund's Transparency Code.

The fund must also score better than its universe for indicator E:

- maintaining a portfolio carbon intensity that, weighted by outstanding amounts, is lower than the carbon intensity of the initial investment universe.

These calculations are made excluding non-eligible assets within the meaning of the SRI label.

The Fund's SRI approach could lead to underrepresentation in certain sectors due to poor ESG ratings or even the application of the sectoral exclusion policy.

Limitations of the selected approach: the desire to improve the SRI profile of the fund's portfolio according to the investment process described above may result in underrepresentation of certain sectors due to a poor ESG rating or due to the sector exclusion policies, as well as less diversification of issuer risk due to the need to comply with various constraints, particularly the average rating.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

- Ensuring that the average ESG score of the portfolio, weighted by outstanding amounts, remains better than the average ESG score of the filtered initial investment universe;
- Maintaining a portfolio carbon intensity that, weighted by outstanding amounts, is lower than the carbon intensity of the initial investment universe;
- Holding at least 3% in sustainable investments.
- Applying the following non-exhaustive list of ESG policies put in place by Ostrum Asset Management:
  - Sectoral policies,
  - Exclusion policies,
  - Controversy management policies (including ethical controversies with the "Worst Offenders" policy, which includes governance issues).

These calculations are made excluding non-eligible assets within the meaning of the SRI label.

Ostrum AM's exclusion, sectoral and worst offenders policies can be found at www.ostrum.com.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

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

Governance considerations are taken into account in both the analysis and selection of issuers carried out by the delegated management company, Ostrum AM.

- The "worst offenders" policy that excludes all companies proven to contravene the main principles of internationally established standards as regards human rights (United Nations, OECD), in particular with regards to aspects of governance and labour rights, and/or business ethics (corruption etc.). The "worst offenders" policy is available on the Ostrum AM website at https://www.ostrum.com/en/our-csr-and-esg-publications
- Credit analysis, which includes a determination of the ESG materiality score specific to each private issuer in order to determine the possible impacts on the company's risk profile,
- The ESG rating of private issuers is taken into account by managers in

their selection of securities (responsible corporate governance is one of the four pillars of the rating methodology used).

The "Responsible governance" pillar aims in particular to assess the organisation and effectiveness of powers within each issuer (for example, for companies: evaluating the balance of powers, executive remuneration, business ethics or tax practices).

Each issuer has an overall rating and a pillar-specific rating. The rating is updated every six months to take into account the updated indicators supplied by the data providers.

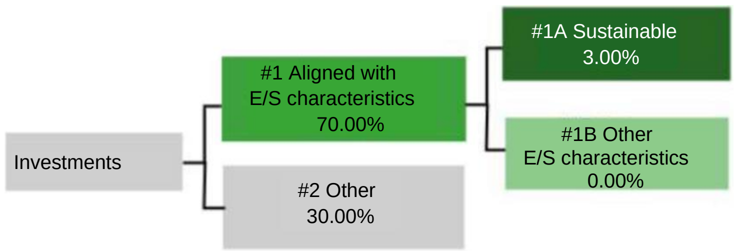
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The share of investments aligned with E/S characteristics is at least 70% of which a minimum of 3% in sustainable investments

The fund may invest up to a maximum of 30% of its net assets in instruments that are not aligned with the E and S characteristics

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product that are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:
- The sub-category #1A Sustainable covers sustainable investments with environmental or social objectives.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to achieve the environmental or social characteristics promoted by the Fund.

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

The delegated management company deems it preferable, as a precaution, to state that the percentage of the Fund's investments in activities aligned with the environmental and social objectives of the Taxonomy is 0% of the Fund's net assets, at the date of this appendix. However, this position will be re-examined as the underlying rules are finalised and the availability of reliable data increases over time.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

Transitional activities are activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best possible performance, among other factors.

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

☐ Yes:

☐ In fossil gas ☐ 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.

1. Taxonomy-alignment of investments **including sovereign bonds***

- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (no fossil gas and nuclear)
- Non Taxonomy-aligned

2. Taxonomy-alignment of investments **excluding sovereign bonds***

- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (no fossil gas and nuclear)
- Non Taxonomy-aligned

This graph represents 100% of the total investments.

**** For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures***

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

The minimum share of sustainable investments with a taxonomy-aligned environmental objective is 0%. Therefore, the minimum share of investments in transitional and enabling activities within the meaning of the European Taxonomy Regulation is also set at 0%.

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

What is the minimum share of sustainable investments with an

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

environmental objective that are not aligned with the EU Taxonomy?

Sustainable investments are green bonds, social bonds or sustainability linked bonds that contribute to an environmental and/or social objective but no minimum investment in sustainable investments with an environmental and/or social objective is applied.

What is the minimum share of socially sustainable investments?

Sustainable investments are green bonds, social bonds or sustainability-linked bonds that contribute to an environmental and/or social objective but no minimum investment in sustainable investments with an environmental or social objective is applied

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The following investments are included in “#2 Other”: sovereign debt (excluding green), securities without an ESG rating or securities with no carbon intensity indicator, liquid funds (excluding uninvested cash), the proportion of unaligned UCIs, futures (derivatives) traded on regulated markets or OTC for hedging and/or exposure purposes, and reverse repurchase agreements for cash management and optimisation of fund income and performance.

Information on the list of asset classes and financial instruments used and their use can be found in this prospectus under the heading “Description of the asset classes and financial instruments in which the UCITS intends to invest”

Minimum environmental or social safeguards are not systematically applied.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

N/A.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  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 additional product-specific information online?

More product-specific information can be found on the website:

https://www.ostrum.com/en/fund/1873/ostrum-sri-credit-ultra-short-plus